

COMMUNITY DEVELOPMENT AUTHORITY  
OF THE CITY OF STEVENS POINT

1300 Briggs Court, Stevens Point, WI 54481

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HI-RISE MANOR  
MADISON VIEW  
SCATTERED SITES  
EDGEWATER MANOR

**AGENDA**

**COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF STEVENS POINT**

Date: June 11, 2013, 4:00 PM

Location: City Conference Room, 1515 Strongs Avenue, Stevens Point, WI 54481

1. Roll call.

Discussion and possible action on the following:

2. Reports of the May 7, 2013 and May 21, 2013 meetings.
3. Payments for January – May 2013.
4. Accounts receivable write-offs.
5. 2012 Audit for the Community Development Authority of the City of Stevens Point.
6. Authorizing the consolidation of Asset Management Projects (AMPs).
7. Consideration on the actions taken at the City Plan Commission meeting of June 3, 2013 relating to the following:
  - a. First amendment to Reciprocal License Agreement between the Community Development Authority of the City of Stevens Point and Mid-State Technical College for the purposes of allowing encroachments onto the property south of 1001 Centerpoint Drive (Parcel ID 2408-32-2029-64).
  - b. Transferring and/or selling and/or assigning the rights to the property located at 1450 Water Street (Parcel ID 2408-32-2019-33) and the adjacent unaddressed property (Parcel ID 2408-32-2019-35) from the Community Development Authority of the City of Stevens Point to Affordable Senior Housing of Central Wisconsin Inc.
8. Authorizing the amendment to Reciprocal License Agreement between the Community Development Authority of the City of Stevens Point and Mid-State Technical College for the purposes of allowing encroachments onto the property south of 1001 Centerpoint Drive (Parcel ID 2408-32-2029-64).
9. Authorizing the sale of Edgewater Manor, located at 1450 Water Street (Parcel ID 2408-32-2019-33) and the adjacent unaddressed property (Parcel ID 2408-32-2019-35), from the Community Development Authority of the City of Stevens Point to Affordable Senior Housing of Central Wisconsin Inc.
10. Adjourn.

**PLEASE TAKE NOTICE** that any person who has special needs while attending these meetings or needs agenda materials for these meetings should contact the Community Development Authority Office at 1300 Briggs Ct., Stevens Point, WI 54481, (715) 341-3444 Ex. 5 as soon as possible to ensure a reasonable accommodation can be made.

**PLEASE TAKE FURTHER NOTICE** that a quorum of the Common Council may attend this meeting.





# Memo

**Michael Ostrowski, Director**  
Community Development Authority  
City of Stevens Point  
1515 Strongs Avenue  
Stevens Point, WI 54481  
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## **Community Development Authority of the City of Stevens Point**

To: Community Development Authority Board of Directors  
From: Michael Ostrowski  
CC:  
Date: 6/4/2013  
Re: Agenda Item Summaries for June 11, 2013 CDA Board Meeting

1. Roll call.

Discussion and possible action on the following:

2. Reports of the May 7, 2013 and May 21, 2013 meetings.

The Board needs to approve the reports from the previous meetings.

3. Payments for January – May 2013.

The Board needs to approve the payments from January through June 2013.

4. Accounts receivable write-offs.

The Board needs to approve the write-offs from January through June 2013.

5. 2012 Audit for the Community Development Authority of the City of Stevens Point.

The 2012 Audit is enclosed for your review and consideration.

6. Authorizing the consolidation of Asset Management Projects (AMPs).

Please see Public Housing Manager Bella's memo relating to this item.

7. Consideration on the actions taken at the City Plan Commission meeting of June 3, 2013 relating to the following:

- a. First amendment to Reciprocal License Agreement between the Community Development Authority of the City of Stevens Point and Mid-State Technical College for the purposes of allowing encroachments onto the property south of 1001 Centerpoint Drive (Parcel ID 2408-32-2029-64).

Please see the attached memo to the Plan Commission.

- b. Transferring and/or selling and/or assigning the rights to the property located at 1450 Water Street (Parcel ID 2408-32-2019-33) and the adjacent unaddressed property (Parcel ID 2408-32-2019-35) from the Community Development Authority of the City of Stevens Point to Affordable Senior Housing of Central Wisconsin Inc.

At the June 3, 2013 Plan Commission meeting, the Commission authorized the CDA to proceed with the transferring and/or selling and/or assigning the rights to the Edgewater Manor property. Under Wisconsin State Statutes, the Plan Commission must provide a recommendation before the Board takes final action.

8. Authorizing the amendment to Reciprocal License Agreement between the Community Development Authority of the City of Stevens Point and Mid-State Technical College for the purposes of allowing encroachments onto the property south of 1001 Centerpoint Drive (Parcel ID 2408-32-2029-64).

See the attached amendment agreement.

9. Authorizing the sale of Edgewater Manor, located at 1450 Water Street (Parcel ID 2408-32-2019-33) and the adjacent unaddressed property (Parcel ID 2408-32-2019-35), from the Community Development Authority of the City of Stevens Point to Affordable Senior Housing of Central Wisconsin Inc.

Enclosed you will find an offer to purchase for Edgewater Manor by Affordable Senior Housing of Central Wisconsin Inc. The offer is for \$1,555,000, and guarantees that 80% of the units will remain senior, and that rents will not increase for the first three years. Before the sale can be done, the CDA Board, as well as the Common Council must approve the sale.

10. Adjourn.

Report of the Community Development Authority of the City of Stevens Point

Tuesday, May 7, 2013, 4:00 PM  
Lincoln Center  
1519 Water Street, Stevens Point, WI 54481

PRESENT: Chairperson Halverson, Commissioner Molski, Commissioner Cooper, Commissioner Onstad, and Alderperson Stroik.

EXCUSED: Commissioner Hanson and Commissioner Adamski.

ALSO PRESENT: Executive Director Michael Ostrowski, Alderperson Patton, Alderperson M. Stroik, City Attorney Logan Beveridge, Economic Development Specialist Kyle Kearns, Tom Ludwig, Philip Parkinson, S.E. Thomas, Jim Mendyke, Kay Schmoll, Emily Fiedler, Cathy Dugan, Mary Ann Laszewski, Barb Jacob, Brian Seramur, Eric Moilien, and Reid Rocheleau .

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INDEX:

1. Roll call.  
Discussion and possible action on the following:
2. Report of the April 17, 2013 meeting.
3. Authorizing the Securities Control Agreement with Community First Bank relating to the Children's Museum loan guarantee, and required collateral account by Baird.
4. Proposal(s) for the purchase and redevelopment/remodel of Edgewater Manor, 1450 Water Street, Stevens Point, WI 54481 Proposals were due April 19, 2013 at 1:00pm.
5. Adjourn.

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1. Roll call.

**Present: Halverson, Stroik, Molski, Cooper, Onstad.**

**Not Present: Adamski and Hanson.**

Chairperson Halverson stated a quorum is present

2. Report of the April 17, 2013 meeting.  
**Motion by Commissioner Molski to approve the report of the April 17, 2013 meeting; seconded by Commissioner Onstad. Motion carried 4-0.**
3. Authorizing the Securities Control Agreement with Community First Bank relating to the Children's Museum loan guarantee, and requiring collateral account by Baird.  
Director Ostrowski stated that this was a loan that was made for the Children's Museum by Community First Bank, and as part of the loan, the CDA guaranteed payments with the interest off of the housing trust funds. Community First Bank has a securities control agreement, but Baird will not recognize it unless we put the funds in a collateral account. This means if the CDA would like to spend a large amount of principal of the housing trust funds, Community First Bank would need to approve it.

Chairperson Halverson pointed out the situation that this brings up is one where as the Chair of this organization and Mayor of this community, he reflects back on a situation that at one point made him extremely uncomfortable. He said that the paperwork should have been done years ago and has not been done. He feels that we need more time to review the agreement to determine the exposure to the organization. He asked that the Board give us more time for himself, the Executive Director, and the City Attorney to continue to review the agreement that was signed as well as the parameters of the loan itself as it relates to Community First Bank and the Children's Museum.

Commissioner Molski stated that it does not sound right that the city would be putting our trust funds under their approval to be able to spend them. Chairperson Halverson agreed pointing out the language seemingly contradicts itself within the agreement he is referencing. He said we have a total exposure that is delineated in the agreement not to exceed \$400,000, and when we first made the guarantee it was for the payments only, so in the event that they did not make a payment, the CDA would be able to cover it. The only exposure was to the interest and not the principal of the housing trust funds.

Commissioner Onstad asked how much time would be needed and if that should be included in the motion, to which Chairperson Halverson stated within the motion the hope to be no longer than 30 days.

**Motion by Commissioner Onstad to allow the Chairperson, the Executive Director, and the City Attorney 30 days to continue to review this agreement and report back to the board with a recommendation in greater detail; seconded by Commissioner Molski.**

Commissioner Molski asked if the Children's Museum has made their payments on time, to which Chairperson Halverson stated we have not gotten a call from the bank regarding any late payments. However, we would like to also review their financials to determine how they are progressing.

Commissioner Cooper asked if there was a time frame on the CDA exposure, to which Chairperson Halverson stated that would depend on the principal reduction. He continued stating it wasn't so much a time limit, as it was an aggregate amount not to exceed \$400,000.

**Motion carried 4-0.**

4. Proposal(s) for the purchase and redevelopment/remodel of Edgewater Manor, 1450 Water Street, Stevens Point, WI 54481 Proposals were due April 19, 2013 at 1:00pm.

Chairperson Halverson stated we have received three proposals for the purchase of Edgewater Manor; one from Brian and John Seramur, one from Affordable Senior Housing of Central Wisconsin-Philip Parkinson, and one from Krista Mendyke of KJM Properties. He continued stating it is open to general conversation and there will be public input allowed, but limited to three minutes.

Aldersperson Stroik stated there is a wide range of price that is being offered, and as far as incentives, he would like to hear from the applicants first before making additional comments.

Jim Mendyke representing KJM Properties, stated the intent of the building is to keep it for residents 55 and older, and just like with the Pioneer building, to include an amenities program in the building so folks would be able to have transportation, activities, housekeeping, and meals provided if they so choose, otherwise it would be just regular affordable rates. After going through the building, he felt it was a fair price without asking for any TIF money. The big ticket item is the renovation of the building being anticipated at \$2 million for everything from electrical, heating, flooring, and wall covering.

Director Ostrowski stated that he did not see a detailed budget of the actual individual items for the \$2 million, to which Mr. Mendyke stated that is what is anticipated at this point. Furthermore, he stated that some contractors spent some time looking at improvements needed but could not get that specific until they knew if they had the accepted offer.

Chairperson Halverson asked how the existing tenants would be handled, to which Mr. Mendyke stated the property is about one third empty at this point, and the plan would be to renovate the rooms that are currently vacant. There would be some displacement of current apartments in order to do the work in phases, but the planned renovation would be in one building season to get all the rooms renovated. He added that some furnished apartments would be available for tenants who would have to be temporarily displaced until moving back into their same unit.

Aldersperson Stroik pointed out on the first page of the proposal that it was indicated there would be a 9% increase in rents. He said you would immediately, upon taking ownership, raise the rents for the tenants in year one, and what would be the long term plan for leases after that. Mr. Mendyke stated the current tenants would be grandfathered in and all new tenants would be charged that additional 9% rent rate, which would be the goal of the new leases. He feels that it would be a 5-7 year turnaround for the property to be making any money. Aldersperson Stroik clarified that rent increases would not be immediate, to which Mr. Mendyke stated that at first, they would be grandfathered for now at current rates.

Philip Parkinson of Affordable Senior Housing of Central Wisconsin stated that the proposal is to purchase the building at \$1.5 Million with the intent of remodeling individual apartments in a modest way. He feels the building is structurally sound and usable, but the apartments are dated and the intent is to try to deal with that on a per apartment basis. He stated that he is aware of the building being about 60% occupied and that leaves a substantial number of apartments that are vacant. The intent is to not relocate or displace any of the existing tenants while they are working on the vacant apartments first. Then, if one of the existing tenants finds an updated apartment more appealing, they would accept the relocation to a new unit within the building. Mr. Parkinson has also projected no rent increases for the next three years, after that, modest increases.

Aldersperson Stroik clarified that if there is an existing tenant that chooses to stay in their apartment un-renovated, then you would work around them and not force them to relocate. Mr. Parkinson stated correct, he understands that some tenants have upgraded the apartments themselves, and understands that some are very attached to their apartments, so at some point we would have to include in the development agreement that although the plan is renovating all the apartments, if there are apartments that individuals do not make available for renovations, they will wait however long it takes to finish renovating those apartments.

Commissioner Onstad stated she was very impressed when reading this prospective regarding taking care of the current residents and keeping this building affordable.

Commissioner Cooper asked for Mr. Parkinson to walk through the levels available, and the plans for that. Mr. Parkinson explained that is tenant driven by working with Community Care of Central Wisconsin. The placement of people who have levels of care needs will occur on an individual basis. As time goes on there may be an advantage to try to group floors and areas based on collective needs. At this time, the basis is to make the individual apartments more attractive, and on an individual tenant basis deal with the senior housing needs they may have. He also stated there is the possibility of certain portions of this building going to a higher level of assisted living, but that is not the direction immediately. He feels there is enough need for affordable senior housing with minor assistance that the building will be kept at or near 100% occupancy.

Director Ostrowski asked Mr. Parkinson to walk through the remodeling funds and what would be completed with those funds. Mr. Parkinson stated that there isn't a large amount for remodeling in the present budget, about \$3,000 an apartment, which includes updating the kitchen, carpeting, and painting. Major remodeling is not part of the plan, the focus is to make them look more attractive and more rentable. Director Ostrowski also asked about the donation to the youth, to which Mr. Parkinson stated a member of the corporation feels very strongly about youth contributions and

would like to make a contribution as part of the development agreement, but that amount is yet to be determined.

Brian Seramur of Seramur Family Ltd. Partnership stated their direction is to rent at market rate with the great place to live downtown. They do not want to displace any current residents and can work with the Section 8 Vouchers. Lastly, he stated they would keep the rent the same for the rest of the year, and not increase rents heavily.

Alderperson Stroik asked for clarification that this property would become market rate housing and if the market would sway the demographics of the unit based under private ownership. Mr. Seramur stated it would be a market rate apartment and not restricted to seniors and would be for any individual or prospective tenant that would meet their qualifications and screening.

Mary Ann Laszewski stated when Mr. Hamilton suggested that we opt out of the Section 8 voucher program his plan was to add affordable vouchers in the community as well as retain this affordable housing. In an article from 2009 she cited Mr. Hamilton saying that the city should retain this building since they own it out right, we don't have to pay taxes on it, we don't have to make a profit, and it would just cost us whatever it does to run it. She continued stating financially, Edgewater was one of best public housing projects we have had, she feels like we have destroyed what we have had and we have used the hefty cash flow from this property for other projects. Ms. Laszewski continued stating that many do not want to turn it into a financial mechanism to finance the mall; Edgewater is not responsible for financing downtown and should not be TIF'ed out. Once sold, it cannot maintain its affordable rent easily. She realizes that the city is not real interested in managing apartments, but she believes that governments need to take care of those who can't take care of themselves. Ms. Laszewski stated we need to ask what the people want to do, and the public does not want it sold.

Barb Jacob agrees with Ms. Laszewski and is disappointed in not seeing anything regarding what it would cost the city to keep Edgewater. She pointed out that the groups interested in purchasing Edgewater are saying they are not going to raise the rents and they can still make money on the property, but as the City we can't make the money and she is concerned about the discrepancy. Her suggestion is to look into what it would cost to keep the property and invest the funds from the property back into it.

Reid Rocheleau hoped that if the building is sold, that it would be to the highest bidder with the most guarantees that it will remain affordable housing, but does agree that the city does also have the obligation to keep the building to guarantee the building stays as it was intended and built for as subsidized housing. Mr. Rocheleau feels the building could break even and that we have an obligation for it to stay under city control.

Janet Zander, Director of the Aging and Disability Resource Center encouraged the board to remember what was in the housing study and the great need for low income senior housing. She pointed out that Edgewater has served that need for a long time and feels that the need for it continues.

Commissioner Cooper asked if any other cities or CDA's that you are aware of own and operate unsubsidized housing, to which Chairperson Halverson answered not that he is aware of. Director Ostrowski stated he is sure there are some, but cannot name specific ones at this time. Donna Bella stated that during the recent audit of the Housing Authority the auditor responded in Colorado, stating that there is a Housing Authority that owns several market run buildings. Chairperson Halverson stated the best practice is when there is a structure that is owned it is going to be subsidized in one form or another either through Section 42 or Section 8 participation from HUD. Commissioner Cooper then asked if there was still a waiting list at High Rise, to which Ms. Bella

answered not a very long one, about a month. He then asked, what the makeup of those tenants is, to which she answered all elderly or disabled low income tenants.

Aldersperson Stroik stated prior to considering any of the proposals he would like to see a study or justification on why we can't potentially re-subsidized the property. He knows that the decision had been made to take the subsidies away, and at that time it probably made sense. Chairperson Halverson stated highly unlikely, and Donna Bella added that she had asked that question to HUD Milwaukee, the Division of Housing in Madison, and to Rural Development if anyone could subsidized housing for Edgewater, and every one of them told her no. They are not offering any kind of subsidized housing at this point. She continued explaining that this public housing was considered under Section 8 new construction and that meant that HUD subsidized the units but they did that through HUD dollars funneled through WHEDA.

Chairperson Halverson stated the other difficulty crossed in 2009 was the fact that we were able to create a much better situation in the eyes of residents because they are able to take those vouchers with them to any apartment and have their rents equalized. This was a significantly positive experience for us as we were able to gain and control more of those Section 8 vouchers for the community. He continued, stating that Mr. Hamilton's opinion was misrepresented in terms of Edgewater. It was highly suggested that it be sold to the private sector, which specifically focused on affordable senior housing. We would get rid of it because the city did not have any means of subsidizing that property with the exception of the interest that we earned off of the trust funds. Chairperson Halverson explained that we have not taken money out of Edgewater; we have pushed hundreds of thousands of dollars back into the property that could have gone to rehabbing owner occupied income eligible properties, and we lost that opportunity because we had to subsidize Edgewater. He also stated that if there is relative security in working with a private sector answer for affordable senior housing, how can we as a government justify the investment that we would have to be made in having it be an income stream when it could be a for profit entity. He continued, adding that projections have been done in terms of improvements at an investment of about two million dollars and this assumes a descending vacancy rate over the first nine years and by 2022 assuming 95% occupancy. He pointed out there are a lot of variables from a financial prospective, and a community of our size having the ability to subsidize it is very rare, especially in light of other alternatives that we can pursue. He continued explaining that the other assumption provided was if the city owned the property at market rate housing where Director Ostrowski stated assuming a vacancy rate of 45% and going down 5% each year, if we are not able to fill the units with seniors, we may have to lower the age and then change the demographics. Chairperson Halverson stated this is an accurate snap shot of what we would be experiencing, as well as the other item that we can't really quantify; is having an unfunded liability and how that relates to the audit and the bond rating of the city a concern or not.

Commissioner Molski asked how many units the Hi-Rise has, to which Director Ostrowski answered 73. He continued stating that in the remodel back in 2005 and 2006 the numbers were reduced when making some of the units larger. Edgewater Manor would be challenging to combine units given the way it is built, so the assumption really is based on the up-keep of the units as well as some of the major components such as air conditioning and appliances. Commissioner Molski stated that with Mike Morrissey the audits were reviewed extensively and really does not think the city should be a landlord competing with other landlords within the community.

Chairperson Halverson stated that included in the preforma there are dollars projected for management. Director Ostrowski stated the management fee would be approximately 7% of rents collected. Commissioner Molski added that she had spoke with Commissioner Adamski and he really liked the proposal for \$1.5 million which could go into the trust funds immediately, and help make loans to future low or moderate income people who want to buy a house and can't come up with the down payment. She continued stating there is no way we would get that kind of money to

assist in this way, and it seems that this proposal trumps the other two proposals because the money is available to help others. She cannot see trying to keep it ourselves, as we are not in the business of renting properties; we are in the business of government. Commissioner Onstad agreed that it is hard to set out to become landlords and was impressed with Affordable Housing.

Aldersperson Stroik said while the proposal is good that they are purchasing it with private money and they say they can fill the building without having to spend a lot of money, we have a projection that states it will take 10 years to get to a 5% vacancy rate. Director Ostrowski stated the projections are conservative, and the vacancy rates could be reduced quicker.

Aldersperson Stroik continued stating that the city is not in the business to be a landlord. He pointed out Ms. Zander's comments on the housing study, and feels Affordable Senior Housing of Central Wisconsin includes those needs, but he would like a legal opinion in subsidizing. He asked if we can be landlords, does this need to be placed into the TIF since this proposal does not require any TIF monies, and what are the reasons why we would do that. Chairperson Halverson responded, the CDA would not make any recommendation to the Common Council relating to anything revolving around the TIF district, you would see that recommendation coming from the comptroller himself relating to the unique opportunity that they would have for a troubled TIF district to capitalize on pure increment. He continued stating that the building is assessed at zero. Once the private sector would purchase the building, the tax collections that would be coming off of that property, if the Common Council would decide to use an amendment to put that particular building and others into the TIF district, drastically improves the solvency of TID 6. This would be one of several other projects that would accelerate the pay back of the \$0.33/\$1,000 that the overall city tax payer pays to service the \$5.9 million that was the original bond taken out for the mall project. Aldersperson Stroik added he would like to see a 10 year projection of what this \$1.5 million does for us versus us getting more aggressive and operating Edgewater under City ownership.

Public Housing Manager Bella added that the Hi-Rise went through the large remodel project where it was made into elderly and disabled tenants only. At the time, Edgewater was making money, and at that time there were lots of options for seniors. However, around 2007 we started to see the vacancy happen and then no demand for the units. Mr. Hamilton had talked about making it like Hi-Rise, being handicap accessible. When she hears that an investor is going to keep the property for the tenants that is a good thing.

**Motion by Commissioner Molski to start the negotiations with Affordable Senior Housing of Central Wisconsin; seconded by Commissioner Onstad.**

Aldersperson R. Stroik asked to still have a more detailed 10 year projection if the CDA continued to own Edgewater Manor, to which Chairperson Halverson stated yes that will be provided no matter what.

**Motion carried 5-0.**

5. Adjourn

**Meeting adjourned at 5:15 PM.**

\_\_\_\_\_  
Chairperson

\_\_\_\_\_  
Date

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Date

Report of the Community Development Authority of the City of Stevens Point

Tuesday, May 21, 2013, 4:00 PM  
City Conference Room  
1515 Strongs Avenue, Stevens Point, WI 54481

PRESENT: Chairperson Halverson, Alderperson Randy Stroik, Commissioner Adamski, Commissioner Molski, Commissioner Cooper, Commissioner Hanson, and Commissioner Onstad.

ALSO PRESENT: Executive Director Michael Ostrowski, City Attorney Logan Beveridge, Alderperson Mike Phillips, Stuntion Tomas, Philip Parkinson, Tom Ludwig, Jacob Mathies, John Niebalski, Julie Mouw, Krista Mendyke, Mary Ann Laszewski, Patricia Cornwell, and Barb Jacob.

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1. Roll call.
2. Financial projections regarding the sale and retention of Edgewater Manor.
3. Motion to adjourn into closed session pursuant to Section 19.85(1)(e) of the Wisconsin Statutes for the purpose of deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session, specifically relating to the sale of Edgewater Manor.
4. Reconvene into open session for possible action relating to the above.
5. Adjourn.

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1. Roll call.

**Present: Halverson, Stroik, Adamski, Molski, Cooper, and Onstad.**

**Not Present: Hanson.**

Chairperson Halverson pointed out that a quorum is present

2. Financial projections regarding the sale and retention of Edgewater Manor.

Director Ostrowski provided a summary the option to sell the property and invest the proceeds. With selling Edgewater Manor for \$1,550,000 and investing those funds at 3% interest rate, as well as putting the property in a TIF district, with a tax rate increase of 2% per year would result in approximately \$484,323.93 over 10 years and approximately \$1,015,103.73 over 20 years. With selling Edgewater Manor for \$1,550,000 and investing those funds at 3% interest, not putting the property in a TIF district, and a tax rate increase of 2% per year would result in approximately \$221,712.10 over 10 years and approximately \$436,689.97 over 20 years.

Director Ostrowski continued stating we also looked at what would happen if the CDA kept it and did a remodel ourselves.

**Commissioner Hanson arrived 4:11 pm.**

Keeping Edgewater Manor and doing a remodel at \$1.8 million with a 3.5% interest rate over 20 years, with a 1% increase in rents per year would result in approximately \$587,928.55 over 10 years and approximately \$1,164,893.43 over 20 years. Keeping Edgewater Manor and doing a remodel at \$1.8 million with a 3.5% interest rate over 20 years, with a 2% increase in rents per year would result in approximately \$783,093.02 over 10 years and approximately \$2,078,529.81 over 20 years.

Commissioner Adamski stated the biggest factor in any kind of rental cash flow analysis is the vacancy ratio, and pointed out the calculations for the 1% and 2% projections at 25% vacancy during the first year, 15% vacancy in 2015, and finally a consistent vacancy rate at 5% the rest of the years. In his experience, 5% is low and that would suggest that the net income is substantially different than what it would be. He then asked what the historical vacancy ratio has been at Edgewater and at the Hi-Rise. Director Ostrowski answered Edgewater prior to us not renewing the contract was about 5% vacant and the Hi-Rise is consistently full.

Commissioner Molski asked for clarification of the vacancy rate at Edgewater. Director Ostrowski explained that it was prior to the CDA not renewing the agreement with HUD in 2008-2009, it was around 5%.

Chairperson Halverson added that the introduction of 81 vouchers into the community is a more solid approach to public housing, but it hurt us at Edgewater when no further subsidy was available. He continued stating the issue with Edgewater was that the former Executive Director made it very clear that selling it and being able to accomplish two different priorities at the same time with the principal addition to the trust funds and the preservation of the 81 vouchers through the whole community. This was the reason those decisions were made.

Aldersperson Stroik appreciated the effort put into the projections. He pointed out that in the first option of selling Edgewater for the \$1.5 million and putting it into the TID seems decent, if we never used the principal and just used the interest. However, once the district expires, the property tax revenue would drop and we would then start to lose some money. Chairperson Halverson added the other taxing jurisdictions would see the benefit of that coming back out of the TIF. Aldersperson Stroik continued stating that the other jurisdictions would need to approve putting this into the TID, and the reason for doing so. Chairperson Halverson stated it would be for the acceleration of the pay back of the mall expenditures. There is a period at the end of the TIF district that you can no longer use the increment to expand the expenditures, so the likelihood of a fund balance remaining for the underlying taxing jurisdictions gets much higher if we include projects that will generate increment.

Aldersperson Stroik said that keeping it could give us \$600,000-\$700,000 dollars every 10 years, and we could use those funds for other projects. In 20 years, we start to significantly lose money, so is 20 years short term or long term. In his eyes, if our goals are to be stewards of the city and keep handing it off to the next generation. These options give us money to do things that we want to do. Chairperson Halverson pointed out there are some fairly aggressive hold backs, non-additional borrowing for capital maintenance as well. Aldersperson Stroik continued stating there are a lot of residents in the building who are not interested in granite and fancy upgrades. They want to live comfortably, but they don't need to live extravagantly.

Chairperson Halverson asked when do we ask ourselves what the role of government should be, and should we then subsidized the rent and drop it even further so there is no positive margin revolving around this building. The real question then becomes if we want to look at this as a socialized project or as a revenue generator. We can do that, but is this something that we should be doing.

Commissioner Adamski added that in relation to the remodeling and renting, the risk factors that are inputted into the cash flows are far harder to actually quantify than they would be in the first

two scenarios. He continued assuming that you are going to earn 3% interest on the investment and property taxes are 2 % which is a much cleaner less guessing question than what will our vacancy ratios really be, and what will our public utility be. Also, if we sell the property and take the \$1.55 million to put in the trust account, it gives us more funds to help people buy other houses in the city.

Aldersperson Stroik added if we started using the \$1.5 million then we are not earning the interest either, to which Director Ostrowski explained the investment would keep the 1.5 principal intact, and spend the interest. Aldersperson Stroik stated this is the same reason the city has a reserve fund and we don't lower our taxes to give us a larger reserve; it is a conversation that we have to have but would not want to marginalize this down to no profit. This may get us into trouble.

Commissioner Hanson asked if the city manages the property, what is the cost to the city, to which Director Ostrowski stated approximately 7% of the rents collected. We could do it the same way as we have with public housing.

Commissioner Adamski added there is also the factor in the remodeling costs that is difficult to understand, and that is, are our estimates correct. Director Ostrowski stated he feels our estimates are in line with what needs to take place. Our estimate falls in between the two proposals that were submitted, in which would renovate the building. However, if we go ahead with remodeling, we would want to firm them up by doing a needs analysis for the building. Commissioner Adamski added that he is not in favor of the remodeling, and no matter how hard you try to firm up the estimates if all of a sudden you are off by \$100-\$200 thousand dollars, that changes everything. Commissioner Hanson added that a good example would be the former Holiday Inn and Ramada Inn. Those are people who came in and wanted to remodel and gave up because the estimate was short by \$4-\$5 million dollars, so that is one of his concerns with the remodeling.

Chairperson Halverson asked the Comptroller to explain what would happen if we were to borrow \$1.8- \$2 million dollars. Mr. Ladick stated we would issue a general obligation bond and would be pledging the full faith in credit of the Stevens Point taxpayer. Right now we are about \$34 million in total debt, and our limit is \$50, which is 60% of our statutorily borrowing authority. He continued stating we are about 2/3s to the 60%, and have about \$15-\$16 million left to play with. We have a lot of projects coming up including Business 51 and that is a consideration as far as other borrowing needs. Commissioner Adamski asked if anyone has done a per capita calculation on our bonding, to which Chairperson Halverson stated it is very low. Mr. Ladick added that right now we are in a good situation with our bond rating.

Chairperson Halverson gave his perspective from the mayor and the chairperson. Selling the building allows us to put those dollars in the trust funds. This would give us an annual collection of about \$100,000 in total interest revenue. While the PILOT gets lost, the qualifier is that we put the property into the TID, which helps reduce the debt. While from an operational perspective, losing the PILOT hurts use, the gain in the TID provides for a greater amplification due to the smaller base. In his opinion, we should sell it and put it into the TID. He feels this is the option that creates the most opportunities for the whole community.

3. Motion to adjourn into closed session pursuant to Section 19.85(1)(e) of the Wisconsin Statutes for the purpose of deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session, specifically relating to the sale of Edgewater Manor.

**Motion by Commissioner Molski to enter into closed session for the purpose of deliberating or negotiating the purchase of public properties, the investing of public funds, or conduction other specified public business, whenever competitive or bargaining reasons require a closed session, specifically relating to the sale of Edgewater Manor; seconded by Aldersperson R. Stroik.**

**Roll call:**

- **Ayes – Halverson, Stroik, Adamski, Hansen, Molski, Cooper, and Onstad.**
- **Nays – None.**

**Motion carried 7-0.**

**Commissioner Adamski left the meeting.**

4. Reconvene into open session for possible action relating to the above

**Motion by Commissioner Molski to reconvene into open session; seconded by Commissioner Hansen.**

**Roll call:**

- **Ayes – Halverson, Stroik, Hansen, Molski, Cooper, and Onstad.**
- **Nays – None.**

**Motion carried 6-0.**

Chairperson Halverson indicated that we did receive a revised proposal from one of the bidders.

**Motion by Commissioner Cooper to reject the revised submitted proposal and to continue the negotiating process with the selected bidder; seconded by Commissioner Molski.**

**Roll call:**

- **Ayes – Halverson, Stroik, Hansen, Molski, Cooper, and Onstad.**
- **Nays – None.**

**Motion carried 6-0.**

5. Adjourn.

**Meeting adjourned at 5:03 PM.**

\_\_\_\_\_  
Chairperson

\_\_\_\_\_  
Date

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Date

Ref Date	Type	Ref Num	Pay to the Order Of / Description	(-)
			<b>Chase-Main Operating</b>	
			<b>01/01/2013 thru 01/31/2013</b>	
01/02/13	STATE	WI Tax	WI Tax Period End 12/31/12	664.73
01/16/13	WATER	Water	Water/Sewer 1/13	14,700.61
01/02/13	CC	Pymt	Credit Card Pymt	1,855.27
01/08/13	DefCo	NRS	DefComp PPE 12/21/12 Ck Dt 1/4/13	198.85
01/08/13	DefCo	GW	DefComp PPE 12/21/12 Ck Dt 1/4/13	260.00
01/08/13	FED	Fed	Fed Tax PPE 12/21/12 Ck Dt 1/4/13	3,035.69
01/02/13	NSF	NSF	NSF Ck	318.00
01/07/13	NSF	NSF	NSF Ck	475.00
01/14/13	UNEMP	Unemp	Unemployment for Dec	1,869.00
01/10/13	NSF	NSF	NSF ACH	483.00
01/10/13	Check	15248	ABR Employment Services	857.44
01/10/13	Check	15249	Able Distributing	480.93
01/10/13	Check	15250	Negative Rent	63.00
01/10/13	Check	15251	Advanced Disposal-Wisconsin Rapids-M3	1,702.66
01/10/13	Check	15252	Bay Towel, Inc.	144.02
01/10/13	Check	15253	Bumper To Bumper	98.56
01/10/13	Check	15254	Carquest	28.90
01/10/13	Check	15255	Charter Communications	4,888.83
01/10/13	Check	15256	Negative Rent	4.00
01/10/13	Check	15257	Copy Center	420.50
01/10/13	Check	15258	Express Recycling Solutions, Inc	55.00
01/10/13	Check	15259	HAB Housing Software Solutions	671.33
01/10/13	Check	15260	Hawkins, Ash & Baptie & Co LLP	100.00
01/10/13	Check	15261	Hewlett-Packard Financial Services Co	308.92
01/10/13	Check	15262	Security Deposit Refund	1,814.20
01/10/13	Check	15263	Negative Rent	66.00
01/10/13	Check	15264	Negative Rent	66.00
01/10/13	Check	15265	Negative Rent	66.00
01/10/13	Check	15266	Employee Reimbursement	100.00
01/10/13	Check	15267	Journal Comm Pub Group	128.00
01/10/13	Check	15268	Negative Rent	45.00
01/10/13	Check	15269	Negative Rent	30.00
01/10/13	Check	15270	Negative Rent	77.00
01/10/13	Check	15271	Negative Rent	66.00
01/10/13	Check	15272	Security Deposit Refund	695.64
01/10/13	Check	15273	Pepsi-Cola	452.40
01/10/13	Check	15274	Portage County Sheriffs Department	4.25
01/10/13	Check	15275	Reinders, Inc	391.51
01/10/13	Check	15276	Negative Rent	66.00
01/10/13	Check	15277	Sherwin-Williams Co	1,244.50
01/10/13	Check	15278	Negative Rent	66.00
01/10/13	Check	15279	The Portage County Gazette	56.00
01/10/13	Check	15280	Negative Rent	66.00
01/10/13	Check	15281	Negative Rent	45.00

01/10/13	Check	15282	Wisconsin Association of Housing Authori	50.00
01/15/13	FEES	Fee	Reorder Checks Fee	117.32
01/16/13	Healt	Heath	Health Prem for 2/13	13,911.90
01/16/13	Pymt	VSP	VSP Prem for 1/13	47.33
01/18/13	DDPAY	55069	Payroll	9,128.85
01/04/13	DDPAY	55060	Payroll	9,517.68
01/22/13	FED	Fed	Fed Tax PPE 1/4/13 Ck Dt 1/18/13	3,607.39
01/23/13	DefCo	NRS	DefComp PPE 1/4/13 Ck Dt 1/18/13	198.85
01/23/13	DefCo	GW	DefComp PPE 1/4/13 Ck Dt 1/18/13	260.00
01/23/13	STATE	WI Tax	WI Tax Period End 1/15/13	675.47
01/22/13	CC	CC Pymt	Credit Card Pymt	846.50
01/22/13	Check	15283	AECOM Technical Serives, Inc.	1,500.00
01/22/13	Check	15284	AT&T	620.45
01/22/13	Check	15285	City of Stevens Point	50.00
01/22/13	Check	15286	Custom Painting	3,628.13
01/22/13	Check	15287	E. O. Johnson Company	712.00
01/22/13	Check	15288	FSS Business Systems, Inc.	15.30
01/22/13	Check	15289	GE Capital Retail Bank	161.36
01/22/13	Check	15290	Vendor Payment	135.00
01/22/13	Check	15291	John Deere Financial	70.87
01/22/13	Check	15292	Nextel Communications	513.79
01/22/13	Check	15293	Security Deposit Refund	35.00
01/22/13	Check	15294	Per Mar Security Services	1,174.87
01/22/13	Check	15295	Pitney Bowes	122.00
01/22/13	Check	15296	Prestocall	83.63
01/22/13	Check	15297	Society Insurance	334.00
01/22/13	Check	15298	Trans Union LLC	151.60
01/22/13	Check	15299	Wisconsin Public Service	237.90
01/31/13	RETIR	Retire	Retirement for 12/12	3,155.94
01/15/13	FEES	Fee	Chase Bank Serv Fee	280.37

90,573.24

Ref Date	Type	Ref Num	Pay to the Order Of / Description	(-)
			<b>Chase-Main Operating</b>	
			<b>02/01/2013 thru 02/28/2013</b>	
02/01/13	DDPAY	55078	Payroll	9,368.00
02/04/13	WPS	WPS	WPS QC for 2/13	18,417.89
02/05/13	DefCo	NRS	DefComp PPE 1/18/13 Ck Dt 2/1/13	198.85
02/05/13	DefCo	GW	DefComp PPE 1/18/13 Ck Dt 2/1/13	260.00
02/05/13	FED	Fed	Fed Tax PPE 1/18/13 Ck Dt 2/1/13	3,333.40
02/14/13	UNEMP	Umemp	Unemployment for Jan 2013	1,263.00
02/08/13	STATE	WI Tax	WI Tax Period End 1/31/13	688.19
02/08/13	Check	15300	ABR Employment Services	2,174.88
02/08/13	Check	15301	AECOM Technical Serives, Inc.	1,500.00
02/08/13	Check	15302	Able Distributing	1,823.06
02/08/13	Check	15303	Negative Rent	63.00
02/08/13	Check	15304	Bay Towel, Inc.	148.18
02/08/13	Check	15305	C T L Company, Inc	288.57
02/08/13	Check	15306	Negative Rent	45.00
02/08/13	Check	15307	Charter Communications	5,163.18
02/08/13	Check	15308	City of Stevens Point	420.21
02/08/13	Check	15309	Negative Rent	4.00
02/08/13	Check	15310	Community Foundation of Central WI	25.00
02/08/13	Check	15311	Compliance Specialists, LLC	1,200.00
02/08/13	Check	15312	Copy Center	276.90
02/08/13	Check	15313	Dolce Digital Imaging & Printing	197.18
02/08/13	Check	15314	E. O. Johnson Company	35.98
02/08/13	Check	15315	Frank's Hardware Company, Inc.	200.52
02/08/13	Check	15316	HAB Housing Software Solutions	125.00
02/08/13	Check	15317	Hewlett-Packard Financial Services Co	308.92
02/08/13	Check	15318	Negative Rent	66.00
02/08/13	Check	15319	Negative Rent	66.00
02/08/13	Check	15320	Negative Rent	200.50
02/08/13	Check	15321	Negative Rent	66.00
02/08/13	Check	15322	Employee Reimbursement	15.75
02/08/13	Check	15323	Jerry's Small Engine Supply Co.	37.83
02/08/13	Check	15324	KP Appliance Repair	42,120.00
02/08/13	Check	15325	Kent's Service Center & Towing Inc.	91.90
02/08/13	Check	15326	Negative Rent	45.00
02/08/13	Check	15327	Negative Rent	77.00
02/08/13	Check	15328	Security Deposit Refund	382.52
02/08/13	Check	15329	Mary Kampschoer - E.W.	50.00
02/08/13	Check	15330	Mary Kampschoer - H.R.	50.00
02/08/13	Check	15331	Menards-Plover	148.05
02/08/13	Check	15332	Negative Rent	66.00
02/08/13	Check	15333	Per Mar Security Services	318.25
02/08/13	Check	15334	Portage County Sheriffs Department	2.75
02/08/13	Check	15335	Precision Glass & Door, LLC	137.55

02/08/13	Check	15336	Rasmussen Plumbing & Heating	30.42
02/08/13	Check	15337	Negative Rent	66.00
02/08/13	Check	15338	Shopko Dept 5485	72.38
02/08/13	Check	15339	Negative Rent	66.00
02/08/13	Check	15340	Staples Credit Plan	234.19
02/08/13	Check	15341	The Jeske Company Inc.	370.00
02/08/13	Check	15342	The Portage County Gazette	56.00
02/08/13	Check	15343	Negative Rent	66.00
02/08/13	Check	15344	W.A. Roosevelt Company	542.19
02/08/13	Check	15345	WAHA c/o Watertown CDA	75.00
02/08/13	Check	15346	Negative Rent	45.00
02/08/13	Check	15347	Wisconsin Building Supply	199.30
02/08/13	Check	15348	Wisconsin Public Service	50.00
02/12/13	Healt	Health	Health Prem for 3/13	12,714.30
02/12/13	XFER	AMP Rec	AMP Rec-COCC owed 42-1 for 1/13	17,948.38
02/12/13	XFER	AMP Rec	AMP Rec-COCC owed 42-2 for 1/13	19,733.95
02/19/13	WATER	Water	Water/Sewer 2/13	7,522.47
02/15/13	DDPAY	55087	Payroll	9,743.47
02/13/13	Pymt	VSP	VSP Pymt for 2/13	47.33
02/20/13	DefCo	NRS	DefComp PPE 2/1/13 Ck Dt 2/15/13	198.85
02/20/13	DefCo	GW	DefComp GW PPE 2/1/13 Ck Dt 2/15/13	260.00
02/19/13	FED	Fed	Fed Tax PPE 2/1/13 Ck Dt 2/15/13	3,503.37
02/21/13	STATE	WI Tax	WI Tax Period End 2/15/13	1,412.56
02/28/13	RETIR	Retire	Retirement for 1/13	3,936.18
02/19/13	CC	CC Pymt	CC Pymt	77.78
02/15/13	FEES	Fee	Service Fee	296.06
02/22/13	Check	15349	ABR Employment Services	437.92
02/22/13	Check	15350	AT&T	696.14
02/22/13	Check	15351	Able Distributing	77.81
02/22/13	Check	15352	Advanced Disposal Services	2,012.13
02/22/13	Check	15353	Bay Towel, Inc.	73.70
02/22/13	Check	15354	Bill's Repair	8,300.00
02/22/13	Check	15355	Bumper To Bumper	93.27
02/22/13	Check	15356	C T L Company, Inc	78.61
02/22/13	Check	15357	CAP Services, Inc	72.00
02/22/13	Check	15358	Central Wisconsin Pest Control	215.00
02/22/13	Check	15359	Security Deposit Refund	193.24
02/22/13	Check	15360	Dane County Sheriff's Office	2.00
02/22/13	Check	15361	E. O. Johnson Company	565.00
02/22/13	Check	15362	Frank's Hardware Company, Inc.	96.43
02/22/13	Check	15363	HAB Housing Software Solutions	640.00
02/22/13	Check	15364	Journal Comm Pub Group	128.00
02/22/13	Check	15365	Nextel Communications	513.79
02/22/13	Check	15366	Petty Cash	47.44
02/22/13	Check	15367	Pitney Bowes	122.00
02/22/13	Check	15368	Prestocall	96.57
02/22/13	Check	15369	Rasmussen Plumbing & Heating	262.50

02/22/13	Check	15370	Reinders, Inc	396.01
02/22/13	Check	15371	The Jeske Company Inc.	366.83
02/22/13	Check	15372	Trans Union LLC	68.57
02/22/13	Check	15373	Wisconsin Public Service	212.63
02/28/13	Pymt	Pymt	Hamilton-PEHP	2,497.60
02/28/13	Check	15374	Portage County Sheriffs Department	60.00
02/28/13	Check	15375	Portage County Sheriffs Department	60.00
02/28/13	Check	15376	Portage County Sheriffs Department	60.00
02/28/13	Check	15377	Portage County Sheriffs Department	60.00
02/28/13	Check	15378	Portage County Sheriffs Department	60.00
02/28/13	Check	15379	Portage County Sheriffs Department	60.00
				189,362.38

Ref Date	Type	Ref Num	Pay to the Order Of / Description	(-)
			<b>Chase-Main Operating</b>	
			<b>03/01/2013 thru 03/31/2013</b>	
03/01/13	DDPAY	55096	Payroll	9,824.13
03/05/13	Pynt	VSP	VSP Pynt for 3/13	47.33
03/04/13	DefCo	NRS	DefComp NRS PPE 2/15/13 Ck Dt 3/1/13	198.85
03/04/13	WPS	WPS	WPS QC for 3/13	18,697.56
03/04/13	FED	Fed	Fed Tax PPE 2/15/13 Ck Dt 3/1/13	3,539.39
03/04/13	DefCo	GW	DefComp GW PPE 2/15/13 Ck Dt 3/1/13	260.00
03/11/13	Check	15380	ABR Employment Services	1,438.88
03/11/13	Check	15381	Negative Rent	63.00
03/11/13	Check	15382	Advanced Disposal Services	1,709.50
03/11/13	Check	15383	Negative Rent	15.00
03/11/13	Check	15384	Negative Rent	3.00
03/11/13	Check	15385	Bay Towel, Inc.	73.70
03/11/13	Check	15386	Negative Rent	45.00
03/11/13	Check	15387	Charter Communications	5,165.38
03/11/13	Check	15388	Negative Rent	4.00
03/11/13	Check	15389	Custom Painting	2,558.09
03/11/13	Check	15390	Express Recycling Solutions, Inc	60.00
03/11/13	Check	15391	Grainger	72.78
03/11/13	Check	15392	HAB Housing Software Solutions	640.00
03/11/13	Check	15393	HD Supply Facilities Maintenance	259.85
03/11/13	Check	15394	Hawkins, Ash & Baptie & Co LLP	10,400.00
03/11/13	Check	15395	Hewlett-Packard Financial Services Co	308.92
03/11/13	Check	15396	Vendor Payment	248.00
03/11/13	Check	15397	J.A. Sexauer Inc.	123.96
03/11/13	Check	15398	Negative Rent	66.00
03/11/13	Check	15399	Negative Rent	66.00
03/11/13	Check	15400	Negative Rent	66.00
03/11/13	Check	15401	Negative Rent	45.00
03/11/13	Check	15402	Negative Rent	77.00
03/11/13	Check	15403	Menards-Plover	1,951.72
03/11/13	Check	15404	Security Deposit Refund	184.74
03/11/13	Check	15405	Negative Rent	66.00
03/11/13	Check	15406	Security Deposit Refund	253.14
03/11/13	Check	15407	Portage County Sheriffs Department	4.25
03/11/13	Check	15408	Quality Door & Hardware	307.00
03/11/13	Check	15409	Rainbow Flooring LLC	75.00
03/11/13	Check	15410	Registration Fee Trust	25.00
03/11/13	Check	15411	Negative Rent	66.00
03/11/13	Check	15412	Ruder Ware	100.00
03/11/13	Check	15413	Schindler Elevator Corporation	2,579.34
03/11/13	Check	15414	Sherwin-Williams Co	343.77
03/11/13	Check	15415	Negative Rent	66.00
03/11/13	Check	15416	Staples Credit Plan	202.87
03/11/13	Check	15417	Trans Union LLC	92.29

03/11/13	Check	15418	Negative Rent	66.00
03/11/13	Check	15419	W.A. Roosevelt Company	109.51
03/11/13	Check	15420	Negative Rent	45.00
03/11/13	Check	15421	Wisconsin Public Service	148.12
03/13/13	UNEMP	Unemp	Unemployment for 2/13	526.00
03/15/13	DDPAY	55105	Payroll	9,765.01
03/13/13	Healt	Health	Health Prem for 4/13	12,714.30
03/08/13	WPS	WPS	WPS Street	17.52
03/19/13	DefCo	NRS	DefComp NRS PPE 3/1/13 Ck Dt 3/15/13	198.85
03/19/13	DefCo	GW	DefComp GW PPE 3/1/13 Ck Dt 3/15/13	260.00
03/19/13	FED	Fed	Fed Tax PPE 3/1/13 Ck Dt 3/15/13	3,541.21
03/20/13	WTHDR	Wthdr	AMP Reconcile 2/13	39,606.95
03/19/13	STATE	WI Tax	WI Tax Period End 3/15/13 Due 3/30/13	1,463.55
03/29/13	RETIR	Retire	Retirement for 2/13	4,008.90
03/20/13	Check	15422	AT&T	687.49
03/20/13	Check	15423	City of Stevens Point	34,500.00
03/20/13	Check	15424	IMPD	10.00
03/20/13	Check	15425	Liscomb - Hood- Mason Co.	154.50
03/20/13	Check	15426	Nextel Communications	486.71
03/20/13	Check	15427	Pitney Bowes	122.00
03/20/13	Check	15428	Wisconsin Public Service	66.07
03/29/13	DDPAY	55114	Payroll	10,279.49
03/26/13	NSF	NSF	NSF ACH	150.00
03/22/13	WATER	Water	Water/Sewer	4,558.23
03/31/13	FEES	March Bk Fee	Chase Bank	232.95

186,111.80

Ref Date	Type	Ref Num	Pay to the Order Of / Description	(-)
			<b>Chase-Main Operating</b>	
			<b>04/01/2013 thru 04/30/2013</b>	
4/1/2013	FED	Fed	Fed Tax PPE 3/15/13 Ck Dt 3/29/13	3,731.20
4/2/2013	DefCo	GW	Def Comp GW PPE 3/15/13 Ck Dt 3/29/13	260.00
4/2/2013	DefCo	NRS	DefComp NRS PPE 3/15/13 Ck Dt 3/29/13	198.85
4/1/2013	CC	CC	Credit Card Pymt	514.32
4/1/2013	WPS	WPS	WPS QC for 4/13	18,850.68
4/5/2013	WPS	WPS	WPS Street 4/13	17.52
4/23/2013	WATER	Water	Water/Sewer 4/13	12,205.44
4/5/2013	Check	15429	Negative Rent	63.00
4/5/2013	Check	15430	Negative Rent	3.00
4/5/2013	Check	15431	Security Deposit Refund	410.59
4/5/2013	Check	15432	Bay Towel, Inc.	147.40
4/5/2013	Check	15433	CAP Services, Inc	32.00
4/5/2013	Check	15434	Negative Rent	45.00
4/5/2013	Check	15435	Charter Communications	5,165.38
4/5/2013	Check	15436	Negative Rent	4.00
4/5/2013	Check	15437	Commercial Roofing, Inc.	145.28
4/5/2013	Check	15438	Security Deposit Refund	337.04
4/5/2013	Check	15439	Feltz Overhead Door	197.50
4/5/2013	Check	15440	Hewlett-Packard Financial Services Co	308.92
4/5/2013	Check	15441	Vendor Payment	248.00
4/5/2013	Check	15442	Negative Rent	66.00
4/5/2013	Check	15443	Negative Rent	66.00
4/5/2013	Check	15444	Negative Rent	66.00
4/5/2013	Check	15445	K. Kranski & Sons, Inc.	195.00
4/5/2013	Check	15446	Negative Rent	45.00
4/5/2013	Check	15447	Negative Rent	77.00
4/5/2013	Check	15448	Negative Rent	66.00
4/5/2013	Check	15449	Pepsi-Cola	461.94
4/5/2013	Check	15450	Portage County Sheriffs Department	1.00
4/5/2013	Check	15451	Portage County Treasurer	168.00
4/5/2013	Check	15452	Precision Builders	23,673.70
4/5/2013	Check	15453	Purchase Power	1,019.99
4/5/2013	Check	15454	Negative Rent	66.00
4/5/2013	Check	15455	Scaffidi Motors Inc.	47.93
4/5/2013	Check	15456	Employee Reimbursement	39.45
4/5/2013	Check	15457	Shopko Dept 5485	10.98
4/5/2013	Check	15458	Negative Rent	66.00
4/5/2013	Check	15459	Staples Credit Plan	100.53
4/5/2013	Check	15460	Stevens Point Water Dept.	15.62
4/5/2013	Check	15461	Security Deposit Refund	403.39
4/5/2013	Check	15462	Travelers-RMD	9,072.00
4/5/2013	Check	15463	Negative Rent	66.00
4/5/2013	Check	15464	Negative Rent	45.00

4/8/2013	STATE	WI Tax	WI Tax Period Ending 3/31/13	778.28
4/9/2013	UNEMP	Unemp	Unemployment for March	1,069.00
4/12/2013	DDPAY	55123	Payroll	9,597.47
4/15/2013	Healt	Health	Health 5/13	12,714.30
4/15/2013	Healt	Fed	Fed Tax PPE 3/29/13 Ck Dt 4/12/13	3,436.66
4/15/2013	DefCo	NRS	DefComp PPE 3/29/13 Ck Dt 4/12/13	198.85
4/15/2013	DefCo	GW	DefComp GW PPE 3/29/13 Ck Dt 4/12/13	260.00
4/12/2013	Pymt	VSP	VSP Pymt for 4/13	47.33
4/16/2013	XFER	X130412	AMP Reconcile	20,727.54
4/18/2013	Check	15465	Portage County Sheriffs Department	100.00
4/18/2013	Check	15466	Security Deposit Refund	52.23
4/19/2013	STATE	WI Tax	WI Tax Period End 4/15/13	709.39
4/30/2013	RETIR	Retire	Retirement for 3/13	6,118.48
4/24/2013	Pymt	Pymt	Hamilton - PEHP	2,497.60
4/24/2013	CC	CC	Credit Card ACH pymt	30,361.12
4/26/2013	DDPAY	55132	Payroll	9,451.54
4/24/2013	CC	Pymt	Credit Card Pymt	1,662.31
4/30/2013	FED	Fed	Fed Tax PPE 4/12/13 Ck Dt 4/26/13	3,370.78
4/30/2013	DefCo	GW	Def Comp GW PPE 4/12/13 Ck Dt 4/26/13	260.00
4/30/2013	DefCo	NRS	Def Comp NRS PPE 4/12/13 Ck Dt 4/26/13	198.85
4/30/2013	Check	15467	Tenant Reimbursement	15.00
4/30/2013	Check	15468	City of Stevens Point	1,531.26
4/30/2013	Check	15469	HAB Housing Software Solutions	640.00
4/30/2013	Check	15470	John Deere Financial	145.20
4/30/2013	Check	15471	Manitowoc City Treasurer	0.80
4/30/2013	Check	15472	Petty Cash	83.70
4/30/2013	Check	15473	Pitney Bowes Inc	196.31
4/30/2013	Check	15474	Pitney Bowes	122.00
4/30/2013	Check	15475	Waupaca County Sheriff's Office	5.00
4/30/2013	Check	15476	Tenant Reimbursement	15.00
4/30/2013	FEES	Bank Serv	Chase Bank	222.07
4/30/2013	FEES	Dep Ticket	Chase Bank	157.55

185,469.27

Ref Date	Type	Ref Num	Pay to the Order Of / Description	(-)
			<b>Chase-Main Operating</b>	
			<b>05/01/2013 All Trans thru 05/31/2013</b>	
5/3/2013	WPS	WPS	WPS QC for 5/13	18,860.40
5/6/2013	WPS	WPS	WPS Street 5/13	17.52
5/8/2013	NSF	NSF	NSF ACH	179.19
5/9/2013	NSF	NSF	NSF ACH	50.00
5/10/2013	DDPAY	55141	Payroll	9,457.70
5/10/2013	STATE	WI Tax	WI Tax Period End 4/30/13	694.05
5/10/2013	Check	15477	AHACPA	200.00
5/10/2013	Check	15478	Negative Rent	63.00
5/10/2013	Check	15479	Negative Rent	3.00
5/10/2013	Check	15480	Security Deposit Refund	241.18
5/10/2013	Check	15481	Negative Rent	27.00
5/10/2013	Check	15482	CAP Services, Inc	30.75
5/10/2013	Check	15483	Negative Rent	45.00
5/10/2013	Check	15484	Negative Rent	49.00
5/10/2013	Check	15485	Negative Rent	4.00
5/10/2013	Check	15486	Express Recycling Solutions, Inc	10.00
5/10/2013	Check	15487	HAB Housing Software Solutions	640.00
5/10/2013	Check	15488	Hewlett-Packard Financial Services Co	308.92
5/10/2013	Check	15489	Negative Rent	66.00
5/10/2013	Check	15490	Negative Rent	66.00
5/10/2013	Check	15491	Negative Rent	66.00
5/10/2013	Check	15492	Negative Rent	45.00
5/10/2013	Check	15493	Negative Rent	77.00
5/10/2013	Check	15494	Menards-Plover	340.13
5/10/2013	Check	15495	Negative Rent	66.00
5/10/2013	Check	15496	Pepsi-Cola	437.34
5/10/2013	Check	15497	Portage County Sheriffs Department	3.50
5/10/2013	Check	15498	Purchase Power	19.99
5/10/2013	Check	15499	Negative Rent	66.00
5/10/2013	Check	15500	Negative Rent	66.00
5/10/2013	Check	15501	Staples Credit Plan	156.27
5/10/2013	Check	15502	Negative Rent	66.00
5/10/2013	Check	15503	Negative Rent	45.00
5/13/2013	FEES	Fee	Ret'd Fee for Tenant	35.00
5/13/2013	UNEMP	Unemp	Unemployment for 4/13	1,024.00
5/14/2013	FED	Fed	Fed Tax PPE 4/26/13 Ck Dt 5/10/13	3,379.75
5/14/2013	DefCo	GW	Def Comp GW PPE 4/26/13 Ck Dt 5/10/13	260.00
5/14/2013	DefCo	NRS	Def Comp PPE 4/26/13 Ck Dt 5/10/13	198.85
5/14/2013	Pymt	VSP	Vision Pymt for 5/13	47.33
5/16/2013	Healt	Health	Health Premiums for 6/13	12,714.30
5/16/2013	NSF	NSF	NSF ACH	193.50
5/20/2013	WATER	Water	Water/Sewer for 5/13	5,100.76
5/22/2013	STATE	WI Tax	WI Tax Period End 5/15/13	694.93
5/23/2013	CC	CC Pymt	CC Pymt (old card)	2,650.00

5/23/2013	Check	15504	Custom Painting	1,350.00
5/23/2013	Check	15505	GE Capital Retail Bank	60.37
5/23/2013	Check	15506	Irene Peterson	153.00
5/23/2013	Check	15507	Negative Rent	15.00
5/23/2013	Check	15508	Pitney Bowes	122.00
5/23/2013	Check	15509	Portage County Treasurer	114.00
5/23/2013	Check	15510	Society Insurance	4,476.00
5/23/2013	Check	15511	Triple K Tree & Landscaping, Inc.	2,000.00
5/23/2013	Check	15512	Wisconsin Public Service	89.21
5/23/2013	Check	15513	Security Deposit Refund	238.89
5/23/2013	Check	15514	Scaffidi Motors Inc.	234.30
5/24/2013	DDPAY	55150	Payroll	9,415.17
5/24/2013	FED	Fed	Fed Tax PPE 5/10/13 Ck Dt 5/24/13	3,360.97
5/24/2013	DefCo	GW	DefComp GW PPE 5/10/13 Ck Dt 5/24/13	260.00
5/24/2013	DefCo	NRS	DefComp NRS PPE 5/10/13 Ck Dt 5/24/13	198.85
5/24/2013	CC	CC Pymt	CC Pymt-new card	8,910.97
5/31/2013	RETIR	Retire	Retirement for 4/13	3,995.72

93,759.81

Tenant Accounts Receivable Write Offs 1/13-6/13

<b>Acct #</b>	<b>Rent &amp; Utilities</b>	<b>Charges</b>	<b>Total Write Off</b>
2224-18	0.00	236.22	236.22
1209-14	0.00	474.37	474.37
860103-18	510.62	153.48	664.10
860115-11	0.00	102.27	102.27
			0.00
<b>Total Write Off's 1/13-6/13</b>	<b>510.62</b>	<b>966.34</b>	<b>1,476.96</b>

**COMMUNITY DEVELOPMENT  
AUTHORITY OF THE  
CITY OF STEVENS POINT  
Stevens Point, Wisconsin**

**FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITORS'  
REPORT**

**DECEMBER 31, 2012**

**COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF STEVENS POINT  
Stevens Point, Wisconsin**

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Commissioners  
Community Development Authority of the City of Stevens Point  
Stevens Point, Wisconsin

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Community Development Authority of the City of Stevens Point ("Community Development Authority"), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Community Development Authority's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Community Development Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Community Development Authority's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Community Development Authority, as of December 31, 2012, and the changes in financial position and cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

## **Change in Accounting Principle**

As discussed in Note 1, the Community Development Authority has implemented Governmental Accounting Standards Board (GASB) Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65 *Items Previously Reported as Assets and Liabilities*.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 basic financial statements, and other knowledge we obtained during our audit of the basic 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.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the Community Development Authority's financial statements as a whole. The combining financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying statements and certifications of capital grant costs and schedule of expenditures of federal awards are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the Department of Housing and Urban Development, and are also not a required part of the financial statements.

The combining financial statements, statements and certifications of capital grant costs, and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated April 16, 2013, on our consideration of the Community Development Authority'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 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 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's internal control over financial reporting and compliance.

*Hawkins, Ash, Gupta & Company, LLP*

La Crosse, Wisconsin  
April 16, 2013

**COMMUNITY DEVELOPMENT AUTHORITY  
OF THE CITY OF STEVENS POINT  
Stevens Point, Wisconsin**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF STEVENS POINT**  
**Stevens Point, Wisconsin**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**YEAR ENDED DECEMBER 31, 2012**

The management of the Community Development Authority of the City of Stevens Point (CDA) offers this narrative overview and analysis of its audited financial statements for year ended December 31, 2012. The goal is for the reader to better understand the CDA's financial activities and its overall financial position and to show whether current year revenue covered current year expenses and the extent to which the Community Development Authority has invested its capital assets. We encourage readers to consider the information presented here in conjunction with the Community Development Authority's financial statements, which begins on page 7.

**FINANCIAL HIGHLIGHTS:**

- The assets of the CDA exceed its liabilities as of December 31, 2012 by \$15,919,082 (Net Position).
- The CDA's investment in Capital Assets-net of related debt as of December 31, 2012 was \$10,063,634.
- The CDA's total revenue for the fiscal year ended December 31, 2012 was \$2,236,225.
- The CDA's total expenses for the fiscal year ended December 31, 2012 was \$2,170,710. Therefore, the CDA's total combined revenue exceeds its total combined expenses by \$65,515.

**OVERVIEW OF THE FINANCIAL STATEMENTS:**

The following financial statements are included in this report:

- *Statement of Net Position* - reports the Community Development Authority current financial resources: its cash and other current assets, its current and non-current liabilities and comparing those two elements, the resulting net position of the CDA. A comparison between this year and the preceding year is also provided.
- *Statement of Revenue and Expenses* - reports the CDA's various revenue and expenses and provides a comparison between this year and the preceding year.
- *Statement of Cash Flows* - reports cash inflows and outflows for the CDA's fiscal year.

**ANALYSIS OF FINANCIAL STATEMENTS:**

**STATEMENT OF NET POSITION**

	<u>DECEMBER 31,</u>		<u>INCREASE</u>
	<u>2012</u>	<u>2011</u>	<u>(DECREASE)</u>
Cash and investments	\$ 3,876,352	\$ 3,984,645	\$ (108,293)
Other current assets	2,153,926	2,084,522	69,404
Other non-current assets	655,699	655,694	5
Capital assets	10,794,820	10,982,176	(187,356)
<b>TOTAL ASSETS</b>	<u>17,480,797</u>	<u>17,707,037</u>	<u>(226,240)</u>
Current liabilities	305,381	484,445	(179,064)
Noncurrent liabilities	1,256,334	1,295,507	(39,173)
<b>TOTAL LIABILITIES</b>	<u>1,561,715</u>	<u>1,779,952</u>	<u>(218,237)</u>
Invested in capital assets	10,063,634	9,994,135	69,499
Restricted	457,595	418,918	38,677
Unrestricted	5,397,853	5,514,032	(116,179)
<b>TOTAL NET POSITION</b>	<u>15,919,082</u>	<u>15,927,085</u>	<u>(8,003)</u>

**COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF STEVENS POINT**  
**Stevens Point, Wisconsin**  
**MANAGEMENT DISCUSSION AND ANALYSIS - Continued**  
**YEAR ENDED DECEMBER 31, 2012**

**ANALYSIS OF FINANCIAL STATEMENTS - Continued:**

The decrease in cash and investments is due to timing with Capital Fund draws. Other current assets increased due to an increase in accounts receivable from HUD for Capital Funds. The capital assets decreased due to current year depreciation. Current liabilities decreased due to the bond payable was paid off in full during the current year.

**ANALYSIS OF STATEMENT OF REVENUE AND EXPENSES PRIOR AND CURRENT PERIODS:**

	YEAR ENDED DECEMBER 31,			
	2012		2011	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<b>REVENUE</b>				
Tenant revenue	\$ 1,064,672	47%	\$ 1,163,126	50%
HUD operating and capital grants	984,328	44%	707,566	30%
Other operating revenue	149,566	7%	239,392	11%
Interest	33,609	2%	213,393	9%
Gain on sale of fixed assets	4,050	-	-	-
<b>TOTAL REVENUE</b>	<u>2,236,225</u>	<u>100%</u>	<u>2,323,477</u>	<u>100%</u>
<b>EXPENSES</b>				
Administrative expenses	398,552	18%	463,974	19%
Tenant services	137,077	6%	134,516	6%
Utilities	342,003	16%	348,089	14%
Maintenance and operations	465,507	22%	542,157	22%
General expenses	151,848	7%	183,085	8%
Depreciation	646,619	30%	701,743	29%
Interest	29,104	1%	35,580	2%
<b>TOTAL EXPENSES</b>	<u>2,170,710</u>	<u>100%</u>	<u>2,409,144</u>	<u>100%</u>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENSES</b>	<u>\$ 65,515</u>		<u>\$ (85,667)</u>	

**BUDGETARY HIGHLIGHTS**

The CDA adopts a consolidated annual operating budget for all programs. The budget for Low Rent Housing is adopted on the basis of accounting practices prescribed to by the U.S. Department of Housing and Urban Development.

**COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF STEVENS POINT**  
**Stevens Point, Wisconsin**  
**MANAGEMENT DISCUSSION AND ANALYSIS - Continued**  
**YEAR ENDED DECEMBER 31, 2012**

**CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY**

As of December 31, 2012, the CDA had \$23,103,489 invested in a variety of capital assets as reflected in the following schedule, which represents a net increase of \$444,089 during the period.

	<u>2012</u>	<u>2011</u>
<b>NON-DEPRECIABLE ASSETS</b>		
Land	\$ 824,745	\$ 824,745
<b>DEPRECIABLE ASSETS</b>		
Land improvements	504,983	503,044
Buildings and improvements	20,696,237	20,397,898
Equipment	1,077,525	933,713
<b>ACCUMULATED DEPRECIATION</b>	<u>(12,308,670)</u>	<u>(11,677,224)</u>
<b>TOTAL</b>	<b><u>\$10,794,820</u></b>	<b><u>\$10,982,176</u></b>

The CDA paid principal payments of \$266,142

**FUTURE EVENTS (NEW BUSINESS)**

The Goals for the next five years are to:

- 1) maintain PHA-owned properties to a high standard;
- 2) continue the rehabilitation of the privately held, owner-occupied housing inventory (300+ properties to date);
- 3) continue the ownership opportunities for low-income households seeking home-ownership
- 4) reconfigure the PHA's housing inventory to embrace economic development opportunities benefitting low-income families; and
- 5) promote community development activities that provide living-wage employment opportunities for low-income families.
- 6) Combine PHA AMPS into one to reduce administrative burden.

The Objective of these goals is to:

- 1) assure families who have little or no opportunity to achieve economic self-sufficiency a safe, decent and affordable housing inventory;
- 2) promote neighborhood stability and economic upward mobility through homeownership;
- 3) maintain the viability of the privately held, affordable housing inventory;
- 4) lessen the need for subsidized housing.

**CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT**

The financial report is designed to provide a general overview of the CDA's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director, Community Development Authority of the City of Stevens Point, 1300 Briggs Court, Stevens Point, WI 54481.

**COMMUNITY DEVELOPMENT AUTHORITY  
OF THE CITY OF STEVENS POINT  
Stevens Point, Wisconsin**

**FINANCIAL STATEMENTS**

**COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF STEVENS POINT**  
**Stevens Point, Wisconsin**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2012**

**ASSETS**

**CURRENT ASSETS**

Cash and investments	\$ 3,368,267
Cash and investments - restricted	508,085
Receivables	
Tenants, net of allowance for doubtful accounts	12,555
Other	2,070,077
Due from other governments	48,513
Prepaid expenses	22,781
<b>TOTAL CURRENT ASSETS</b>	<b>6,030,278</b>

**NONCURRENT ASSETS**

Investments - unearned compensation	608,018
Notes receivable	47,581
Other assets	100
Land	824,745
Land improvements	504,983
Buildings and improvements	20,696,237
Equipment	1,077,525
Less accumulated depreciation	(12,308,670)
<b>TOTAL NONCURRENT ASSETS</b>	<b>11,450,519</b>

<b>TOTAL ASSETS</b>	<b>\$ 17,480,797</b>
---------------------	----------------------

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

**LIABILITIES AND NET POSITION**

**CURRENT LIABILITIES**

Accounts payable	\$	4,533
Accrued payroll liabilities		63,497
Accrued expenses		1,932
Compensated absences		25,936
Unearned revenue		9,005
Tenants' security deposits		98,071
Current portion of loans payable		102,407
<b>TOTAL CURRENT LIABILITIES</b>		<b><u>305,381</u></b>

**NONCURRENT LIABILITIES**

Compensated absences		19,537
Loans payable		628,779
Unearned compensation liability		608,018
<b>TOTAL NONCURRENT LIABILITIES</b>		<b><u>1,256,334</u></b>

**TOTAL LIABILITIES** 1,561,715

**NET POSITION**

Investment in capital assets, net of related debt		10,063,634
Restricted		457,595
Unrestricted		5,397,853
<b>TOTAL NET POSITION</b>		<b><u>15,919,082</u></b>

**TOTAL LIABILITIES AND NET POSITION** **\$ 17,480,797**

**COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF STEVENS POINT**  
**Stevens Point, Wisconsin**  
**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION**  
**YEAR ENDED DECEMBER 31, 2012**

<b>OPERATING REVENUE</b>	
Dwelling rental	\$ 1,064,672
Operating grants	572,828
Other operating revenue	149,566
<b>TOTAL OPERATING REVENUE</b>	<u>1,787,066</u>
 <b>OPERATING EXPENSES</b>	
Administration	398,552
Tenant services	137,077
Utilities	342,003
Maintenance and operations	465,507
General expenses	151,848
Depreciation	646,619
<b>TOTAL OPERATING EXPENSES</b>	<u>2,141,606</u>
<b>OPERATING (LOSS)</b>	<u>(354,540)</u>
 <b>NONOPERATING REVENUE (EXPENSE)</b>	
Interest income	33,609
Gain on sale of fixed assets	4,050
Interest expense	(29,104)
<b>NET NONOPERATING REVENUE</b>	<u>8,555</u>
<b>CHANGE IN NET POSITION BEFORE CAPITAL GRANTS</b>	<u>(345,985)</u>
<b>CAPITAL GRANTS</b>	<u>411,500</u>
<b>CHANGE IN NET POSITION</b>	65,515
<b>NET POSITION AT BEGINNING OF YEAR</b>	15,927,085
<b>PRIOR PERIOD ADJUSTMENTS</b>	<u>(73,518)</u>
<b>NET POSITION AT END OF YEAR</b>	<u><b>\$ 15,919,082</b></u>

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

**COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF STEVENS POINT**  
**Stevens Point, Wisconsin**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2012**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from tenants/participants	\$ 1,064,610
Cash received from operating grants	575,402
Other income received	214,436
Cash payments to vendors	(989,197)
Cash payments to employees	(637,512)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>227,739</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Capital grants	363,884
Notes receivable	16,934
Acquisition of capital assets	(459,263)
Proceeds from sale of capital assets	4,050
Principal payments	(266,142)
Interest paid	(29,104)
<b>NET CASH (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>(369,641)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received	<u>33,609</u>
<b>NET (DECREASE) IN CASH AND INVESTMENTS</b>	(108,293)
<b>CASH AND INVESTMENTS AT BEGINNING OF YEAR</b>	<u>3,984,645</u>
<b>CASH AND INVESTMENTS AT END OF YEAR</b>	<u>\$ 3,876,352</u>

(Continued on page 12)

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

**COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF STEVENS POINT**  
**Stevens Point, Wisconsin**  
**STATEMENT OF CASH FLOWS - Continued**  
**YEAR ENDED DECEMBER 31, 2012**

**RECONCILIATION OF CASH AND INVESTMENTS PER STATEMENT OF CASH FLOWS TO THE STATEMENT OF NET POSITION**

Cash and investments	\$ 3,368,267
Cash and investments - restricted	508,085
<b>CASH AND INVESTMENTS PER STATEMENT OF NET POSITION</b>	<b><u>\$ 3,876,352</u></b>

**RECONCILIATION OF (LOSS) FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Operating (loss)	\$ (354,540)
Adjustments to reconcile operating (loss) to net cash provided by operating activities	
Depreciation	646,619
Prior period adjustments	(25,587)
Changes in assets and liabilities	
(Increase) decrease in assets	
Accounts receivable	(22,245)
Due from other governments	2,574
Prepaid expenses	(2,116)
Increase (decrease) in liabilities	
Accounts payable	967
Accrued expenses	(18,184)
Unearned revenue	2,063
Tenants' security deposits	(1,812)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b><u>\$ 227,739</u></b>

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

**COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF STEVENS POINT**  
**Stevens Point, Wisconsin**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012**

**NOTE 1 - Summary of Significant Accounting Policies**

**Reporting Entity** - The Community Development Authority is a separate governmental entity created for the purpose of constructing, maintaining, and operating public housing and providing rental assistance to low income, disabled, and elderly persons. Most of the Community Development Authority's funding is provided by the United States Department of Housing and Urban Development (HUD). All programs of the Community Development Authority are included in these statements. The Community Development Authority has no component units.

**Programs Administered by the Community Development Authority** - The programs of the Community Development Authority are recorded in one enterprise fund. Each is maintained using a separate set of self-balancing accounts. The programs include Public Housing which consists of three AMP's (which includes two tax credit projects), Capital Funds, a Local program, and a Business Activities program.

**Basis of Accounting and Measurement Focus** - The Community Development Authority's financial statements are presented on the full accrual basis in accordance with accounting principles generally accepted in the United States of America. The Community Development Authority applies all pronouncements of the Governmental Accounting Standards Board, and have elected not to follow Financial Accounting Standards Board pronouncements issued after November 30, 1989.

All activities of the Community Development Authority are accounted for within one proprietary (enterprise) fund. A proprietary fund is used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

A proprietary fund distinguishes operating revenue and expenses from non-operating items. Operating revenue 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 revenue of the Community Development Authority is rent collected from tenants and operating grants. Operating expenses for a proprietary fund include the cost of operating properties owned, administrative expenses and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

The accounting and financial reporting treatment applied to the Community Development Authority is determined by its measurement focus. The transactions of the Community Development Authority are accounted for on a flow of economic resources measurement focus. With this measurement focus, all position and all liabilities associated with the operations are included on the statement of net position. Net position (i.e., total assets net of total liabilities) are segregated into investment in capital assets, net of related debt, restricted net position and unrestricted net position. When both restricted and unrestricted resources are available for use, it is the Community Development Authority's policy to use restricted resources first, and then unrestricted resources as they are needed.

**Cash and Investments** - For purposes of the statement of cash flows, the Community Development Authority considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

**COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF STEVENS POINT**  
**Stevens Point, Wisconsin**  
NOTES TO FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2012

**NOTE 1 - Summary of Significant Accounting Policies - Continued**

**Cash and Investments - Restricted** - Restricted cash is segregated resources for tenants' security deposits, employee deferred compensation plan, reserves for tax credit projects, and economic revolving loan program.

**Insurance** - The premiums on all major insurance policies are charged to prepaid insurance and amortized over the life of the policy.

**Accounts Receivable** - Accounts receivable are recorded at gross amount, less an allowance for doubtful accounts. The allowance for doubtful accounts was \$1,308 at December 31, 2012.

**Capital Assets** - Purchased capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated. The Community Development Authority capitalized all assets with a cost of \$1,000 or greater and a useful life of one year or more. Buildings and equipment are carried at cost or fair market value and depreciated using a straight-line method of depreciation over their estimated useful lives as follows:

Land improvements	15 years
Buildings and improvements	15-40 years
Equipment	3-10 years

**Impairment of Long-Lived Assets** - The Community Development Authority reviews its capital assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recorded if the fair value is less than the carrying value of an asset, an impairment loss is recognized for the difference. No impairment loss has been recognized during the year ended December 31, 2012.

**Accumulated Compensated Absences** - The Community Development Authority allows regular, full-time employees to accumulate the following compensated absences:

- Vacation time accrues from the day an employee begins work and is granted yearly on an anniversary basis. Employees can accrue 5 days after 1 year, 10 days after 2 years, 15 days after 7 years, 20 days after 13 years, 25 days after 20 years, 26 days after 25 years, 27 days after 26 years, and 30 days after 30 years. Department heads are eligible for 15 days after 1 year, and Managers and Supervisors are eligible for 10 days after 1 year. An employee who is eligible for 3 or more weeks of vacation may carry over one week with prior approval. Unused vacation is paid out at termination unless an employee with less than 1 year of service is terminated for disciplinary reasons.
- Sick pay is earned at a rate of 8 hours for each month of employment with unlimited accumulation. If an employee does not utilize sick leave during the first 6 months of the calendar year, the employee will be credited with an additional day of sick leave. The same holds true for the second 6 months of the calendar year.
- Employee's who retire from City service at the age of 55 or over, or retire due to disability and apply for a retirement annuity from the Wisconsin Retirement Fund, may have up to a maximum of 130 days of unused sick leave converted to a monetary value. This amount shall be available to the employee to pay the full hospital and surgical insurance costs charged to the employee by the company carrying the City's group health insurance.

**COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF STEVENS POINT**  
**Stevens Point, Wisconsin**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2012**

**NOTE 1 - Summary of Significant Accounting Policies - Continued**

- As an alternative to the above, those employees not covered by the City Health Insurance Plan for the twenty-four (24) months immediately preceding their retirement would have seventy-five percent (75%) of their accumulated sick leave credits [a maximum of ninety seven and one-half (97.5) days at the time of retirement] converted to a monetary value.
- In the event a retiree chooses the insurance coverage in lieu of cash at the time of retirement and precedes his/her spouse in death, and there remains at that time a balance to his/her credit, the balance may be used to purchase insurance for the surviving spouse. The City's obligation ends when the monetary value of the account is depleted, or both are deceased.
- The employee and/or surviving spouse may remain on the group health plan as long as the premium is paid in full by the employee or surviving spouse through deductions from their sick leave credit or cash payment.

The amount of accumulated benefits at December 31, 2012, was \$45,473 and is recorded as a liability in the applicable programs.

**Unearned Compensation Plan** - The Community Development Authority has authorized the participation in the Wisconsin Deferred Compensation Program. The Community Development Authority records the investments on the balance sheet and records the corresponding liability. The investments are directed by the participant in the plan and thus the entity is not at risk for investment losses.

**Net Position Classifications** - Net position represents the difference between the total assets and the total liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement for those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**Federal Aids** - Federal aids for reimbursable programs are recognized as revenue in the year the related program expenditures are incurred. Aids received prior to meeting revenue recognition criteria are recorded as deferred revenue.

**Employee Retirement Plan** - The Community Development Authority has a retirement plan covering substantially all of its employees which is funded through contributions to the Wisconsin Retirement System.

**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 are classified as "due from other programs" or "due to other programs" on the combining statement of net position and have been eliminated in the basic financial statements.

**Interprogram Transactions** - Quasi-external transactions are accounted for as revenue or 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.

**Rental Income** - Rental income is recognized as rents become due.

**COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF STEVENS POINT**  
**Stevens Point, Wisconsin**  
 NOTES TO FINANCIAL STATEMENTS - Continued  
 DECEMBER 31, 2012

**NOTE 1 - Summary of Significant Accounting Policies - Continued**

**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.

**Construction Projects** - There are certain major construction projects in progress at December 31, 2012. These include modernizing rental units at many different projects. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred.

**Subsequent Events** - The Community Development Authority has evaluated subsequent events through April 16, 2013, the date which the financial statements were available to be issued.

**Change in Accounting Principle** - The Community Development Authority adopted GASB Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65 *Items Previously Reported as Assets and Liabilities* on January 1, 2012. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in the statement of activities. The implementation of these principles has reduced the prior period net position for the Community Development Authority.

**NOTE 2 - Cash and Investments**

State statutes permit the Community Development Authority to invest available cash balances, other than debt service funds, in time deposits of authorized depositories, state obligations, U.S. Treasury obligations, U.S. agency issues, repurchase agreements and other investments secured by federal securities, high grade commercial paper, and the local government pooled-investment fund administered by the state investment board. Available balances in the Debt Service Fund may be invested in municipal obligations, obligations of the United States and the local government pooled-investment fund. No significant violations of these restrictions occurred during the year.

As of December 31, 2012, the Community Development Authority had the following investments:

<u>INVESTMENT</u>	<u>WEIGHTED AVERAGE MATURITIES</u>	<u>COST</u>	<u>FAIR VALUE</u>
Bonds backed by U.S. Government Securities	Less than three months	<u>\$1,989,132</u>	<u>\$1,989,132</u>

**Fair (Market) Value of Deposits and Investments** - Deposits and investments are reported at fair value. At December 31, 2012, the fair value of the Community Development Authority's deposits approximated original cost; therefore, no fair value adjustments were necessary.

**Determining Fair Value** - Fair value of the Community Development Authority's deposits and investments are determined as follows:

- 1) Deposits and investments with stated interest rates (savings account, CD, money market) are stated at cost,
- 2) Bonds are stated at fair value based on published daily rates.

**COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF STEVENS POINT**  
**Stevens Point, Wisconsin**  
NOTES TO FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2012

**NOTE 2 - Cash and Investments - Continued**

**Income Allocation** - Investment income is generally allocated to the program that owns the deposit or investment.

**Interest Rate Risk** - State statutes limit investments in commercial paper, corporate bonds, and mutual bond funds to mature or may be tendered for purchase at the option of the holder within not more than 7 years of the date acquired. The Community Development Authority does not have a formal investment policy that would further limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk** - State statutes limit investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The Community Development Authority's investment policy does not further limit its investment choices. The Bonds are not rated; however, the investments at all times consist solely of securities and instruments in which Community Development Authorities are permitted to invest.

**Custodial Credit Risk - Deposits** - Custodial credit is the risk that, in the event of a bank failure, the Community Development Authority's deposits may not be returned to it. As of December 31, 2012, \$-0- of the Community Development Authority's bank balance of \$2,140,284, was exposed to custodial credit risk.

**NOTE 3 - Notes Receivable**

Economic revolving loan program	\$ 47,581
Less current portion	-
<b>TOTAL LONG-TERM NOTES RECEIVABLE</b>	<b><u>\$ 47,581</u></b>

**NOTE 4 - Capital Assets**

A summary of changes in capital assets is as follows:

	BALANCE 1/1/12	ADDITIONS	RETIREMENTS	BALANCE 12/31/12
Capital assets not being depreciated				
Land	<u>\$ 824,745</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 824,745</u>
Capital assets being depreciated				
Land improvements	503,044	1,939	-	504,983
Building and improvements	20,397,898	313,512	(15,173)	20,696,237
Equipment	<u>933,713</u>	<u>143,812</u>	<u>-</u>	<u>1,077,525</u>
<b>TOTAL CAPITAL ASSETS BEING DEPRECIATED</b>	21,834,655	459,263	(15,173)	22,278,745
Less accumulated depreciation	<u>(11,677,224)</u>	<u>(646,619)</u>	<u>15,173</u>	<u>(12,308,670)</u>
<b>TOTAL CAPITAL ASSETS BEING DEPRECIATED, NET OF ACCUMULATED DEPRECIATION</b>	<u>10,157,431</u>	<u>(187,356)</u>	<u>-</u>	<u>9,970,075</u>
<b>NET CAPITAL ASSETS</b>	<b><u>\$10,982,176</u></b>	<b><u>\$ (187,356)</u></b>	<b><u>\$ -</u></b>	<b><u>\$10,794,820</u></b>

**COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF STEVENS POINT**  
**Stevens Point, Wisconsin**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2012**

**NOTE 5 - Defined Benefit Pension Plan**

All eligible Community Development Authority of the City of Stevens Point employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system. All employees, initially employed by a participating WRS employer prior to July 1, 2011, expected to work at least 600 hours a year (440 hours for teachers and School District educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. Note: Employees hired to work nine or ten months per year, (e.g. teachers contracts), but expected to return year after year are considered to have met the one-year requirement.

Prior to June 29, 2011, covered employees in the General/Teacher/Educational Support Personnel category were required by statute to contribute 6.5 percent of their salary (3.9 percent for Executives and Elected Officials, 5.8 percent for Protective Occupations with Social Security, and 4.8 percent for Protective Occupations without Social Security) to the plan. Employers could make these contributions to the plan on behalf of employees. Employers were required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

Effective the first day of the first pay period on or after June 29, 2011 the employee required contribution was changed to one-half of the actuarially determined contribution rate for General category employees, including Teachers, and Executives and Elected Officials. Required contributions for protective contributions are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement. Contribution rates for 2012 are:

	<u>Employee</u>	<u>Employer</u>
<b>General (including Teachers)</b>	5.90%	5.90%
<b>Executives &amp; Elected Officials</b>	6.65	6.65
<b>Protective with Social Security</b>	5.80	8.90
<b>Protective without Social Security</b>	5.80	11.20

The payroll for Community Development Authority of the City of Stevens Point employees covered by the WRS for the year ended December 31, 2012 was \$395,909; the employer's total payroll was \$397,871. The total required contribution for the year ended December 31, 2012 was \$46,716, which consisted of \$23,358 or 5.90 percent of payroll from the employer and \$23,358 or 5.90 percent of payroll from employees. Total contributions for the years ending December 31, 2011 and 2010 were \$53,839 and \$52,510, respectively, equal to the required contributions for each year.

**COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF STEVENS POINT**  
**Stevens Point, Wisconsin**  
NOTES TO FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2012

**NOTE 5 - Defined Benefit Pension Plan - Continued**

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. A final average earnings is the average of the employee's three highest years' earnings. Employees terminating covered employment and submitting application before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998 and prior to July 1, 2011 are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011 must have five years of creditable service to be vested.

The WRS also provides death and disability benefits for employees. Eligibility and the amount of all benefits are determined under Chapter 40 of Wisconsin Statutes.

The WRS issues an annual financial report that may be obtained by writing to:

Department of Employee Trust Funds  
P.O. Box 7931  
Madison, WI 53707-7931.

**NOTE 6 - Long-Term Obligations**

Details of the Community Development Authority's long-term obligations are set forth below:

**Summary of Long-Term Obligations**

	BALANCE 1/1/12	ADDITIONS	REDUCTIONS	BALANCE 12/31/12	AMOUNT DUE WITHIN ONE YEAR
Unearned compensation liability	\$ 543,148	\$ 64,870	\$ -	\$ 608,018	\$ -
Compensated absences	46,243	-	770	45,473	25,936
Loans payable	997,328	-	266,142	731,186	102,407
	<b><u>\$1,586,719</u></b>	<b><u>\$ 64,870</u></b>	<b><u>\$ 266,912</u></b>	<b><u>\$1,384,677</u></b>	<b><u>\$ 128,343</u></b>

At December 31, 2012, loans payable consists of:

Note payable to bank, interest at 6.33 percent, monthly payments of \$10,221.57 including interest; matures April 1, 2016, collateralized by capital fund obligation from U.S. Department of HUD.	\$ 366,333
Note payable to bank, interest at .25 percent, forgivable after 15 years of compliance; matures January 1, 2038, if not compliant.	<u>364,853</u>
Less current portion	<u>102,407</u>
<b>TOTAL LONG-TERM LOANS PAYABLE</b>	<b><u>\$ 628,779</u></b>

**COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF STEVENS POINT**  
**Stevens Point, Wisconsin**  
NOTES TO FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2012

**NOTE 6 - Long-Term Obligations - Continued**

**Maturities of Loans Payable**

Maturities of the loans payable at December 31, 2012, are:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 102,407	\$ 20,252
2014	109,081	13,578
2015	116,190	6,469
2016	38,655	497
2038	364,853	-
	<u>\$ 731,186</u>	<u>\$ 40,796</u>

**NOTE 7 - Risk Management**

**Insured Risk** - The Community Development Authority purchases commercial insurance with various deductibles and coverages to cover liability, property, workers' compensation, errors, and omissions, and employee defalcation risk. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

**NOTE 8 - Net Position**

The following is a summary of individual net position restrictions at December 31, 2012:

<u>PROGRAM</u>	<u>PURPOSE/REASON</u>	<u>AMOUNT</u>
<u>Restrictions</u>		
AMP 1	Tax credit reserves	\$ 309,852
Business Activities	Provide loans to qualifying entities	147,743
		<u>\$ 457,595</u>

**NOTE 9 - Economic Dependency**

The Community Development Authority received approximately 44 percent of its total revenue from the United States Department of Housing and Urban Development. This funding is subject to federal government budget appropriations and potential funding reductions.

**NOTE 10 - Prior Period Adjustments**

The prior period adjustments to the AMP's is due to repayment of excess subsidy received in fiscal year 2005 and the implementation of GASB 63 and 65.

**COMMUNITY DEVELOPMENT AUTHORITY  
OF THE CITY OF STEVENS POINT  
Stevens Point, Wisconsin**

**SUPPLEMENTARY INFORMATION**

**COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF STEVENS POINT**  
**Stevens Point, Wisconsin**  
**COMBINING STATEMENT OF NET POSITION**  
**DECEMBER 31, 2012**

<u>ASSETS</u>	<u>AMP 1</u>	<u>AMP 2</u>	<u>AMP 8</u>	<u>CAPITAL FUNDS</u>
<b>CURRENT ASSETS</b>				
Cash and investments	\$ 101,105	\$ 145,103	\$ 68,474	\$ -
Cash and investments - restricted	330,732	26,236	27,586	-
Receivables				
Tenants, net of allowance for doubtful accounts	359	5,298	6,651	-
Other	30,091	308	770	-
Interest	519,274	-	-	-
Due from other governments	-	-	-	48,513
Due from other funds	-	48,513	-	-
Prepaid expenses	7,653	2,936	5,377	-
<b>TOTAL CURRENT ASSETS</b>	<u>989,214</u>	<u>228,394</u>	<u>108,858</u>	<u>48,513</u>
<b>NONCURRENT ASSETS</b>				
Investments - unearned compensation	-	-	-	-
Notes receivable	-	-	-	-
Other assets	-	-	-	-
Land	226,099	247,780	303,530	-
Land improvements	290,223	80,038	132,685	-
Buildings and improvements	12,364,672	1,937,301	3,417,901	612,685
Equipment	457,622	64,426	196,221	82,880
Less accumulated depreciation	<u>(7,154,086)</u>	<u>(1,140,567)</u>	<u>(1,954,228)</u>	<u>(23,991)</u>
<b>TOTAL NONCURRENT ASSETS</b>	<u>6,184,530</u>	<u>1,188,978</u>	<u>2,096,109</u>	<u>671,574</u>
 <b>TOTAL ASSETS</b>	 <u><b>\$ 7,173,744</b></u>	 <u><b>\$ 1,417,372</b></u>	 <u><b>\$ 2,204,967</b></u>	 <u><b>\$ 720,087</b></u>

<u>LOCAL</u>	<u>BUSINESS ACTIVITIES</u>	<u>INTERNAL SERVICE</u>	<u>ELIMINATING ENTRY</u>	<u>TOTAL</u>
\$ 2,570,385	\$ -	\$ 483,200	\$ -	\$ 3,368,267
23,369	100,162	-	-	508,085
247	-	-	-	12,555
2,068,950	-	381,267	(411,309)	2,070,077
-	-	12,998	(532,272)	-
-	-	-	-	48,513
-	-	115,496	(164,009)	-
2,683	-	4,132	-	22,781
<u>4,665,634</u>	<u>100,162</u>	<u>997,093</u>	<u>(1,107,590)</u>	<u>6,030,278</u>
-	-	608,018	-	608,018
-	47,581	1,227,957	(1,227,957)	47,581
-	-	100	-	100
47,336	-	-	-	824,745
2,037	-	-	-	504,983
2,363,678	-	-	-	20,696,237
4,965	-	271,411	-	1,077,525
(1,844,593)	-	(191,205)	-	(12,308,670)
<u>573,423</u>	<u>47,581</u>	<u>1,916,281</u>	<u>(1,227,957)</u>	<u>11,450,519</u>
<b><u>\$ 5,239,057</u></b>	<b><u>\$ 147,743</u></b>	<b><u>\$ 2,913,374</u></b>	<b><u>\$(2,335,547)</u></b>	<b><u>\$ 17,480,797</u></b>

(Continued on page 23)

**COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF STEVENS POINT**  
**Stevens Point, Wisconsin**  
**COMBINING STATEMENT OF NET POSITION - Continued**  
**DECEMBER 31, 2012**

<u>LIABILITIES AND NET POSITION</u>	<u>AMP 1</u>	<u>AMP 2</u>	<u>AMP 8</u>	<u>CAPITAL FUNDS</u>
<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ 30,239	\$ 618	\$ 523	\$ -
Accrued payroll liabilities	5,293	4,368	8,852	-
Accrued expenses	913,490	-	-	-
Compensated absences	5,055	5,578	6,798	-
Due to other funds	115,496	-	-	48,513
Unearned revenue	2,797	1,760	2,053	-
Tenants' security deposits	20,880	26,236	27,586	-
Current portion of loans payable	-	-	-	-
<b>TOTAL CURRENT LIABILITIES</b>	<u>1,093,250</u>	<u>38,560</u>	<u>45,812</u>	<u>48,513</u>
<b>NONCURRENT LIABILITIES</b>				
Compensated absences	3,630	3,903	3,498	-
Loans payable	1,227,957	-	-	-
Unearned compensation liability	-	-	-	-
<b>TOTAL NONCURRENT LIABILITIES</b>	<u>1,231,587</u>	<u>3,903</u>	<u>3,498</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>2,324,837</u>	<u>42,463</u>	<u>49,310</u>	<u>48,513</u>
<b>NET POSITION</b>				
Invested in capital assets, net of related debt	4,956,573	1,188,978	2,096,109	671,574
Restricted	309,852	-	-	-
Unrestricted	(417,518)	185,931	59,548	-
<b>TOTAL NET POSITION</b>	<u>4,848,907</u>	<u>1,374,909</u>	<u>2,155,657</u>	<u>671,574</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 7,173,744</u>	<u>\$ 1,417,372</u>	<u>\$ 2,204,967</u>	<u>\$ 720,087</u>

<u>LOCAL</u>	<u>BUSINESS ACTIVITIES</u>	<u>INTERNAL SERVICE</u>	<u>ELIMINATING ENTRY</u>	<u>TOTAL</u>
\$ 39	\$ -	\$ 3,205	\$ (30,091)	\$ 4,533
1,718	-	43,266	-	63,497
-	-	1,932	(913,490)	1,932
1,062	-	7,443	-	25,936
-	-	-	(164,009)	-
2,395	-	-	-	9,005
23,369	-	-	-	98,071
-	-	102,407	-	102,407
<u>28,583</u>	<u>-</u>	<u>158,253</u>	<u>(1,107,590)</u>	<u>305,381</u>
1,062	-	7,444	-	19,537
-	-	628,779	(1,227,957)	628,779
-	-	608,018	-	608,018
<u>1,062</u>	<u>-</u>	<u>1,244,241</u>	<u>(1,227,957)</u>	<u>1,256,334</u>
<u>29,645</u>	<u>-</u>	<u>1,402,494</u>	<u>(2,335,547)</u>	<u>1,561,715</u>
573,423	-	(650,980)	1,227,957	10,063,634
-	147,743	-	-	457,595
4,635,989	-	2,161,860	(1,227,957)	5,397,853
<u>5,209,412</u>	<u>147,743</u>	<u>1,510,880</u>	<u>-</u>	<u>15,919,082</u>
<u>\$ 5,239,057</u>	<u>\$ 147,743</u>	<u>\$ 2,913,374</u>	<u>\$(2,335,547)</u>	<u>\$ 17,480,797</u>

**COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF STEVENS POINT**  
**Stevens Point, Wisconsin**  
**COMBINING STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION**  
**YEAR ENDED DECEMBER 31, 2012**

	AMP 1	AMP 2	AMP 8	CAPITAL FUNDS
<b>OPERATING REVENUE</b>				
Dwelling rental	\$ 232,214	\$ 206,107	\$ 275,341	\$ -
Operating grants	122,151	193,944	218,229	38,504
Other operating revenue	81,698	18,130	32,475	-
<b>TOTAL OPERATING REVENUE</b>	<u>436,063</u>	<u>418,181</u>	<u>526,045</u>	<u>38,504</u>
<b>OPERATING EXPENSES</b>				
Administration	105,536	95,590	104,744	5,404
Tenant services	50,699	17,857	33,369	-
Utilities	74,265	46,887	150,924	-
Maintenance and operations	69,640	99,004	152,563	-
General expenses	28,776	37,206	40,655	-
Depreciation	379,550	63,641	122,443	15,144
<b>TOTAL OPERATING EXPENSES</b>	<u>708,466</u>	<u>360,185</u>	<u>604,698</u>	<u>20,548</u>
<b>OPERATING (LOSS) INCOME</b>	<u>(272,403)</u>	<u>57,996</u>	<u>(78,653)</u>	<u>17,956</u>
<b>NONOPERATING REVENUE (EXPENSE)</b>				
Interest income	92,198	69	85	-
Gain on sale on fixed assets	-	4,050	-	-
Interest expense	(92,764)	-	-	-
Operating transfers in	1,455	2,216	77,912	-
Operating transfers out	-	(75,000)	-	(129,242)
<b>NET NONOPERATING REVENUE (EXPENSE)</b>	<u>889</u>	<u>(68,665)</u>	<u>77,997</u>	<u>(129,242)</u>
<b>CHANGE IN NET POSITION BEFORE CAPITAL GRANTS</b>	<u>(271,514)</u>	<u>(10,669)</u>	<u>(656)</u>	<u>(111,286)</u>
<b>CAPITAL GRANTS</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>411,500</u>
<b>CHANGE IN NET POSITION</b>	<u>(271,514)</u>	<u>(10,669)</u>	<u>(656)</u>	<u>300,214</u>
<b>NET POSITION AT BEGINNING OF YEAR</b>	5,076,976	1,296,925	1,921,044	812,245
<b>PRIOR PERIOD ADJUSTMENTS</b>	(55,351)	(8,188)	(9,979)	-
<b>RESIDUAL EQUITY TRANSFER IN (OUT)</b>	<u>98,796</u>	<u>96,841</u>	<u>245,248</u>	<u>(440,885)</u>
<b>NET POSITION AT END OF YEAR</b>	<u>\$ 4,848,907</u>	<u>\$ 1,374,909</u>	<u>\$ 2,155,657</u>	<u>\$ 671,574</u>

<u>LOCAL</u>	<u>BUSINESS ACTIVITIES</u>	<u>INTERNAL SERVICE</u>	<u>ELIMINATING ENTRY</u>	<u>TOTAL</u>
\$ 351,010	\$ -	\$ -	\$ -	\$ 1,064,672
-	-	-	-	572,828
29,942	13,690	189,453	(215,822)	149,566
<u>380,952</u>	<u>13,690</u>	<u>189,453</u>	<u>(215,822)</u>	<u>1,787,066</u>
122,822	-	180,278	(215,822)	398,552
35,152	-	-	-	137,077
69,927	-	-	-	342,003
54,448	-	89,852	-	465,507
39,112	-	6,099	-	151,848
58,858	-	6,983	-	646,619
<u>380,319</u>	<u>-</u>	<u>283,212</u>	<u>(215,822)</u>	<u>2,141,606</u>
<u>633</u>	<u>13,690</u>	<u>(93,759)</u>	<u>-</u>	<u>(354,540)</u>
31,858	1,239	924	(92,764)	33,609
-	-	-	-	4,050
(3,095)	-	(26,009)	92,764	(29,104)
-	-	135,209	(216,792)	-
<u>(12,550)</u>	<u>-</u>	<u>-</u>	<u>216,792</u>	<u>-</u>
<u>16,213</u>	<u>1,239</u>	<u>110,124</u>	<u>-</u>	<u>8,555</u>
16,846	14,929	16,365	-	(345,985)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>411,500</u>
16,846	14,929	16,365	-	65,515
5,192,566	132,814	1,494,515	-	15,927,085
-	-	-	-	(73,518)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>\$ 5,209,412</u></b>	<b><u>\$ 147,743</u></b>	<b><u>\$ 1,510,880</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 15,919,082</u></b>

**COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF STEVENS POINT**  
**Stevens Point, Wisconsin**  
**COMBINING STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2012**

	<u>AMP 1</u>	<u>AMP 2</u>	<u>AMP 8</u>	<u>CAPITAL FUNDS</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from tenants/participants	\$ 231,292	\$ 209,283	\$ 274,576	\$ -
Cash received from interfund services provided	-	-	-	45,042
Cash received from operating grants	122,151	193,944	218,229	41,078
Other income received	81,698	18,130	32,475	-
Cash payments to vendors	(293,694)	(160,706)	(298,066)	(5,404)
Cash payments to employees	(84,818)	(145,545)	(194,002)	-
Cash payments for interfund services used	<u>(113,351)</u>	<u>(48,513)</u>	<u>-</u>	<u>-</u>
<b>NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES</b>	<u>(56,722)</u>	<u>66,593</u>	<u>33,212</u>	<u>80,716</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital grants	-	-	-	363,884
Notes receivable	-	-	-	-
Acquisition of capital assets	(27,471)	(27,872)	(64,445)	(315,358)
Proceeds from sale of capital assets	-	4,050	-	-
Principal payments	-	-	-	-
Interest paid	<u>(92,764)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CASH (USED IN) PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>(120,235)</u>	<u>(23,822)</u>	<u>(64,445)</u>	<u>48,526</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Equity transfer	-	-	-	-
Operating transfers in (out)	<u>1,455</u>	<u>(72,784)</u>	<u>77,912</u>	<u>(129,242)</u>
<b>NET CASH PROVIDED BY (USED IN) NONCAPITAL FINANCING ACTIVITIES</b>	<u>1,455</u>	<u>(72,784)</u>	<u>77,912</u>	<u>(129,242)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	<u>92,198</u>	<u>69</u>	<u>85</u>	<u>-</u>
<b>NET (DECREASE) INCREASE IN CASH AND INVESTMENTS</b>	(83,304)	(29,944)	46,764	-
<b>CASH AND INVESTMENTS AT BEGINNING OF YEAR</b>	<u>515,141</u>	<u>201,283</u>	<u>49,296</u>	<u>-</u>
<b>CASH AND INVESTMENTS AT END OF YEAR</b>	<u><b>\$ 431,837</b></u>	<u><b>\$ 171,339</b></u>	<u><b>\$ 96,060</b></u>	<u><b>\$ -</b></u>

<u>LOCAL</u>	<u>BUSINESS ACTIVITIES</u>	<u>INTERNAL SERVICE</u>	<u>ELIMINATING ENTRY</u>	<u>TOTAL</u>
\$ 349,459	\$ -	\$ -	\$ -	\$ 1,064,610
-	-	-	(45,042)	-
-	-	-	-	575,402
29,942	13,690	254,323	(215,822)	214,436
(278,142)	-	11,506	35,309	(989,197)
(70,940)	-	(322,720)	180,513	(637,512)
-	-	116,822	45,042	-
<u>30,319</u>	<u>13,690</u>	<u>59,931</u>	<u>-</u>	<u>227,739</u>
-	-	-	-	363,884
-	16,934	-	-	16,934
-	-	(24,117)	-	(459,263)
-	-	-	-	4,050
(170,000)	-	(96,142)	-	(266,142)
(3,095)	-	(26,009)	92,764	(29,104)
<u>(173,095)</u>	<u>16,934</u>	<u>(146,268)</u>	<u>92,764</u>	<u>(369,641)</u>
-	-	-	-	-
(12,550)	-	135,209	-	-
<u>(12,550)</u>	<u>-</u>	<u>135,209</u>	<u>-</u>	<u>-</u>
<u>31,858</u>	<u>1,239</u>	<u>924</u>	<u>(92,764)</u>	<u>33,609</u>
(123,468)	31,863	49,796	-	(108,293)
<u>2,717,222</u>	<u>68,299</u>	<u>433,404</u>	<u>-</u>	<u>3,984,645</u>
<u>\$ 2,593,754</u>	<u>\$ 100,162</u>	<u>\$ 483,200</u>	<u>\$ -</u>	<u>\$ 3,876,352</u>

(Continued on page 29)

**COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF STEVENS POINT**  
**Stevens Point, Wisconsin**  
**COMBINING STATEMENT OF CASH FLOWS - Continued**  
**YEAR ENDED DECEMBER 31, 2012**

	AMP 1	AMP 2	AMP 8	CAPITAL FUNDS
<b><u>RECONCILIATION OF CASH AND INVESTMENTS</u></b>				
<b><u>PER STATEMENT OF CASH FLOWS TO THE</u></b>				
<b><u>STATEMENT OF NET POSITION</u></b>				
Cash and investments	\$ 101,105	\$ 145,103	\$ 68,474	\$ -
Cash and investments - restricted	330,732	26,236	27,586	-
<b>CASH AND INVESTMENTS PER</b>				
<b>STATEMENT OF NET POSITION</b>	<b>\$ 431,837</b>	<b>\$ 171,339</b>	<b>\$ 96,060</b>	<b>\$ -</b>
 <b><u>RECONCILIATION OF (LOSS) INCOME FROM</u></b>				
<b><u>OPERATIONS TO NET CASH (USED IN) PROVIDED</u></b>				
<b><u>BY OPERATING ACTIVITIES</u></b>				
Operating (loss) income	\$ (272,403)	\$ 57,996	\$ (78,653)	\$ 17,956
Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities				
Depreciation	379,550	63,641	122,443	15,144
Prior period adjustments	(7,420)	(8,188)	(9,979)	-
Changes in assets and liabilities				
(Increase) decrease in assets				
Accounts receivable	31,808	1,501	(1,490)	-
Due from other governments	-	-	-	2,574
Due from other funds	-	(48,513)	-	-
Interest receivable	(91,841)	-	-	-
Notes receivable	-	-	-	-
Prepaid expenses	(2,792)	1,132	587	-
Increase (decrease) in liabilities				
Accounts payable	(32,882)	(29)	385	-
Accrued expenses	53,206	(2,622)	(806)	-
Due to other funds	(113,351)	-	-	45,042
Unearned revenue	(245)	1,285	478	-
Tenants' security deposits	(352)	390	247	-
<b>NET CASH (USED IN) PROVIDED BY</b>				
<b>OPERATING ACTIVITIES</b>	<b>\$ (56,722)</b>	<b>\$ 66,593</b>	<b>\$ 33,212</b>	<b>\$ 80,716</b>

<u>LOCAL</u>	<u>BUSINESS ACTIVITIES</u>	<u>INTERNAL SERVICE</u>	<u>ELIMINATING ENTRY</u>	<u>TOTAL</u>
\$ 2,570,385	\$ -	\$ 483,200	\$ -	\$ 3,368,267
<u>23,369</u>	<u>100,162</u>	<u>-</u>	<u>-</u>	<u>508,085</u>
<b><u>\$ 2,593,754</u></b>	<b><u>\$ 100,162</u></b>	<b><u>\$ 483,200</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 3,876,352</u></b>
\$ 633	\$ 13,690	\$ (93,759)	\$ -	\$ (354,540)
58,858	-	6,983	-	646,619
-	-	-	-	(25,587)
(23,613)	-	43,103	(73,554)	(22,245)
-	-	-	-	2,574
-	-	116,822	(68,309)	-
-	-	(924)	92,765	-
-	-	-	-	-
73	-	(1,116)	-	(2,116)
111	-	1,322	32,060	967
(4,191)	-	(12,500)	(51,271)	(18,184)
-	-	-	68,309	-
545	-	-	-	2,063
<u>(2,097)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,812)</u>
<b><u>\$ 30,319</u></b>	<b><u>\$ 13,690</u></b>	<b><u>\$ 59,931</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 227,739</u></b>

**COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF STEVENS POINT**  
**Stevens Point, Wisconsin**  
**STATEMENT AND CERTIFICATION OF CAPITAL GRANT COSTS**  
**DECEMBER 31, 2012**

**ANNUAL CONTRIBUTIONS CONTRACT**

1. The Actual Modernization Costs for the Locally Owned are as follows:

	<u>WI39P037501-05</u>
Funds approved	\$ 489,434
Funds expended	<u>489,434</u>
<b>EXCESS (DEFICIENCY) OF FUNDS APPROVED</b>	<b><u>\$ -</u></b>
HUD grants	\$ 489,434
Funds expended	<u>489,434</u>
<b>EXCESS (DEFICIENCY) OF FUNDS EXPENDED</b>	<b><u>\$ -</u></b>

2. The distribution of costs as shown on the Final Statement of Modernization Costs dated May 4, 2010, accompanying the Actual Modernization Cost Certificate submitted to HUD are in agreement with the Community Development Authority's records.
3. All modernization costs have been paid and all related liabilities have been discharged through payment.

**COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF STEVENS POINT  
Stevens Point, Wisconsin  
STATEMENT AND CERTIFICATION OF CAPITAL GRANT COSTS  
DECEMBER 31, 2012**

**ANNUAL CONTRIBUTIONS CONTRACT**

1. The Actual Modernization Costs for the Locally Owned are as follows:

	<u>WI39P037501-06</u>
Funds approved	\$ 456,191
Funds expended	<u>456,191</u>
<b>EXCESS (DEFICIENCY) OF FUNDS APPROVED</b>	<b><u>\$ -</u></b>
HUD grants	\$ 456,191
Funds expended	<u>456,191</u>
<b>EXCESS (DEFICIENCY) OF FUNDS EXPENDED</b>	<b><u>\$ -</u></b>

2. The distribution of costs as shown on the Final Statement of Modernization Costs dated May 26, 2011, accompanying the Actual Modernization Cost Certificate submitted to HUD are in agreement with the Community Development Authority's records.
3. All modernization costs have been paid and all related liabilities have been discharged through payment.

**COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF STEVENS POINT**  
**Stevens Point, Wisconsin**  
**STATEMENT AND CERTIFICATION OF CAPITAL GRANT COSTS**  
**DECEMBER 31, 2012**

**ANNUAL CONTRIBUTIONS CONTRACT**

1. The Actual Modernization Costs for the Locally Owned are as follows:

	<u>WI39P037501-07</u>
Funds approved	\$ 448,574
Funds expended	<u>448,574</u>
<b>EXCESS (DEFICIENCY) OF FUNDS APPROVED</b>	<b><u>\$ -</u></b>
HUD grants	\$ 448,574
Funds expended	<u>448,574</u>
<b>EXCESS (DEFICIENCY) OF FUNDS EXPENDED</b>	<b><u>\$ -</u></b>

2. The distribution of costs as shown on the Final Statement of Modernization Costs dated May 26, 2011, accompanying the Actual Modernization Cost Certificate submitted to HUD are in agreement with the Community Development Authority's records.
3. All modernization costs have been paid and all related liabilities have been discharged through payment.

**COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF STEVENS POINT**  
**Stevens Point, Wisconsin**  
**STATEMENT AND CERTIFICATION OF CAPITAL GRANT COSTS**  
**DECEMBER 31, 2012**

**ANNUAL CONTRIBUTIONS CONTRACT**

1. The Actual Modernization Costs for the Locally Owned are as follows:

	<u>WI39P037501-08</u>
Funds approved	\$ 452,905
Funds expended	<u>452,905</u>
<b>EXCESS (DEFICIENCY) OF FUNDS APPROVED</b>	<b><u>\$ -</u></b>
HUD grants	\$ 452,905
Funds expended	<u>452,905</u>
<b>EXCESS (DEFICIENCY) OF FUNDS EXPENDED</b>	<b><u>\$ -</u></b>

2. The distribution of costs as shown on the Final Statement of Modernization Costs dated May 26, 2011, accompanying the Actual Modernization Cost Certificate submitted to HUD are in agreement with the Community Development Authority's records.
3. All modernization costs have been paid and all related liabilities have been discharged through payment.

**COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF STEVENS POINT**  
**Stevens Point, Wisconsin**  
**STATEMENT AND CERTIFICATION OF CAPITAL GRANT COSTS**  
**DECEMBER 31, 2012**

**ANNUAL CONTRIBUTIONS CONTRACT**

1. The Actual Modernization Costs for the Locally Owned are as follows:

	<u>WI39S037501-09</u>
Funds approved	\$ 573,288
Funds expended	<u>573,288</u>
<b>EXCESS (DEFICIENCY) OF FUNDS APPROVED</b>	<b><u>\$ -</u></b>
HUD grants	\$ 573,288
Funds expended	<u>573,288</u>
<b>EXCESS (DEFICIENCY) OF FUNDS EXPENDED</b>	<b><u>\$ -</u></b>

2. The distribution of costs as shown on the Final Statement of Modernization Costs dated August 10, 2012, accompanying the Actual Modernization Cost Certificate submitted to HUD are in agreement with the Community Development Authority's records.
3. All modernization costs have been paid and all related liabilities have been discharged through payment.

**COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF STEVENS POINT**  
**Stevens Point, Wisconsin**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED DECEMBER 31, 2012**

<u>GRANTOR/PASS THROUGH AGENCY/ PROGRAM TITLE AND GRANT NUMBER</u>	<u>FEDERAL CATALOG NUMBER</u>	<u>AWARD AMOUNT</u>	<u>FEDERAL EXPENDITURES</u>
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT - Direct Programs</u></b>			
Public and Indian Housing	14.850		
(WI037-00000112D)		\$ 122,151	\$ 122,151
(WI037-00000212D)		193,944	193,944
(WI037-00000812D)		218,229	<u>218,229</u>
TOTAL 14.850			<u>534,324</u>
Public Housing Capital Funds	14.872		
(WI39P037501-10)		448,419	112,437
(WI39P037501-11)		481,385	289,054
(WI39P037501-12)		316,349	<u>48,513</u>
TOTAL 14.872			<u>450,004</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b><u>\$ 984,328</u></b>

**Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Community Development Authority of the City of Stevens Point and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the financial statements.

**COMMUNITY DEVELOPMENT AUTHORITY  
OF THE CITY OF STEVENS POINT  
Stevens Point, Wisconsin**

**OTHER REPORTS**



Hawkins, Ash, Baptie

& COMPANY, LLP  
Certified Public Accountants | Business Advisors

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**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**

To the Board of Commissioners  
Community Development Authority of the City of Stevens Point  
Stevens Point, 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 basic financial statements of the Community Development Authority of the City of Stevens Point ("Community Development Authority"), as of and for the year ended December 31, 2012, and the related notes to financial statements, which collectively comprise the Community Development Authority's basic financial statements, and have issued our report hereon dated April 16, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Community Development Authority's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Community Development Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Community Development Authority'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 combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Community Development Authority'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 the attention by those charged with governance.

Our consideration of internal control over financial reporting 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 the audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Community Development Authority'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 determination of financial statement amounts. 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*.

We noted certain other matters that we reported to management of the Community Development Authority in a separate letter dated April 16, 2013.

## **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 Community Development Authority's internal control and compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Community Development Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Hawkins, Ash, Dapkin & Company, LLP*

La Crosse, Wisconsin  
April 16, 2013



Hawkins, Ash, Baptie

& COMPANY, LLP  
Certified Public Accountants | Business Advisors

Real Solutions. Real Service.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR  
EACH MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the Board of Commissioners  
Community Development Authority of the City of Stevens Point  
Stevens Point, Wisconsin

**Report on Compliance for Each Major Federal Program**

We have audited Community Development Authority of the City of Stevens Point's, ("Community Development Authority") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Community Development Authority's major federal programs for the year ended December 31, 2012. The Community Development Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the Community Development Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Community Development Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Community Development Authority's compliance.

### **Opinion on Each Major Federal Program**

In our opinion, the Community Development Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

### **Report on Internal Control Over Compliance**

Management of the Community Development Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above.

In planning and performing our audit of compliance, we considered the Community Development Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Community Development Authority's 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 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Hawkins, Ash, Deptis & Company, LLP*

La Crosse, Wisconsin  
April 16, 2013

**COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF STEVENS POINT**  
**Stevens Point, Wisconsin**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED DECEMBER 31, 2012**

**Section I - Summary of Auditors' Results**

*Financial Statements*

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ Yes      X   No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? \_\_\_\_\_ Yes      X   None reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes      X   No

*Federal Awards*

Internal control over major federal programs:

- Material weakness(es) identified? \_\_\_\_\_ Yes      X   No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? \_\_\_\_\_ Yes      X   None reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? \_\_\_\_\_ Yes      X   No

Identification of federal major program:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.872	Public Housing Capital Funds

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee?   X   Yes    \_\_\_\_\_ No

**Section II - Financial Statement Findings - NONE**

**Section III - Federal and State Awards Findings and Questioned Costs - NONE**

**Section IV - Prior Year Findings - NONE**

DATE: May 15, 2013

TO: Community Development Authority Board of Commissioners

FROM: Donna Bella, Public Housing Manager

RE: HUD's Asset Management

In 2008, the U.S. Department of Housing and Urban Development (HUD) converted to a new program called Asset Management for Housing Authorities (HA) across the nation. As part of this new program, HA's were to identify different Asset Management Projects (AMP) and report financial, occupancy, and maintenance on them individually to HUD on an annual basis. We did this. We separated our properties into three different AMPs; Hi-Rise Manor, Scattered Sites and Madison View.

As you can imagine a flurry of problems surfaced with the implementation of Asset Management and almost immediately HUD issued a revision to the program. This revision allowed Housing Authorities with less than 400 units to combine into one AMP.

At that time, the Stevens Point Housing Authority had 279 public housing units. However, in 2009 we completed the remodel of Hi-Rise Manor and our total public housing unit count changed.

Hi-Rise Manor had 99 units but we combined 24 units for ADA accessibility, expanded our office with one unit and kept the Resident Services Center thus leaving us with 73 public housing units. HUD calculates our operating subsidy on 73 units.

Our scattered sites remained the same as always – 80 units. HUD calculates operating subsidy on those 80 units.

Madison View originally had 100 units. Of the 100 units, we have one unit designated for the Homework Center™; one unit designated for CAP Services Headstart program and 5 combined units to accommodate larger families thus leaving 93 public housing units at Madison View. Again, HUD calculates our operating subsidy on 93 units.

Our total unit count for purposes of HUD's operating subsidy calculations is 246.

One of the major problems HUD discovered was that the administrative burden was tremendous with Asset Management, especially smaller agencies (less than 250 units). Housing Authorities are required to track everything separately for each AMP. All rent collected, expenses, payroll, occupancy and maintenance must be tracked and recorded separately. We are required to submit our operating subsidy calculations; annual Real Estate Assessment Center (REAC) submissions; unit and family composition information into HUD's PIC system; and audit information individually to HUD, all at higher costs of submitting.

When the original change came from HUD in 2009 that would allow agencies to combine their AMPs, we researched it and discovered that it would cost our agency approximately \$80,000 per year. So it was decided to continue on with Asset Management.

However, since 2008, HUD has lifted that huge penalty amount and Housing Authorities with less than 400 units are allowed to combine their AMPs into one with a much smaller penalty. That penalty comes in the form of an Asset Management fee. If we no longer administer Asset Management, we no longer can collect the Asset Management fee of \$12,000 annually. We would, however, continue to receive our operating subsidy as is appropriated by Congress.

Moreover, the Housing Authority is required to comply with another program through HUD called the Public Housing Assessment System (PHAS). The PHAS program is a method that HUD uses to evaluate the performance of a public housing agency. One component of the PHAS is the Management Assessment Sub-System (MASS); Occupancy Rate (OR). Annually each project (AMP) is scored independently for the number of vacancies it has throughout the year. As an example – if our scattered sites, which has 80 units, sees vacancies of more than 3% in a year, the points we would receive is reduced. Which ultimately reduces our operating subsidy. How HUD determines the OR scores is they divide the annual total number of Unit Months Leased by the annual total amount of Unit Months Available and the result is the Occupancy Rate. Below is table that HUD uses to score the OR:

>98%	16 points (best that you can achieve for this indicator)
<98% but > 96%	12
<96% but >94%	8
<94% but >92%	4
<92% but >90%	1
<90%	0

Obviously having so few units in a project (AMP) can be detrimental to our score. Conversely, if we combine our units, our vacancies are spread out over 173 units (80 at Scattered Sites and 93 at Madison View) thus affording us a higher score. Furthermore, if we are able to achieve a “high performer” rank, then we are eligible for more capital fund monies, which you will recall was cut almost 40% with the sequestration.

I am seeking for your approval to combine two of our three AMP’s into one (the tax credits (AMP 4) must stay intact until the 15 year contract expires in 2018) and alleviate some of the administrative burden and hopefully improve our overall annual scores.

Please let me know if you have any questions or comments.

Thank you,

AGENDA  
CITY PLAN COMMISSION

Monday, June 3, 2013 – 6:00 PM

Lincoln Center – 1519 Water Street, Stevens Point, WI 54481

(A Quorum of the City Council May Attend This Meeting)

Discussion and possible action on the following:

1. Report of the May 6, 2013 Plan Commission meeting.
2. Request from Gabe Thomas, representing Generations Property Development, for a preliminary plat review of a thirteen (13) lot subdivision, Washington Terrace, **south of Regent Street, between Saint Paul Street and Dearborn Avenue (Parcel ID 2408-28-4001-06)**.
3. Request from Jay Johnson, representing Riiser Energy, for a site plan review to construct an approximate 1,100 square foot addition onto their existing building at **5485 U.S. Highway 10 East (Parcel ID 2408-35-1300-01)**.
4. Request from Tom Deppiesse, representing Estate Wines, for a conditional use permit to operate a wine bar, serving wine, beer, and liquor at **1137 Main Street (Parcel ID 2408-32-2026-37)**.
5. Request from Bill Cooper, representing BP Gas Station, for a parking lot modification to repave the parking and fueling areas without meeting the landscape setback area requirements at **3209 Church Street (Parcel ID 2308-04-3007-02)**.
6. Amendment of the Revised Municipal Code of the City of Stevens Point, Chapter 25 Sign Ordinance, to allow wall signs to be placed on more than two walls (Section 25.04(7)(e)).
7. Conditional use permit renewals for the following place and activity:
  - 1001 Amber Avenue - Amber Grill (operate a tavern)
  - 1320 Strongs Avenue - Arbuckle's, (operate a tavern)
  - 200 Division Street – Pete's Sports Bar (operate a tavern)
  - 233 Division Street - Papa Joes Bar (operate a tavern)
  - 2301 Church Street - Middletown Grille (operate a tavern)
  - 1036 Main Street - Tech Lounge (operate an electronic amusement business)
8. **First amendment to Reciprocal License Agreement between the Community Development Authority of the City of Stevens Point and Mid-State Technical College for the purposes of allowing encroachments onto the property south of 1001 Centerpoint Drive (Parcel ID 2408-32-2029-64)**.
9. Transferring and/or selling and/or assigning the rights to the property located at **1450 Water Street (Parcel ID 2408-32-2019-33)** and the adjacent unaddressed property (**Parcel ID 2408-32-2019-35**) from the Community Development Authority of the City of Stevens Point to Affordable Senior Housing of Central Wisconsin Inc.
10. Adjourn.

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Maps further defining the above area(s) may be obtained from the City of Stevens Point Department of Community Development, 1515 Strongs Avenue, Stevens Point, WI 54481, or by calling 715-346-1567, during normal business hours.

Any person who has special needs while attending these meetings or needs agenda materials for these meetings should contact the City Clerk as soon as possible to ensure that a reasonable accommodation can be made. The City Clerk can be reached by telephone at (715)346-1569, TDD# 346-1556, or by mail at 1515 Strongs Avenue, Stevens Point, WI 54481.

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# Memo

**Michael Ostrowski, Director**  
Community Development  
City of Stevens Point  
1515 Strongs Avenue  
Stevens Point, WI 54481  
Ph: (715) 346-1567 • Fax: (715) 346-1498  
mostrowski@stevenspoint.com

## City of Stevens Point – Department of Community Development

To: Plan Commission  
From: Plan Staff  
CC:  
Date: 5/28/2013  
Re: First amendment to Reciprocal License Agreement between the Community Development Authority of the City of Stevens Point and Mid-State Technical College for the purposes of allowing encroachments onto the property south of 1001 Centerpoint Drive (Parcel ID 2408-32-2029-64).

The Reciprocal License Agreement between the Community Development Authority of the City of Stevens Point (CDA) and Mid-State Technical College (MSTC) was recorded in October, 2012 and conveyed the rights of both parties regarding use of property. The first amendment to this agreement incorporates improvements constructed by Mid-State Technical College that are proposed to occur on their southern property line, which serves as their building wall. Furthermore, the proposed improvements will encroach onto CDA property, which include the following:

- Southern building entrance stone Pier/overhang (extruding 4')
- Southern building entrance canopy and concrete stoop (extruding 5')
- Stone veneer long building façade (extruding 6")
- Stone window surround (extruding 5")
- Wall lights (extruding 10.5")
- Stone pier building accent (extruding 7")
- Sod and landscaping along southern building façade
- Asphalt, concrete, and curb and gutter

Maintenance of the proposed improvements would be the sole responsibility of MSTC. Additionally, this license shall be permanent and run with the land, so as long as the building currently constructed remains. Once asphalt paving and concrete curb/gutter are complete, MSTC will dedicate, at no cost, the improvements to the CDA.

Staff would recommend approval.

**FIRST AMENDMENT TO  
RECIPROCAL LICENSE  
AGREEMENT**

Document Number

Document Title

This First Amendment to Reciprocal License Agreement (“Amendment”) is made by and among Mid-State Technical College District (“College”); the Community Development Authority of the City of Stevens Point (“CDA”); and the City of Stevens Point (“City”), as of the \_\_\_\_ day of May, 2013 (“Effective Date”).

Recording Area

Name and Return Address:

Paul G. Hoffman, Esq.  
Michael Best & Friedrich LLP  
Two Riverwood Place, Suite 200  
N19 W24133 Riverwood Drive  
Waukesha, WI 53188-1174  
ROD BOX 265

PIN:

RECITALS

A. On October 10, 2012, CDA conveyed to College certain property described as Lot 1 of Certified Survey Map No. 10287-46-17, as recorded in Volume 46 of Certified Survey Maps at page 17 (“College Parcel”), as more fully described on the attached and incorporated Exhibit A, and contemporaneously therewith, the parties entered into a Reciprocal License Agreement dated October 10, 2012 (“RLA”), which RLA was recorded in the Office of the Register of Deeds for Portage County on October 10, 2012, as Document No. 776838.

B. CDA owns certain property immediately adjacent to the south wall of the building (“Building”) located on the College Parcel (such property to the south, “CDA Parcel”), and as the CDA Parcel is also legally described on the attached Exhibit A.

C. College desires to improve the south wall of the Building, which improvements would be for the betterment of both the College Parcel and CDA Parcel; provided, however, that some of such improvements would extend into the CDA Parcel, requiring this Amendment to the RLA.

D. CDA and City are willing to join in this Amendment grant certain additional licenses to College on the terms and conditions of this Amendment.

AGREEMENT

NOW, THEREFORE, College, City and CDA, in consideration of the above premises and of the covenants herein contained, the receipt and sufficiency of which is hereby mutually acknowledged by each party hereto, do hereby covenant and agree to amend the RLA as follows:

1. CDA LICENSE.

a. CDA hereby grants to College an exclusive license and right of use over portions of the CDA Parcel depicted on Exhibits B and C to install landscaping (including sod, bushes and planters), asphalt paving, concrete curb and gutter, stone veneer, stone window surround and stone pier and other installations, all as depicted on the attached Exhibits B and C. Additionally, CDA further grants to College a license to construct and maintain a canopy and wall lights on the south Building elevation, which will extend over the common boundary of the College Parcel and CDA Parcel as also depicted on said exhibits.

b. In addition to the rights of installation as herein granted, CDA further grants to College a right to enter upon other portions of the CDA Parcel for the purpose of installing such improvements and for maintaining, operating, replacing and restoring such improvements from time to time.

c. The license herein granted shall be permanent and run with the land forever, so long as the Building currently constructed on the College Parcel remains in place. Upon any removal or relocation of the Building, the licenses herein granted by CDA shall, at CDA's option, expire.

2. DEDICATION. Upon completion of the asphalt paving and concrete curb and gutter, such improvements shall be deemed dedicated by College to CDA without charge to CDA, as CDA's own property, and CDA will be responsible for future maintenance and restoration thereof.

3. MAINTENANCE. Except for the asphalt paving and concrete curb and gutter, which are dedicated to CDA, and shall be maintained by CDA or City, College shall be responsible for maintaining all other College improvements within the licensed area, including, without limitation, sidewalk (including snow removal), wall veneer, pier, canopy, overhead lights, landscaping (including sod, bushes and planters), at College's sole expense.

4. INSURANCE AND INDEMNITY. The provisions of the RLA governing insurance and indemnities shall apply to the additional licensed property introduced to the RLA by this Amendment.

5. MISCELLANEOUS.

a. If any term or condition of this Amendment or part thereof is held invalid or unenforceable, the remaining provisions of this Amendment shall remain in full force and effect.

b. The RLA may only be further modified or amended by written instrument, signed by all parties hereto.

c. This Amendment shall be construed under the laws of the State of Wisconsin.

d. Except as amended hereby, the RLA is ratified and confirmed by both parties.

This Amendment is made as of the Effective Date.

**COLLEGE:  
MID-STATE TECHNICAL COLLEGE DISTRICT**

By: \_\_\_\_\_  
Susan Budjac, President

**ACKNOWLEDGMENT**

STATE OF WISCONSIN     )  
  ) SS.  
COUNTY OF WOOD         )

Personally came before me this \_\_\_\_ day of May, 2013, the above-named Susan Budjac, as the President of Mid-State Technical College District, to me known to be the person who executed the foregoing instrument in such capacity and acknowledged the same.

\_\_\_\_\_  
Brandi Zeman  
Notary Public, Wisconsin  
My Commission expires July 28, 2013.

[ADDITIONAL SIGNATURES/ACKNOWLEDGMENTS ON FOLLOWING PAGES]

**CDA:  
COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF STEVENS POINT**

By: \_\_\_\_\_  
Andrew J. Halverson, Chairman

Attest: \_\_\_\_\_  
Michael R. Ostrowski, Executive Secretary

**ACKNOWLEDGMENT**

STATE OF WISCONSIN     )  
  ) SS.  
COUNTY OF PORTAGE     )

Personally came before me this \_\_\_\_ day of May, 2013, the above-named Andrew J. Halverson and Michael R. Ostrowski, as the Chairman and Executive Secretary of the Community Development Authority of the City of Stevens Point, to me known to be the persons who executed the foregoing instrument in such capacities and acknowledged the same.

\_\_\_\_\_  
Becky Kalata  
Notary Public, Wisconsin  
My Commission expires December 1, 2013.



**EXHIBIT A**

**LEGAL DESCRIPTIONS**

**COLLEGE PARCEL:**

Lot 1 of Portage County Certified Survey Map No. 10287-46-17 as recorded in Volume 46 of Survey Maps, page 17, located in part of Lots 2, 3, and 4 of Block 3, Lots 1, 2, 3, and 4 of Block 4, Lots 1, 2, 3, 4, 5, 6, 7, and 8 of Block 13 and Outlot 1 of Strong, Ellis, and Others Addition, and part of Lots 1, 2, 3, 4, and 5 of Block 27 of Valentine Brown's Addition to the City of Stevens Point, and part of vacated College Avenue and Second Street, located in Government Lot 1 and the NE 1/4 of the NW 1/4 of Section 32, Township 24 North, Range 8 East, City of Stevens Point, Portage County, Wisconsin.

**CDA PARCEL:**

[NEED TO OBTAIN FROM CDA]

EXCEPTING THEREFROM: The College Parcel, legally described as:

Lot 1 of Portage County Certified Survey Map No. 10287-46-17 as recorded in Volume 46 of Survey Maps, page 17, located in part of Lots 2, 3, and 4 of Block 3, Lots 1, 2, 3, and 4 of Block 4, Lots 1, 2, 3, 4, 5, 6, 7, and 8 of Block 13 and Outlot 1 of Strong, Ellis, and Others Addition, and part of Lots 1, 2, 3, 4, and 5 of Block 27 of Valentine Brown's Addition to the City of Stevens Point, and part of vacated College Avenue and Second Street, located in Government Lot 1 and the NE 1/4 of the NW 1/4 of Section 32, Township 24 North, Range 8 East, City of Stevens Point, Portage County, Wisconsin.





COMMERCIAL OFFER TO PURCHASE

1 ATTORNEY DRAFTING THIS OFFER ON 6/3/2013 [DATE] IS (~~AGENT OF SELLER~~) (~~AGENT OF BUYER~~) (~~DUAL AGENT~~) STRIKE TWO

2 GENERAL PROVISIONS The Buyer, Affordable Senior Housing of Central Wisconsin, Inc., a Wisconsin Corporation  
3 offers to purchase the Property known as [Street Address] 1450 Water Street in the  
4 City of Stevens Point, County of Portage, Wisconsin, (Insert additional  
5 description, if any, at lines 293 - 297 or attach as an addendum per line 298), on the following terms:

6 ■ PURCHASE PRICE: One Million Five Hundred Fifty Five Thousand Dollars -----  
7 ----- Dollars (\$ 1,555,000.00 ).

8 ■ EARNEST MONEY of \$ 1.00 accompanies this Offer and earnest money of \$ 200,000.00  
9 will be paid within 5 days of acceptance.

10 ■ THE BALANCE OF PURCHASE PRICE will be paid in cash or equivalent at closing unless otherwise provided below.  
11 ■ ADDITIONAL ITEMS INCLUDED IN PURCHASE PRICE: Seller shall include in the purchase price and transfer, free and clear of encum-  
12 brances, all fixtures, as defined at lines 117 - 120 and as may be on the Property on the date of this Offer, unless excluded at lines 15 - 16, and  
13 the following additional items: All of Seller's items of personal property located on the premises

14  
15 ■ ITEMS NOT INCLUDED IN THE PURCHASE PRICE: **CAUTION: Address rented fixtures or trade fixtures owned by tenants, if**  
16 **applicable. None**

17 All personal property included in purchase price will be transferred by bill of sale ~~or at closing.~~

18 ACCEPTANCE Acceptance occurs when all Buyers and Sellers have signed an identical copy of the Offer, including signatures on separate  
19 but identical copies of the Offer. **CAUTION. Deadlines in the Offer are commonly calculated from acceptance. Consider whether short term**  
20 **deadlines running from acceptance provide adequate time for both binding acceptance and performance.**

21 BINDING ACCEPTANCE This Offer is binding upon both Parties only if a copy of the accepted Offer is delivered to Buyer on or before  
22 June 18, 2013. **CAUTION: This Offer may be withdrawn prior to delivery of the accepted Offer.**

23 DELIVERY OF DOCUMENTS AND WRITTEN NOTICES Unless otherwise stated in this Offer, delivery of documents and written notices  
24 to a Party shall be effective only when accomplished by one of the methods specified at lines 25 - 34.  
25 (1) By depositing the document or written notice postage or fees prepaid in the U.S. Mail or fees prepaid or charged to an account with a com-  
26 mercial delivery service, addressed either to the Party, or to the Party's recipient for delivery designated at lines 28 or 30 (if any), for delivery to  
27 the Party's delivery address at lines 29 or 31.

28 Seller's recipient for delivery (optional): Attorney Andrew Logan Beveridge  
29 Seller's delivery address: 1515 Strongs Avenue, Stevens Point, WI 54481  
30 Buyer's recipient for delivery (optional): Attorney Stanton E. Thomas  
31 Buyer's delivery address: 4941 Kirschling Court, Suite 1, Stevens Point, WI 54481

32 (2) By giving the document or written notice personally to the Party or the Party's recipient for delivery if an individual is designated at lines 28 or 30.  
33 (3) By fax transmission of the document or written notice to the following telephone number:  
34 Buyer: ( 715 ) 295-0677 Seller: ( 715 ) 346-1530

35 LEASED PROPERTY If Property is currently leased and lease(s) extends beyond closing, Seller shall assign Seller's rights under said lease(s)  
36 and transfer all security deposits and prepaid rents thereunder to Buyer at closing. The terms of the (written) (oral) STRIKE ONE lease(s), if any,  
37 are See attached Addenda.

38 RENTAL WEATHERIZATION This transaction (is) (is-not) STRIKE ONE exempt from State of Wisconsin Rental Weatherization Standards  
39 (Wisconsin Administrative Code, Comm 67). If not exempt, (Buyer) (Seller) STRIKE ONE will be responsible for compliance, including all costs.  
40 If Seller is responsible for compliance, Seller shall provide a Certificate of Compliance at closing.

41 PLACE OF CLOSING This transaction is to be closed at the place designated by Buyer's mortgagee or McDonald Title Company,  
42 Inc. Stevens Point, WI no later than December 31, 2013 unless another date or place is agreed to in writing.

43 CLOSING PRORATIONS The following items shall be prorated at closing: real estate taxes, rents, water and sewer use charges, garbage pick-  
44 up and other private and municipal charges, property owner's association assessments, fuel, payments under governmental agricultural programs  
45 and any other utility services. Any income, taxes or expenses shall accrue to Seller and be prorated through  
46 the day prior to closing. Net general real estate taxes shall be prorated based on (the net general real estate taxes for the current year, if known,  
47 otherwise on the net general real estate taxes for the preceding year) ( 2013

48 \_\_\_\_\_). STRIKE AND COMPLETE AS APPLICABLE **CAUTION. If Property has not been fully assessed for**  
49 **tax purposes (for example, recent land division or completed/pending reassessment) or if proration on the basis of net general real**  
50 **estate taxes is not acceptable (for example, changing mill rate), insert estimated annual tax or other basis for proration.**

51 PROPERTY CONDITION PROVISIONS  
52 ■ PROPERTY CONDITION REPRESENTATIONS: Seller represents to Buyer that as of the date of acceptance Seller has no notice or  
53 knowledge of conditions affecting the Property or transaction other than those identified in Seller's Real Estate Condition Report  
54 dated N/A, which was received by Buyer prior to Buyer signing this Offer and which is made a part of this Offer by reference

55 COMPLETE DATE OR STRIKE AS APPLICABLE and N/A

56 \_\_\_\_\_ INSERT CONDITIONS NOT ALREADY INCLUDED IN THE CONDITION REPORT

57 ■ A "condition affecting the Property or transaction" is defined as follows:

- 58 (a) planned or commenced public improvements which may result in special assessments or otherwise materially affect the Property or the  
59 present use of the Property;
- 60 (b) government agency or court order requiring repair, alteration or correction of any existing condition;
- 61 (c) completed or pending reassessment of the Property for property tax purposes;
- 62 (d) structural inadequacies which if not repaired will significantly shorten the expected normal life of the Property;
- 63 (e) any land division involving the Property, for which required state or local approvals were not obtained;
- 64 (f) construction or remodeling on the Property for which required state or local approvals were not obtained;
- 65 (g) any portion of the Property being in a 100 year floodplain, a wetland or shoreland zoning area under local, state or federal regulations;
- 66 (h) that a structure on the Property is designated as a historic building or that any part of the Property is in a historic district;
- 67 (i) material violations of environmental laws or other laws or agreements regulating the use of the Property;
- 68 (j) conditions constituting a significant health or safety hazard for occupants of the Property;
- 69 (k) underground or aboveground storage tanks for storage of flammable, combustible or hazardous materials including but not limited to gasoline  
70 and heating oil, which are currently or which were previously located on the Property; **NOTE: The Wisconsin Administrative Code contains**  
71 **registration and operation rules for such underground storage tanks.**
- 72 (l) high voltage electric (100 KV or greater) or steel natural gas transmission lines located on but not directly serving the Property;
- 73 (m) material levels of hazardous substances located on Property or previous storage of material amounts of hazardous substances on Property;
- 74 (n) other conditions or occurrences which would significantly reduce the value of the Property to a reasonable person with knowledge of the  
75 nature and scope of the condition or occurrence.

76 ■ **PROPERTY DIMENSIONS AND SURVEYS:** Buyer and Seller acknowledge that any Property, building or room dimensions, or total acreage  
77 or building square footage figures, provided to Buyer or Seller may be approximate because of rounding or other reasons, unless verified by  
78 survey or other means. Buyer also acknowledges that there are various formulas used to calculate total square footage of buildings and that total  
79 square footage figures will vary dependent upon the formula used. **CAUTION: Buyer should verify total square footage formula, Property,**  
80 **building or room dimensions, and total acreage or square footage figures, if material to Buyer's decision to purchase.**

81 ■ **INSPECTIONS:** Seller agrees to allow Buyer's inspectors reasonable access to the Property upon reasonable notice if the inspections are  
82 reasonably necessary to satisfy the contingencies in this Offer. Buyer agrees to promptly provide copies of all such inspection reports to Seller, and  
83 to listing broker if Property is listed. Furthermore, Buyer agrees to promptly restore the Property to its original condition after Buyer's inspections are  
84 completed, unless otherwise agreed with Seller. An "inspection" is defined as an observation of the Property which does not include testing of the  
85 Property, other than testing for leaking carbon monoxide, or testing for leaking LP gas or natural gas used as a fuel source, which are hereby authorized.

86 ■ **TESTING:** Except as otherwise provided, Seller's authorization for inspections does not authorize Buyer to conduct testing of the Property. A  
87 "test" is defined as the taking of samples of materials such as soils, water, air or building materials from the Property and the laboratory or other  
88 analysis of these materials. If Buyer requires testing, testing contingencies must be specifically provided for at lines 293 - 297 or in an addendum  
89 per line 298. Note: Any contingency authorizing such tests should specify the areas of the Property to be tested, the purpose of the test, (e.g., to  
90 go determine if environmental contamination is present), any limitations on Buyer's testing and any other material terms of the contingency (e.g.,  
91 Buyer's obligation to return the Property to its original condition). Seller acknowledges that certain inspections or tests may detect environmental  
92 pollution which may be required to be reported to the Wisconsin Department of Natural Resources.

93 ■ **PRE-CLOSING INSPECTION:** At a reasonable time, pre-approved by Seller or Seller's agent, within 3 days before closing, Buyer shall have the  
94 right to inspect the Property to determine that there has been no significant change in the condition of the Property, except for ordinary wear and  
95 tear and changes approved by Buyer, and that any defects Seller has elected to cure have been repaired in a good and workmanlike manner.

96 ■ **ENVIRONMENTAL SITE ASSESSMENT:** An "environmental site assessment" (also known as a "Phase I Site Assessment") (see lines 279 to  
97 283) may include, but is not limited to: (1) an inspection of the Property; (2) a review of the ownership and use history of the Property, including a  
98 search of title records showing private ownership of the Property for a period of 80 years prior to the visual inspection; (3) a review of historic and  
99 recent aerial photographs of the Property, if available; (4) a review of environmental licenses, permits or orders issued with respect to the Property;

100 (5) an evaluation of results of any environmental sampling and analysis that has been conducted on the Property; and (6) a review to determine  
101 if the Property is listed in any of the written compilations of sites or facilities considered to pose a threat to human health or the environment including  
102 the National Priorities List, the Department of Natural Resources' (DNR) registry of Abandoned Landfills, the DNR's Registry of Leaking  
103 Underground Storage Tanks, the DNR's most recent remedial response site evaluation report (including the Inventory of Sites and Facilities Which  
104 May Cause or Threaten to Cause Environmental Pollution). Any "environmental site assessment" performed under this Offer shall comply with  
105 generally recognized industry standards (e.g. current American Society of Testing and Materials "Standards for Environmental Site Assessments for  
106 Commercial Real Estate"), and state and federal guidelines, as applicable. **CAUTION: Unless otherwise agreed an**  
107 **"environmental site assessment" does not include subsurface testing of the soil or groundwater or other testing of the Property for**  
108 **environmental pollution.**

109 ■ **PROPERTY DAMAGE BETWEEN ACCEPTANCE AND CLOSING:** Seller shall maintain the Property until the earlier of closing or occupancy  
110 of Buyer in materially the same condition as of the date of acceptance of this Offer, except for ordinary wear and tear. If, prior to closing, the  
111 Property is damaged in an amount of not more than five per cent (5%) of the selling price, Seller shall be obligated to repair the Property and  
112 restore it to the same condition that it was on the day of this Offer. If the damage shall exceed such sum, Seller shall promptly notify Buyer in writing  
113 of the damage and this Offer may be canceled at the option of Buyer. Should Buyer elect to carry out this Offer despite such damage, Buyer  
114 shall be entitled to the insurance proceeds relating to the damage to the Property, plus a credit towards the purchase price equal to the amount of  
115 Seller's deductible on such policy. However, if this sale is financed by a land contract or a mortgage to Seller, the insurance proceeds shall be  
116 held in trust for the sole purpose of restoring the Property.

117 **FIXTURES** A "Fixture" is an item of property which is physically attached to or so closely associated with land and improvements so as to be  
118 treated as part of the real estate, including, without limitation, physically attached items not easily removable without damage to the Property, items  
119 specifically adapted to the Property, and items customarily treated as fixtures. A "fixture" does not include trade fixtures owned by tenants of the  
120 Property. See Lines 11 to 17.

121 **OCCUPANCY** Occupancy of the entire Property shall be given to Buyer at time of closing unless otherwise provided in this Offer at lines 293 -  
122 297 or in an addendum per line 298. Occupancy shall be given subject to tenant's rights, if any.

123 **SPECIAL ASSESSMENTS** Special assessments, if any, for work actually commenced or levied prior to date of this Offer shall be paid by Seller  
124 no later than closing. All other special assessments shall be paid by Buyer. **CAUTION:** Consider a special agreement if area assessments, prop-  
125 erty owner's association assessments or other expenses are contemplated. "Other expenses" are one-time charges or ongoing use fees for pub-  
126 lic improvements (other than those resulting in special assessments) relating to curb, gutter, street, sidewalk, sanitary and stormwater and storm  
127 sewer (including all sewer mains and hook-up and interceptor charges), parks, street lighting and street trees, and impact fees for other public  
128 facilities, as defined in Wis. Stat. § 66.55(1)(c) & (f).

130 **OPTIONAL FINANCING CONTINGENCY: THE CONTINGENCY AT LINES 132 THROUGH 160 IS A PART OF THIS OFFER IF MARKED, SUCH AS WITH AN "X," AT LINE 132. IT IS NOT PART OF THIS OFFER IF IT IS MARKED N/A OR LEFT BLANK.**

132  **FINANCING CONTINGENCY:** This Offer is contingent upon Buyer being able to obtain:  CHECK APPLICABLE FINANCING BELOW

133  land contract financing from Seller at closing as further described at lines 136 to 153 and 161 to 168.

134  a \_\_\_\_\_  INSERT LOAN PROGRAM (fixed) (adjustable)  STRIKE ONE rate first mortgage loan commitment as further described at lines 136 to 149 and 154 to 178, within \_\_\_\_\_ days of acceptance of this Offer.

136 The financing selected shall be in an amount of not less than \$ \_\_\_\_\_ for a term of not less than \_\_\_\_\_ years, amortized

137 over not less than \_\_\_\_\_ years. If the purchase price under this Offer is modified, the financed amount, unless otherwise provided, shall be  
138 adjusted to the same percentage of the purchase price as in this contingency and the monthly payments shall be adjusted as necessary to maintain the term and amortization stated above.

140 **IF FINANCING IS FIXED RATE** the annual rate of interest shall not exceed \_\_\_\_\_ % and monthly payments of principal and interest shall  
141 not exceed \$ \_\_\_\_\_.

142 **IF FINANCING IS ADJUSTABLE RATE** the initial annual interest rate shall not exceed \_\_\_\_\_ %. The initial interest rate shall be fixed for  
143 \_\_\_\_\_ months, at which time the interest rate may be increased not more than \_\_\_\_\_ % per year. The maximum interest rate during the

144 mortgage term shall not exceed \_\_\_\_\_ %. Initial monthly payments of principal and interest shall not exceed \$ \_\_\_\_\_ Monthly  
145 payments of principal and interest may be adjusted to reflect interest changes.

146 **MONTHLY PAYMENTS MAY ALSO INCLUDE** 1/12th of the estimated net annual real estate taxes, hazard insurance premiums, and private  
147 mortgage insurance premiums. The mortgage may not include a prepayment premium. Buyer agrees to pay a loan fee in an amount not  
148 to exceed \_\_\_\_\_ % of the loan. (Loan fee refers to discount points and/or loan origination fee, but DOES NOT include Buyer's other closing  
149 costs.) Note: Unless otherwise agreed, Buyer's delivery of any document labeled a loan commitment will satisfy this contingency.

150 **IF FINANCING IS BY LAND CONTRACT** \$ \_\_\_\_\_ shall be paid at closing (in addition to earnest money), interest rate following payment  
151 default shall be \_\_\_\_\_ %, the default period shall be \_\_\_\_\_ days for payments and \_\_\_\_\_ days for performance of any other

152 obligations. Interest shall be calculated on a prepaid basis. Any amount may be prepaid on principal without penalty at any time. Buyer understands that if the term of the land contract is shorter than the amortization period a balloon payment will be due at the end of the term.

154 **LOAN COMMITMENT:** Buyer agrees to pay all customary financing costs (including closing fees), to apply for financing promptly, and to provide  
155 evidence of application promptly upon request by Seller. If Buyer qualifies for the financing described in this Offer or other financing acceptable  
156 to Buyer, Buyer agrees to deliver to Seller a copy of the written loan commitment no later than the deadline for loan commitment at line 135.

157 **Buyer's delivery of a copy of any written loan commitment (even if subject to conditions) shall satisfy the Buyer's financing contingency unless accompanied by a notice of unacceptability. CAUTION: BUYER, BUYER'S LENDER AND AGENTS OF BUYER OR SELLER SHOULD NOT DELIVER A LOAN COMMITMENT TO SELLER WITHOUT BUYER'S PRIOR APPROVAL OR UNLESS ACCOMPANIED BY A NOTICE OF UNACCEPTABILITY.**

161 **LAND CONTRACT:** If this Offer provides for a land contract both Parties agree to execute a State Bar of Wisconsin Form 11 Land Contract, the  
162 terms of which are incorporated into this Offer by reference. Prior to execution of the land contract Seller shall provide the same evidence of merchantable title as required above and written proof, at or before execution, that the total underlying indebtedness, if any, is not in excess of the proposed balance of the land contract, that the payments on the land contract are sufficient to meet all of the obligations of Seller on the underlying  
165 indebtedness, and that all creditors whose consent is required have consented to the land contract sale. Seller may terminate this Offer if creditor  
166 approval cannot be obtained. Seller may terminate this Offer if Buyer does not provide a written credit report which indicates that Buyer is credit  
167 worthy based upon reasonable underwriting standards within 15 days of acceptance. Buyer shall pay all costs of obtaining creditor approval and  
168 the credit report. Seller shall be responsible for preparation and the expense of preparation of all closing documentation, including the land contract.

169 **FINANCING UNAVAILABILITY:** If financing is not available on the terms stated in this Offer (and Buyer has not already delivered an acceptable  
170 loan commitment for other financing to Seller), Buyer shall promptly deliver written notice to Seller of same including copies of lender(s)' rejection  
171 letter(s) or other evidence of unavailability. Unless a specific loan source is named in the financing contingency, Seller shall then have 10 days to  
172 give Buyer written notice of Seller's decision to finance this transaction on the same terms set forth in the financing contingency, and this Offer  
173 shall remain in full force and effect, with the time for closing extended accordingly. If Seller's notice is not timely given, this Offer shall be null and  
174 void. Buyer authorizes Seller to obtain any credit information reasonably appropriate to determine Buyer's credit worthiness for Seller financing.

175 **SELLER TERMINATION RIGHTS:** If Buyer does not make timely delivery of the loan commitment, Seller may terminate this Offer provided that  
176 Seller delivers a written notice of termination to Buyer prior to Seller's actual receipt of a copy of Buyer's written loan commitment.

177 **NOTE: IF PURCHASE IS CONDITIONED ON BUYER OBTAINING FINANCING FOR OPERATIONS OR DEVELOPMENT CONSIDER ADDING A CONTINGENCY FOR THAT PURPOSE.**

179  **TITLE EVIDENCE**

180  **CONVEYANCE OF TITLE:** Upon payment of the purchase price, Seller shall convey the Property by warranty deed (or other conveyance as  
181 provided herein) free and clear of all liens and encumbrances, except: municipal and zoning ordinances and agreements entered under them,  
182 recorded easements for the distribution of utility and municipal services, recorded building and use restrictions and covenants, general taxes  
183 in the year of closing and **None**

184 \_\_\_\_\_ (provided none of the  
185 foregoing prohibit present use of the Property), which constitutes merchantable title for purposes of this transaction. Seller further agrees to complete and execute the documents necessary to record the conveyance. **WARNING: If Buyer contemplates improving or developing Property, or a change in use, Buyer may need to address municipal and zoning ordinances, recorded building and use restrictions, covenants and easements which may prohibit some improvements or uses. The need for building permits, zoning variances, environmental audits,**

189 *etc., may need to be investigated to determine feasibility of improvements, development or use changes for Property. Contingencies*  
 190 *for investigation of these issues may be added to this offer. See lines 293 to 298.*

191 ■ **FORM OF TITLE EVIDENCE:** Seller shall give evidence of title in the form of an owner's policy of title insurance in the amount of the purchase  
 192 price on a current ALTA form issued by an insurer licensed to write title insurance in Wisconsin. **CAUTION: IF TITLE EVIDENCE WILL BE GIVEN**  
 193 **BY ABSTRACT, STRIKE TITLE INSURANCE PROVISIONS AND INSERT ABSTRACT PROVISIONS.**

194 ■ **PROVISION OF MERCHANTABLE TITLE:** Seller shall pay all costs of providing title evidence. For purposes of closing, title evidence shall be  
 195 acceptable if the commitment for the required title insurance is delivered to Buyer's attorney or Buyer not less than 3 business days before clos-  
 196 ing, showing title to the Property as of a date no more than 15 days before delivery of such title evidence to be merchantable, subject only to liens  
 197 which will be paid out of the proceeds of closing and standard abstract certificate limitations or standard title insurance requirements and excep-  
 198 tions, as appropriate. **CAUTION: BUYER SHOULD CONSIDER UPDATING THE EFFECTIVE DATE OF THE TITLE COMMITMENT PRIOR TO**  
 199 **CLOSING, A "GAP ENDORSEMENT" TO THE TITLE COMMITMENT OR AN ESCROW CLOSING.**

200 ■ **TITLE ACCEPTABLE FOR CLOSING:** If title is not acceptable for closing, Buyer shall notify Seller in writing of objections to title by the time set for  
 201 closing. In such event, Seller shall have a reasonable time, but not exceeding 15 days, to remove the objections, and the time for closing shall be extend-  
 202 ed as necessary for this purpose. In the event that Seller is unable to remove the objections, Buyer shall have 5 days from receipt of notice thereof, to  
 203 deliver written notice waiving the objections, and the time for closing shall be extended accordingly. If Buyer does not waive the objections, this Offer  
 204 shall be null and void. Providing title evidence acceptable for closing does not extinguish Seller's obligations to give merchantable title to Buyer.

205 **DELIVERY/RECEIPT** Unless otherwise stated in this Offer, any signed document transmitted by facsimile machine (fax) shall be treated in all man-  
 206 ner and respects as an original document and the signature of any Party upon a document transmitted by fax shall be considered an original sig-  
 207 nature. Personal delivery to, or actual receipt by, any named Buyer or Seller constitutes personal delivery to, or actual receipt by Buyer or Seller.  
 208 Once received, a notice cannot be withdrawn by the Party delivering the notice without the consent of the Party receiving the notice. A Party may  
 209 not unilaterally reinstate a contingency after a notice of a contingency waiver has been received by the other Party. **The delivery/receipt provi-**  
 210 **sions in this Offer maybe modified when appropriate (e.g., when mail delivery is not desirable (see lines 25 - 31)).** Buyer and Seller author-  
 211 ize the agents of Buyer and Seller to distribute copies of the Offer to Buyer's lender, appraisers, title insurance companies and any other settle-  
 212 ment service providers for the transaction.

213 **DATES AND DEADLINES** Deadlines expressed as a number of "days" from an event, such as acceptance, are calculated by excluding the day the  
 214 event occurred and by counting subsequent calendar days. The deadline expires at midnight on the last day. Deadlines expressed as a specific num-  
 215 ber of "business days" exclude Saturdays, Sundays, any legal public holiday under Wisconsin or Federal law, and other day designated by the President  
 216 such that the postal service does not receive registered mail or make regular deliveries on that day. Deadlines expressed as a specific number of "hours"  
 217 from the occurrence of an event, such as receipt of a notice, are calculated from the exact time of the event, and by counting 24 hours per calendar day.  
 218 Deadlines expressed as a specific day of the calendar year or as the day of a specific event, such as closing, expire at midnight of that day.

219 **DEFAULT** Seller and Buyer each have the legal duty to use good faith and due diligence in completing the terms and conditions of this Offer. A material  
 220 failure to perform any obligation under this Offer is a default which may subject the defaulting party to liability for damages or other legal remedies.

221 If Buyer defaults, Seller may:

- 222 (1) sue for specific performance and request the earnest money as partial payment of the purchase price; or
- 223 (2) terminate the Offer and have the option to: (a) request the earnest money as liquidated damages; or (b) direct Broker to return the

224 earnest money and have the option to sue for actual damages.

225 If Seller defaults, Buyer may:

- 226 (1) sue for specific performance; or
- 227 (2) terminate the Offer and request the return of the earnest money, sue for actual damages, or both.

228 In addition, the Parties may seek any other remedies available in law or equity.

229 The Parties understand that the availability of any judicial remedy will depend upon the circumstances of the situation and the discretion of the courts.  
 230 If either Party defaults, the Parties may renegotiate the Offer or seek nonjudicial dispute resolution instead of the remedies outlined above. By agreeing  
 231 to binding arbitration, the Parties may lose the right to litigate in a court of law those disputes covered by the arbitration agreement. NOTE: IF  
 232 ACCEPTED, THIS OFFER CAN CREATE A LEGALLY ENFORCEABLE CONTRACT BOTH PARTIES SHOULD READ THIS DOCUMENT  
 233 CAREFULLY. BROKERS MAY PROVIDE A GENERAL EXPLANATION OF THE PROVISIONS OF THE OFFER BUT ARE PROHIBITED BY LAW  
 234 FROM GIVING ADVICE OR OPINIONS CONCERNING YOUR LEGAL RIGHTS UNDER THIS OFFER OR HOW TITLE SHOULD BE TAKEN AT  
 235 CLOSING. AN ATTORNEY SHOULD BE CONSULTED IF LEGAL ADVICE IS NEEDED.

236 **EARNEST MONEY**

237 ■ **HELD BY:** Unless otherwise agreed, earnest money shall be paid to and held in the trust account of the listing broker (buyer's agent if Property  
 238 is not listed or seller if no broker is involved), until applied to purchase price or otherwise disbursed as provided in the Offer. **CAUTION: Should**  
 239 **persons other than a broker hold earnest money, an escrow agreement should be drafted by the Parties or an attorney. If someone other**  
 240 **than Buyer makes payment of earnest money, consider a special disbursement agreement.**

241 ■ **DISBURSEMENT:** If negotiations do not result in an accepted offer, the earnest money shall be promptly disbursed (after clearance from payor's  
 242 depository institution if earnest money is paid by check) to the person(s) who paid the earnest money. At closing, earnest money shall be disbursed  
 243 according to the closing statement. If this Offer does not close, the earnest money shall be disbursed according to a written disbursement  
 244 agreement signed by all Parties to this Offer (Note: Wis. Adm. Code § RL 18.09(l)(b) provides that an offer to purchase is not a written disbursement  
 245 agreement pursuant to which the broker may disburse). If the disbursement agreement has not been delivered to broker within 60 days after the date  
 246 set for closing, broker may disburse the earnest money: (1) as directed by an attorney who has reviewed the transaction and does not represent Buyer  
 247 or Seller; (2) into a court hearing a lawsuit involving the earnest money and all Parties to this Offer; (3) as directed by court order; or (4) any other  
 248 disbursement required or allowed by law. Broker may retain legal services to direct disbursement per (1) or to file an interpleader action per (2) and  
 249 broker may deduct from the earnest money any costs and reasonable attorneys fees, not to exceed \$250, prior to disbursement.

250 ■ **LEGAL RIGHTS/ACTION:** Broker's disbursement of earnest money does not determine the legal rights of the Parties in relation to this Offer.  
 251 Buyer's or Seller's legal right to earnest money cannot be determined by broker. At least 30 days prior to disbursement per (1) or (4) above, broker  
 252 shall send Buyer and Seller notice of the disbursement by certified mail. If Buyer or Seller disagree with broker's proposed disbursement, a lawsuit  
 253 may be filed to obtain a court order regarding disbursement. Small Claims Court has jurisdiction over all earnest money disputes arising out of the  
 254 sale of residential property with 1-4 dwelling units and certain other earnest money disputes. The Buyer and Seller should consider consulting attor-  
 255 neys regarding their legal rights under this Offer in case of a dispute. Both Parties agree to hold the broker harmless from any liability for good faith  
 256 disbursement of earnest money in accordance with this Offer or applicable Department of Regulation and Licensing regulations concerning earnest  
 257 money. See Wis. Adm. Code Ch. RL 18. **NOTE: WISCONSIN LICENSE LAW PROHIBITS A BROKER FROM GIVING ADVICE OR OPINIONS CON-**  
 258 **CERNING THE LEGAL RIGHTS OR OBLIGATIONS OF PARTIES TO A TRANSACTION OR THE LEGAL EFFECT OF A SPECIFIC CONTRACT OR**  
 259 **CONVEYANCE. AN ATTORNEY SHOULD BE CONSULTED IF LEGAL ADVICE IS REQUIRED.**

261 TIME IS OF THE ESSENCE "TIME IS OF THE ESSENCE" as to: (1) earnest money payment(s); (2) binding acceptance; (3) occupancy;  
262 (4) date of closing; (5) contingency deadlines STRIKE AS APPLICABLE and all other dates and deadlines in this Offer except:  
263 None . If "Time is of the Essence"

264 applies to a date or deadline, failure to perform by the exact date or deadline is a breach of contract. If "Time is of the Essence" does not apply  
265 to a date or deadline, then performance within a reasonable time of the date or deadline is allowed before a breach occurs.

266 X DOCUMENT REVIEW CONTINGENCY: This Offer is contingent upon Seller delivering the following documents to Buyer within  
267 90 days of acceptance: CHECK THOSE THAT APPLY

- 268  Documents evidencing that the sale of the Property has been properly authorized, if Seller is a business entity.
- 269  A complete inventory of all furniture, fixtures and equipment included in this transaction which is consistent with  
270 representations made prior to and in this Offer.
- 271  Uniform Commercial Code lien search as to the personal property included in the purchase price, showing the Property  
272 to be free and clear of all liens, other than liens to be released prior to or at closing.
- 273  Other as Buyer requests within sixty (60) days of acceptance.

274  
275 This contingency shall be deemed satisfied unless Buyer, within days of the earlier of receipt of the final record to be delivered or the dead-  
276 line for delivery of the documents, delivers to Seller a written notice indicating that this contingency has not been satisfied. The notice shall iden-  
277 tify which document(s) have not been timely delivered or do not meet the standard set forth for the document(s).

278 X ENVIRONMENTAL EVALUATION/INSPECTION CONTINGENCY: This Offer is contingent upon: CHECK THOSE THAT APPLY

- 279  A qualified independent environmental consultant of Buyer's choice conducting an environmental site assessment of the Property (see  
280 lines 96 to 108), at (Buyer's) (Seller's) expense STRIKE ONE, which discloses no defects. A defect is defined as a material violation of  
281 environmental laws, a material contingent liability affecting the Property arising under any environmental laws, the presence of an  
282 underground storage tank(s) or material levels of hazardous substances either on the Property or presenting a significant risk of contaminating the  
283 Property due to future migration from other properties.
- 284  A qualified independent inspector of Buyer's choice conducting an inspection of the Property and submits a written report no later  
285 than 180 days of acceptance, at (Buyer's) (Seller's) expense STRIKE ONE, which discloses no defects.  
286 A defect is defined as a structural, mechanical or other condition that would have a significant adverse effect on the value of the Property; that  
287 would significantly impair the health and safety of future occupants of the Property; or that if not repaired, removed or replaced would  
288 significantly shorten or have a significantly adverse effect on the expected normal life of the Property.

289 This contingency shall be deemed satisfied unless Buyer, within 180 days of acceptance, delivers to Seller a copy of the environmental site  
290 assessment/ inspection report(s) and a written notice listing the defect(s) identified in the environmental site assessment /inspection report(s) to  
291 which Buyer objects. Defects do not include conditions the nature and extent of which Buyer had actual knowledge or written notice before  
292 signing the Offer. Buyer agrees to deliver a copy of the report and notice to listing broker, if Property is listed, promptly upon delivery to Seller.

293 ADDITIONAL PROVISIONS/CONTINGENCIES SEE LINE 298

294  
295  
296  
297

298 X ADDENDA: The attached Addenda is/are made part of this Offer.

299 THIS OFFER, INCLUDING ANY AMENDMENTS TO IT, CONTAINS THE ENTIRE AGREEMENT OF THE BUYER AND SELLER REGARDING  
300 THE TRANSACTION. ALL PRIOR NEGOTIATIONS AND DISCUSSIONS HAVE BEEN MERGED INTO THIS OFFER. THIS AGREEMENT  
301 BINDS AND INURES TO THE BENEFIT OF THE PARTIES TO THIS OFFER AND THEIR SUCCESSORS IN INTEREST.

302 This Offer was drafted on 6/3/13 [date] by [Licensee and firm] Stanton E. Thomas/Mallery & Zimmerman, S.C.

303 (X)  
304 Buyer's Signature Print Name Here: Attorney Philip I. Parkinson, President of Social Security No. or FEIN (optional) Date  
Affordable Senior Housing of Central Wisconsin, Inc.

305 (X)  
306 Buyer's Signature Print Name Here: Social Security No. or FEIN (optional) Date

307 EARNEST MONEY RECEIPT Broker acknowledges receipt of earnest money as per line 8 of the above Offer. (See lines 236 - 259)  
308 Broker (By)

309 SELLER ACCEPTS THIS OFFER. THE WARRANTIES, REPRESENTATIONS AND COVENANTS MADE IN THIS OFFER SURVIVE CLOSING  
310 AND THE CONVEYANCE OF THE PROPERTY. SELLER AGREES TO CONVEY THE PROPERTY ON THE TERMS AND CONDITIONS AS  
311 SET FORTH HEREIN AND ACKNOWLEDGES RECEIPT OF A COPY OF THIS OFFER.

312 (X)  
313 Seller's Signature Print Name Here: Mayor Andrew Halverson, Chairman St Pt CDA Social Security No. or FEIN (optional) Date

314 (X)  
315 Seller's Signature Print Name Here: Michael Ostrowski, Director CDA Social Security No. or FEIN (optional) Date

316 This Offer was presented to Seller by on , at a.m./p.m.

317 THIS OFFER IS REJECTED THIS OFFER IS COUNTERED [See attached counter]  
318 Seller Initials Date Seller Initials Date

## ADDENDA TO COMMERCIAL OFFER TO PURCHASE

Buyer: Affordable Senior Housing of Central Wisconsin, Inc.  
Seller: Stevens Point Community Development Authority

1. The parties acknowledge the “property” is a residential senior citizen apartment complex owned by the City of Stevens Point’s agency, Community Development Authority (CDA). Some of the property’s apartments are under lease to third parties. Some of the leases, in effect on the date of acceptance, may expire and/or other apartments may be leased by the Seller between the date of acceptance and the date of closing. Seller agrees to work with Buyer regarding future leases and specifically the location of apartments to be leased to facilitate Buyer’s plan for upgrading the property.
2. Seller agrees to assign to Buyer, all of the pending leases that are in effect on the date of closing and Buyer agrees to assume Seller’s obligations in the leases from the date of closing forward.
3. CDA, having authority from the City of Stevens Point, Wisconsin, has accepted Buyer’s proposal for purchase in a formal meeting on May 7, 2013 by motion made, seconded and unanimously approved.
4. Seller agrees to allow Buyer and its authorized representative’s access to the property for inspection, planning for upgrades and closing and with reasonable notice to Seller.
5. Seller grants to Buyer an unrestricted right and access to all records, files, leases, accounting pertaining to the property at any time prior to closing and will transfer by Assignment, all such records to Buyer at the time of closing.

6. Seller shall transfer at closing to Buyer, by Assignment, all records, information, documents and reports relevant to the property at the time of closing.

7. Seller shall transfer to Buyer, by Bill of Sale, in an “as is” “where is” condition all of Seller’s items of personal property and/or fixtures, including trade fixtures, (excluding all of Seller’s cleaning equipment and supplies) located on the property as of the date of acceptance, as well as located on the property as of the date of closing, without any implied or expressed warranty, other than that Seller is the owner, has clear title and legal authority to transfer title and possession of all such items of personal property to Buyer.

8. Closing date can only be extended by an amendment(s) for a thirty (30) day period(s) of time, by written consent of both parties. Such written consent must be signed by both parties in duplicate originals and presented to each party, or their representative, no later than five (5) business days prior to closing date.

9. Seller represents that it has no notice or knowledge of any defects in any of the electrical, mechanical systems or structures located on the property, which Seller has given Buyer notice of.

10. Seller represents that it has no notice or knowledge of any environmental contamination on the property.

11. Seller agrees to allow Buyer to have access to all information, which Seller has, pertaining to the property, including its improvements, construction plans, blue prints, engineering information, survey information and any and all information, material and reports, which Seller may have regarding the property and/or its improvements, from the date of acceptance through closing and at closing, shall transfer all such original, if possible, otherwise

true and correct copies, of documents, together with Seller's rights to Buyer by way of Assignment. Seller may keep a copy of all such documents, at Seller's discretion and expense.

12. Buyer shall pay to Seller, earnest money in the amount of Two Hundred Thousand Dollars (\$200,000.00) to McDonald Title Company, Inc. at 1059 Clark Street, Steven Point, WI 54481, as Escrow Agent, pursuant to this Agreement and an Escrow Agreement to be finalized and signed no later than June 24, 2013.

13. Notice to the parties as follows:

Seller: City of Community Development Authority  
c/o City of Stevens Point Executive Director  
1515 Strongs Avenue  
Stevens Point, WI 54481

w/copy to City Attorney Andrew Logan Beveridge  
Fax No. (715) 346-1530

Buyer: Affordable Senior Housing of Central Wisconsin, Inc.  
c/o Attorney Philip I. Parkinson, President  
135 S Stevens Street  
Rhinelander, WI 54501

w/copy to Attorney Stanton E. Thomas  
Fax No. (715) 295-0677

14. Seller represents to Buyer that Seller has full authority to enter into this Commercial Offer to Purchase and commit the Seller. Further, the City of Stevens Point by its Common Council, at its properly noticed meeting on June 17, 2013, consented to, approved and authorized the Seller to enter into and sign this Agreement. Buyer, in reliance thereon, accepts Seller's good faith representation and agrees to promptly follow up on this Agreement in good faith and prepare for closing and conducting its business.

15. As part of the overall Agreement Seller agrees to transfer to Buyer all of its rights associated with the Sellers business being “rental of residential housing” located on the property, to include all trade names, rights to market and advertise, and rights to generally maintain the existing business as an ongoing business to Buyer, for Buyer’s use, at Buyer’s sole discretion.

16. As an amendment to line number 183, Buyer is aware of the Green Circle project in the greater Stevens Point area and has no initial objection to a title report on the property, noting an easement for the Green Circle trail on the property subject to Buyer's receipt, review and subsequent final consent to the terms of the easement.

17. The Buyer shall not increase the rent for existing tenants from the date of closing for a period of three (3) years. Thereafter, Buyer agrees not to increase the rent on any apartment by more than one percent (1%) per year on any apartment rent.

18. Buyer agrees to maintain, manage and operate the apartments collectively on the property, allocating eighty percent (80%) of the apartments for persons who are 55 years of age or older for a period of not less than ten (10) years.

19. Seller shall provide a copy of the Phase I environmental report that it recently had done on the property together with a “letter of reliance” from the engineering company, who authored the report, to the Buyer, within ten (10) days of acceptance for Buyer’s review. In the event the report, together with the letter of reliance is acceptable to Buyer, then Buyer shall pay One Thousand Five Hundred Dollar (\$1,500.00) to the Seller and waive its rights as set forth in Line 278-292. In the event the Seller’s Phase I environmental report, for whatever reason, is not acceptable to Buyer, then Buyer may pursue its rights as set forth in Line 278-292.

20. The terms and conditions of this Commercial Offer to Purchase shall survive closing.

SELLER:

City of Stevens Point Community Development Authority

By: \_\_\_\_\_  
Mayor Andrew Halverson, Chairman of CDA

By: \_\_\_\_\_  
Michael Ostrowski, Director of CDA

BUYER:

Affordable Senior Housing of Central Wisconsin, Inc.

By: \_\_\_\_\_  
Attorney Philip I. Parkinson, President