LAYTON BOULEVARD WEST NEIGHBORS, INC.

Doing Business as VIA CDC

CONSOLIDATED FINANCIAL STATEMENTS
WITH CONSOLIDATING INFORMATION

December 31, 2023 and 2022

C O N T E N T S

Wegner CPAs

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Layton Boulevard West Neighbors, Inc.
Milwaukee, Wisconsin

Opinion

We have audited the financial statements of Layton Boulevard West Neighbors, Inc., which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Layton Boulevard West Neighbors, Inc. as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Layton Boulevard West Neighbors, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Adoption of New Accounting Guidance

As discussed in Note 1 to the financial statements, Layton Boulevard West Neighbors, Inc. adopted the Financial Accounting Standards Board's Accounting Standards Update No. 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, as of January 1, 2023. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Layton Boulevard West Neighbors, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Layton Boulevard West Neighbors, Inc.'s internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Layton Boulevard West Neighbors, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Consolidating Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying consolidating schedules of financial position, activities, and cash flows are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Wegner CPAs LLP

Wegner CPAs, LLP
Waukesha, Wisconsin
June 3, 2024

LAYTON BOULEVARD WEST NEIGHBORS, INC.
Doing Business as VIA CDC
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31, 2023 and 2022

	2023	2022
ASSETS		
Cash	$ 1,553,262	$ 1,202,779
Certificates of deposit	547,650	-
Accounts receivable	13,911	24,451
Interest receivable	543,033	527,314
Unconditional promises to give	88,641	631,250
Grants receivable	76,246	107,694
Building inventory	119,069	645,930
Notes receivable	1,107,725	1,107,725
Developer fee receivable	-	11,412
Property and equipment, net	629,276	754,269
Investments in other entities	19,696	19,723
Total assets	$ 4,698,509	$ 5,032,547
LIABILITIES		
Accounts payable	$ 107,330	$ 146,874
Accrued expenses	271,853	264,593
Accrued payroll	47,541	45,215
Notes payable	291,032	446,746
Developer fee payable	96,000	96,000
Line of credit	-	184,580
Other liabilities	5,475	7,500
Forgivable loans	815,725	815,725
Total liabilities	1,634,956	2,007,233
NET ASSETS		
Without donor restrictions	2,819,723	2,120,180
With donor restrictions	243,830	905,134
Total net assets	3,063,553	3,025,314
Total liabilities and net assets	$ 4,698,509	$ 5,032,547

See accompanying notes.

LAYTON BOULEVARD WEST NEIGHBORS, INC.
Doing Business as VIA CDC
CONSOLIDATED STATEMENTS OF ACTIVITIES
Years Ended December 31, 2023 and 2022

	2023	2022
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUES		
Contributions		
Grants	$ 682,716	$ 483,048
General contributions	266,754	130,053
Other revenues		
Rent	90,219	85,132
Sales of development properties	583,900	140,000
Fee income	74,729	38,343
Interest	60,543	34,560
Change in equity in earnings of other entities	26,047	25,568
Total revenues without donor restrictions	1,784,908	936,704
EXPENSES AND LOSSES		
Program services		
Community Building and Leadership Development	215,831	191,305
Housing Outreach	220,689	155,538
Economic Development	114,828	225,216
Affordable Developments Projects	1,532,166	446,053
Total program services	2,083,514	1,018,112
Supporting activities		
Management and general	309,853	315,313
Fundraising	72,449	70,263
Total expenses	2,465,816	1,403,688
Loss on sale of property and equipment	22,284	-
Total expenses and losses	2,488,100	1,403,688
NET ASSETS RELEASED FROM RESTRICTIONS		
Satisfaction of purpose restrictions and expiration of time restrictions	1,402,735	836,589
Change in net assets without donor restrictions	699,543	369,605
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
General contributions	741,431	1,477,649
Net assets released from restrictions	(1,402,735)	(836,589)
Change in net assets with donor restrictions	(661,304)	641,060
Change in net assets	38,239	1,010,665
Net assets at beginning of year	3,025,314	2,014,649
Net assets at end of year	$ 3,063,553	$ 3,025,314

See accompanying notes.

LAYTON BOULEVARD WEST NEIGHBORS, INC.
Doing Business as VIA CDC
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2023

	Program Services				Supporting Activities		
	Community Building and Leadership Development	Housing Outreach	Economic Development	Affordable Developments Projects	Management and General	Fundraising	Total Expenses
Salaries and benefits	$ 161,605	$ 86,885	$ 62,670	$ 167,815	$ 209,088	$ 59,497	$ 747,560
Meetings and travel	7,677	3,098	7,452	4,047	3,840	-	26,114
Rent, maintenance and utilities	4,040	3,927	3,927	27,666	3,915	3,571	47,046
Printing and postage	9,418	2,299	2,796	2,430	6,669	1,202	24,814
Telephone and internet	1,617	1,410	604	1,594	2,810	501	8,536
Professional fees	15,049	3,462	26,615	936	63,453	5,544	115,059
Interest	-	-	-	14,131	-	-	14,131
Marketing	1,191	1,226	420	-	1,265	-	4,102
Office expenses	4,846	1,733	2,086	2,073	15,724	1,052	27,514
Insurance	1,724	1,275	450	3,062	1,551	690	8,752
Bad debt expense	-	-	-	-	950	-	950
Depreciation	3,168	588	6,672	38,905	588	392	50,313
Redevelopment materials and grant expenses	5,496	114,786	1,136	249	-	-	121,667
Cost of development properties sold	-	-	-	1,254,726	-	-	1,254,726
Property taxes	-	-	-	14,532	-	-	14,532
Total expenses	$ 215,831	$ 220,689	$ 114,828	$ 1,532,166	$ 309,853	$ 72,449	$ 2,465,816

See accompanying notes.

LAYTON BOULEVARD WEST NEIGHBORS, INC.
Doing Business as VIA CDC
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2022

	Program Services				Supporting Activities		
	Community Building and Leadership Development	Housing Outreach	Economic Development	Affordable Developments Projects	Management and General	Fundraising	Total Expenses
Salaries and benefits	$ 134,085	$ 77,502	$ 87,222	$ 113,436	$ 212,348	$ 56,937	$ 681,530
Meetings and travel	6,727	1,593	3,925	2,921	2,864	-	18,030
Rent, maintenance and utilities	4,718	4,338	4,338	24,795	4,338	4,338	46,865
Printing and postage	10,824	2,571	1,046	782	1,128	4,638	20,989
Telephone and internet	1,229	1,157	828	1,080	2,958	446	7,698
Professional fees	15,095	4,828	57,192	5,128	79,735	2,462	164,440
Interest	-	-	-	16,374	-	-	16,374
Marketing	1,150	992	1,180	-	309	-	3,631
Office expenses	7,147	1,659	3,016	2,912	8,968	944	24,646
Insurance	230	115	173	954	1,500	115	3,087
Depreciation	3,599	575	6,855	32,577	1,150	383	45,139
Redevelopment materials and grant expenses	6,501	60,208	59,441	-	15	-	126,165
Cost of development properties sold	-	-	-	231,912	-	-	231,912
Property taxes	-	-	-	13,182	-	-	13,182
Total expenses	$ 191,305	$ 155,538	$ 225,216	$ 446,053	$ 315,313	$ 70,263	$ 1,403,688

See accompanying notes.

LAYTON BOULEVARD WEST NEIGHBORS, INC.
Doing Business as VIA CDC
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended December 31, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 38,239	$ 1,010,665
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	50,313	45,139
Loss on sale of property and equipment	22,284	-
Loss on disposal of property and equipment	-	1,090
Change in equity in earnings of other entities	(26,047)	(25,568)
(Increase) decrease in assets		
Accounts receivable	10,540	727
Interest receivable	(15,719)	(64,116)
Unconditional promises to give	542,609	(618,750)
Grants receivable	31,448	(54,154)
Building inventory	526,861	(236,238)
Developer fee receivable	11,412	31,702
Increase (decrease) in liabilities		
Accounts payable	(39,544)	61,599
Accrued expenses	7,260	19,012
Accrued payroll	2,326	2,388
Developer fee payable	-	(7,202)
Other liabilities	(2,025)	700
Net cash flows from operating activities	1,159,957	166,994
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of and interest retained in certificates of deposit	(547,650)	-
Purchases of property and equipment	(243,817)	(65,067)
Proceeds received from sale of property and equipment	149,991	-
Proceeds from distributions to member	26,073	25,564
Collections on notes receivable	-	14,404
Net cash flows from investing activities	(615,403)	(25,099)
CASH FLOWS FROM FINANCING ACTIVITIES		
Draws on line of credit	111,643	113,200
Payments on line of credit	(296,223)	(89,000)
Proceeds from notes payable	-	33,310
Principal payments on notes payable	(9,491)	(92,549)
Net cash flows from financing activities	(194,071)	(35,039)
Change in cash	350,483	106,856
Cash at beginning of year	1,202,779	1,095,923
Cash at end of year	$ 1,553,262	$ 1,202,779
SUPPLEMENTAL DISCLOSURES		
Cash paid for interest	$ 19,452	$ 15,078
Noncash investing and financing transactions		
Note payable satisfied from sale of property and equipment	146,222	-

See accompanying notes.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Layton Boulevard West Neighbors, Inc., doing business as VIA CDC, is a non-profit community development organization whose mission is to grow stronger and healthier communities and neighborhoods in Milwaukee, Wisconsin. The School Sisters of St. Francis of St. Joseph's Convent, Milwaukee, Wisconsin, Inc. (USP-SSSF) is the sole corporate member of VIA CDC.

3500 West National Avenue, LLC (3500) develops and improves the property at 3500 West National Avenue. Sustainable Development, LLC (SD) purchases vacant, blighted, and/or foreclosed properties; renovates them with high standards of quality, construction, and energy efficiencies; and sells them to eligible owner occupants. VIA CDC established Layton Boulevard West Neighbors SM, Inc. (LBWN SM) as a special member owning a 51% non-controlling interest in Silver City Townhomes MM, LLC. LBWN SM also owns a 0.005% interest in Silver City Townhomes, LLC. 3514 West National Avenue, LLC (3514) develops and improves the property at 3514 West National Avenue. LBWN RED, LLC (LBWN RED) purchases property for neighborhood revitalization in alignment with community benefit.

VIA CDC's revenues primarily consist of government grants, private donations, and sales of development properties. Its principal services are development of the neighborhood through renovations and sales of turnkey homes, encouraging economic growth through business services, and providing home improvement matching grants.

Principles of Consolidation

The financial statements include the accounts of VIA CDC and its wholly owned subsidiaries, 3500, SD, LBWN SM, 3514, and LBWN RED, LLC. All material intra-entity transactions have been eliminated.

Accounts Receivable

Accounts receivable include delinquent rent payments due from tenants and unpaid event fees. VIA CDC uses historical loss information based on the aging of accounts receivable as the basis to determine expected credit losses. Management believes the composition of accounts receivable is consistent with historical conditions and accounts receivable are expected to be settled within a relatively short time frame based on current conditions. As such, credit losses are expected to be insignificant.

Notes and Interest Receivable

Loans receivable are carried at unpaid principal balances and consist of amounts due from related-parties for housing projects. Interest receivable consists of interest earned on notes receivable based on a stated interest rate, compounding annually. Interest on notes receivable is not required to be paid until the related property is sold. Loans are placed on nonaccrual when management believes, after considering economic conditions, business conditions, and collection efforts, that the loans are impaired or collection of interest is doubtful. Due to the relationship between VIA CDC and the related parties, the housing projects' financial position, and other current conditions, credit losses are expected to be insignificant.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Promises to Give

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. At December 31, 2023, all unconditional promises to give are receivable in less than one year.

Building Inventory

Building inventory is stated at the cost of acquiring and developing vacant, blighted, and/or foreclosed properties.

Property and Equipment

All acquisitions of property and equipment in excess of $1,000 and all expenditures in excess of $5,000 for enhancements that materially prolong the useful lives of buildings are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Buildings and improvements	15-39 years
Furniture, fixtures, and equipment	3-10 years

Revenue Recognition

Revenues from sales of development properties are recognized when ownership transfers to the buyer. Sales are final and no further obligations are required. Developer fees associated with construction of low-income housing projects are recognized as revenues upon completion of the project. Other fees are recognized when the services are provided. Revenues for renting commercial and residential apartment space to tenants are based on fixed monthly rates determined in the lease agreements and recognized on a monthly basis.

Contributions

Contributions received are recorded as increases in net assets without donor restrictions and net assets with donor restrictions depending on the existence of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expense Allocation

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits; rent, maintenance and utilities; printing and postage; telephone and internet; marketing; office expenses; and insurance, which are allocated on the basis of estimates of time and effort. The following program services and supporting activities are included in the accompanying financial statements:

Community Building and Leadership Development—This program cultivates grassroots community leaders and connects them to one another to sustain a strong, healthy neighborhood. VIA CDC fosters opportunities for neighbors as both decision-makers and active participants in neighborhood change and continuous improvement of the quality of life in the community.

Housing Outreach—This program builds on the strengths of neighborhood pride and the beautiful but aging historic housing stock in our neighborhoods. VIA CDC administers grants and connects people to other resources so that all can reach their housing goals, ranging from purchasing to repairing to renting to keeping a home. Healthy housing is vital for improving quality of life in any community.

Economic Development—This program works towards equity in economic development by ensuring that neighborhoods have access to quality businesses and that neighborhood entrepreneurs have access to the same opportunities and resources as entrepreneurs that are historically and systemically poised for business success. Planning, technical assistance and connections to facade grants or other resources all support the success of existing businesses and build the capacity of neighborhood entrepreneurs in growing or starting a business. Increasing economic vitality in the districts and building community wealth are essential in improving a community's quality of life.

Affordable Developments Projects—VIA CDC purchases and renovates commercial and residential properties to stabilize the neighborhood, create a catalytic impact, and spur additional investments. Vacant, blighted, and/or foreclosed properties are transformed into Turnkey homes for owner occupants and rent-to-own opportunities for families or businesses. Buildings that support people are essential to a good quality of life in any community.

Management and General—Includes accounting and production of financial reports, oversight of the annual budget, maintenance of personnel records, attending general board and committee meetings, and any other administrative and office services necessary for the efficient operation of VIA CDC and its subsidiaries.

Fundraising—Provides the structure necessary to encourage and secure financial support from individuals, foundations, corporations, and various government agencies.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases

VIA CDC does not recognize short-term leases in the consolidated statement of financial position. For these leases, VIA CDC recognizes the lease payments in the change in net assets on a straight-line basis over the lease term and variable lease payments in the period in which the obligation for those payments is incurred. VIA CDC also does not separate nonlease components from lease components for all classes of underlying assets and instead accounts for each separate lease component and the nonlease components associated with that lease component as a single lease component. If the rate implicit in the lease is not readily determinable, VIA CDC uses a risk-free rate as the discount rate for the lease for all classes of underlying assets.

Income Tax Status

VIA CDC is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to VIA CDC's tax-exempt purpose is subject to taxation as unrelated business income. In addition, VIA CDC qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). 3500, 3514, SD, and LBWN RED, LLC are treated as disregarded entities for federal tax purposes and their operations are reported on VIA CDC's federal exempt organization return.

Adoption of New Accounting Guidance

On June 16, 2016, the Financial Accounting Standards Board issued Accounting Standards Update No. 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The intent of this Update is to improve financial reporting by requiring timelier recording of credit losses on loans and other financial instruments held by the reporting entity. This Update requires an entity to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. The Update also requires enhanced disclosures to help financial statement users better understand significant estimates and judgments used in estimating credit losses. These disclosures include qualitative and quantitative requirements that provide additional information about the amounts recorded in the financial statements. Financial assets held by VIA CDC that are subject to the guidance in this Update include accounts receivable, interest receivable, and notes receivable.

VIA CDC adopted the requirements of this Update, as amended, effective January 1, 2023. The adoption of this Update did not have a material effect on VIA CDC's financial statements and primarily resulted in new and enhanced disclosures only.

Date of Management's Review

Management has evaluated subsequent events through June 3, 2024, the date which the financial statements were available to be issued.

NOTE 2—PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2023	2022
Land	$ 32,812	$ 23,651
Buildings and improvements	856,054	1,003,111
Furniture, fixtures, and equipment	186,626	177,491
Total property and equipment	1,075,492	1,204,253
Less accumulated depreciation	446,216	449,984
Property and equipment, net	$ 629,276	$ 754,269

NOTE 3—NOTES PAYABLE

VIA CDC's obligation under notes payable consists of the following:

	2023	2022
Note payable to Forward Community Investments, Inc. requiring monthly installments of $1,519, including principal and interest at a rate of 5.5%. This note was refinanced during 2022, which included paying off another note. The refinanced note requires monthly installments of $1,128, including principal and interest at a rate of 4.75% and a final balloon payment of unpaid principal and interest on August 15, 2025. This note is secured by property at 3500 W National Avenue.	$ 191,032	$ 195,384
Note payable to Milwaukee County. This note is non-interest bearing and is deferred until December 1, 2040. This note is secured by the Silver City Townhomes project.	100,000	100,000
Note payable requiring 36 monthly payments of $865, including interest at 3.75%, and final payment of unpaid principal and interest due at maturity, October 12, 2024. The note is secured by property at 3514 W National Avenue. The note was paid in 2023.	-	128,938
Note payable requiring 36 monthly payments of $151, including interest at 3.75%, and final payment of unpaid principal and interest due at maturity, October 12, 2024. The note is secured by property at 3514 W National Avenue. The note was paid in 2023.	-	22,424
Total notes payable	$ 291,032	$ 446,746

NOTE 3—NOTES PAYABLE (continued)

The future scheduled maturities of notes payable for the years ending December 31 are as follows:

2024	$ 4,537
2025	186,495
2026	-
2027	-
2028	-
Thereafter	100,000
Total	$ 291,032

NOTE 4—LINES OF CREDIT

SD has a $250,000 revolving line of credit, of which $250,000 and $65,420 was unused at December 31, 2023 and 2022, respectively. The credit line carries an interest rate of 3.75% and matures on March 19, 2024. The credit line is secured by the turnkey homes.

VIA CDC has a $100,000 revolving line of credit, which was unused at December 31, 2023 and 2022. The credit line carries an interest rate based on the Prime Rate as published in the Money Rates section of the Wall Street Journal, and will not be less than 3.5%, and is subject to the lender's discretion which is based in part by the principal balance. The credit line is secured by the business assets of VIA CDC.

NOTE 5—FORGIVABLE LOANS

VIA CDC entered into forgivable loan arrangements with the City of Milwaukee and LBWN Rent-to-Own Homes, LLC. Due to the terms of the development agreement of LBWN Rent-to-Own Homes, LLC, the City of Milwaukee made a zero-percent interest loan in the amount of $657,650 to VIA CDC, and VIA CDC was then required to remit the funds and assign the loan to LBWN Rent-to-Own Homes, LLC. The loan is included in notes receivable with a corresponding amount included in forgivable loans on the consolidated statements of financial position. The loan was made with funds from the City of Milwaukee's Neighborhood Stabilization Program and a portion of the loan will be forgiven if VIA CDC follows the terms of the loan agreement.

The City of Milwaukee also made a zero-percent interest loan to VIA CDC totaling $158,075 to cover administrative costs in its LBWN Rent-to-Own Homes development. As of December 31, 2023 and 2022, draws on this loan totaled $158,075. The loan was made under Title II, Section 216 and 217 of the National Affordable Housing Act of 1990, and 24 CFR Part 92 (the "HOME" program). The loan is payable upon the sale, transfer of title, material noncompliance with the terms of the HOME program, or the change in use of the property. If none of these conditions occur, the loan will be forgiven after fifteen years (August 2028).

NOTE 6—DEVELOPER FEE PAYABLE

VIA CDC has a developer fee payable due to Impact Seven, Inc. in the amount of $96,000 at December 31, 2023 and 2022. In connection with the operating agreement for Rent-to-Own Homes MM, LLC, VIA CDC pays 50% of the principal and interest received from its $192,000 note receivable from LBWN Rent-to-Own Homes, LLC to Impact Seven, Inc. The principal payment to Impact Seven, Inc. is contingent on receipt of funds from Rent-to-Own Homes, LLC. During the years ended December 31, 2023 and 2022, there were no payments made on the note receivable from Rent-to-Own Homes, LLC. The balance is expected to be paid in full by the year 2042.

NOTE 7—RENTAL PROPERTY LEASES

3500, 3514, and LBWN RED leases its commercial space to business tenants. The terms of the leases require monthly installments ranging from $850 to $2,500 and expire at various dates through November 30, 2024. 3500, 3514, and LBWN RED also lease residential units in the buildings under month-to-month leases. The leases require monthly installments ranging from $425 to $950 per unit. Future rental payments expected to be received under these leases is $27,500 for the year ending December 31, 2024.

NOTE 8—LEASES

VIA CDC leased office space under a short-term operating lease from USP-SSSF that terminated October 31, 2023. Lease cost for the years ended December 31, 2023 and 2022 was $21,861 and $26,027, respectively.

NOTE 9—RETIREMENT PLAN

VIA CDC participates in a multi-employer defined contribution plan sponsored by USP-SSSF. After meeting certain requirements, employees may contribute an authorized percentage of their compensation to a Tax-Sheltered Annuity (TSA). VIA CDC matches the first 35% of employee contributions up to 5% of compensation. In addition, after meeting certain requirements, VIA CDC contributes 2% to 3% of compensation, on an annual basis, for eligible employees, regardless of participation in the TSA. Pension expense was $11,505 and $12,041 for the years ended December 31, 2023 and 2022, respectively.

NOTE 10—NET ASSETS

VIA CDC's board of directors has designated reserves to support VIA CDC's programs and operations in the event there is a gap or need otherwise not filled (operational reserves) and for future real estate development opportunities (development reserves).

Board designated net assets are directed to the reserves based on a calculation of earned revenue in the year such revenue is earned. Real estate development earned revenue is calculated at 20%, with 10% designated to operational reserves and 10% designated to development reserves as follows:

- 20% of revenue from large-scale developments
- 20% of revenue from turnkey developments
- General earned revenue is calculated at 10% of the total amount received and are designated to operational reserves.

NOTE 10—NET ASSETS (continued)

VIA CDC's board of directors has designated net assets without donor restrictions as follows:

	2023	2022
Designated for turnkey developments	39,950	30,934
Designated for large-scale developments	57,638	53,781
	$ 97,588	$ 84,715

Net assets with donor restrictions are restricted for the following purposes or periods:

	2023	2022
Subject to expenditure for specified purpose:		
Economic development	$ 23,776	$ 61,433
Housing Rehab & Ownership	152,411	416,080
CB Community Projects	43,419	79,371
Subject to expenditure in future periods	24,224	348,250
Net assets with donor restrictions	$ 243,830	$ 905,134

NOTE 11—GUARANTIES

VIA CDC has provided guaranties in connection with the Silver City Townhomes Project. The project is owned by Silver City Townhomes, LLC, and VIA CDC has an indirect ownership interest in the project. The guaranties are included in a Guaranty Agreement, which was dated April 29, 2010, and signed by VIA CDC and other third parties to Silver City Townhomes, LLC and National Equity Fund (NEF) Assignment Corporation. Each of the guaranties in the agreement expires at different times within the 18-year life of the project. The maximum potential future payments that VIA CDC could be required to make cannot be reasonably estimated due to the nature of the guaranties.

Examples of events that would require VIA CDC to provide cash payments pursuant to the guaranties include the Owner's failure to be in compliance with the regulatory rules of operating the Silver City Townhomes. Because of the fair value of Silver City Townhome project asset collateral and the willingness of WHEDA to work with its LIHTC partners, significant losses are not anticipated. There is currently no recorded liability for potential losses under these guaranties, nor is there any liability for VIA CDC's obligation to stand ready to fund such guaranties. Based on information gathered as part of its monitoring of risks, VIA CDC believes it will not be required to perform under any of these guaranties.

NOTE 12—CONCENTRATIONS

VIA CDC maintains cash balances at financial institutions located in Milwaukee, Wisconsin. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to $250,000. At December 31, 2023 and 2022, VIA CDC's uninsured cash balances total $272,153 and $143,606, respectively.

NOTE 13—RELATED PARTY TRANSACTIONS

VIA CDC rents office space from USP-SSSF and pays phone costs and other expenses as part of the rental agreement. During the years ended December 31, 2023 and 2022, VIA CDC incurred the following expenses with USP-SSSF:

	2023	2022
Phone charges and maintenance	$ 56	$ -
Rent	23,561	26,027
Employee benefits	11,198	5,908
Sponsorships	2,406	2,406
Insurance	6,355	3,086
Total	$ 43,576	$ 37,427

At December 31, 2023 and 2022, accounts payable to USP-SSSF total $10,407 and $1,215, respectively.

VIA CDC has an indirect ownership interest in Silver City Townhomes, LLC through LBWN SM. The company has one managing member, Silver City Townhomes MM, LLC, which has a 0.005% ownership interest, one special member, LBWN SM, which has a 0.005% ownership interest, and one investor member, State Farm®, via NEF Assignment Corporation, which has a 99.99% ownership interest.

VIA CDC has a note receivable from Silver City Townhomes, LLC for the development of the low-income housing project. The non-interest bearing note receivable has a balance of $100,000 at December 31, 2023 and 2022. Principal payments equal to $5,000 are due upon the sale of each apartment unit after the end of the 15-year low-income housing tax credit compliance period. The note matures December 1, 2040. This note is secured by the mortgage on the property.

VIA CDC has an indirect ownership interest in LBWN Rent-to-Own Homes, LLC. LBWN Rent-to-Own Homes, LLC is owned by LBWN Rent-to-Own Homes MM, LLC (0.01% managing member) and NEF Assignment Corporation (99.99% investor member). VIA CDC owns 50% of LBWN Rent-to-Own Homes MM, LLC.

VIA CDC entered into multiple agreements with LBWN Rent-to-Own Homes, LLC to purchase, renovate, and lease-to-own twenty-four foreclosed properties in the Milwaukee area. Three separate promissory notes were signed as follows:

1) 4.5% interest bearing note receivable with a balance of $657,650 at December 31, 2023 and 2022. Interest accrues annually and will not be paid until the sale of the project property occurs and funds are disbursed to VIA CDC after a minimum of a 15-year low-income housing tax credit compliance period or when the note matures in 2042. 50% of the interest receivable from this note is considered payable to another entity and a corresponding liability has been set up for this.

NOTE 13—RELATED PARTY TRANSACTIONS (continued)

VIA CDC entered into multiple agreements with LBWN Rent-to-Own Homes, LLC to purchase, renovate, and lease-to-own twenty-four foreclosed properties in the Milwaukee area. Three separate promissory notes were signed as follows:

2) 4.5% interest bearing note receivable with a balance of $192,000 at December 31, 2023 and 2022. Interest accrues annually and will not be paid until the sale of the project property occurs and funds are disbursed to VIA CDC after a minimum of a 15-year low-income housing tax credit compliance period or when the note matures in 2042. 50% of the interest receivable from this note is considered payable to another entity and a corresponding liability has been set up for this.

3) 4.5% interest bearing note receivable with a balance of $158,075 at December 31, 2023 and 2022. Interest accrues annually and will not be paid until the sale of the project property occurs and funds are disbursed to VIA CDC after a minimum of a 15-year low-income housing tax credit compliance period or when the note matures in 2042. 50% of the interest receivable from this note is considered payable to another entity and a corresponding liability has been set up for this.

At December 31, 2023 and 2022, notes receivable from LBWN Rent-to-Own Homes, LLC total $1,007,725. Interest receivable at December 31, 2023 and 2022 was $543,033 and $527,314, respectively.

NOTE 14—PAYCHECK PROTECTION PROGRAM LOANS

VIA CDC received loans totaling $228,457 under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and administered by the U.S. Small Business Administration (SBA). On April 23, 2021, the SBA preliminarily approved forgiveness of VIA CDC's first draw loan. On October 1, 2021, the SBA preliminarily approved forgiveness of VIA CDC's second draw loan. VIA CDC must retain PPP documentation in its files for six years after the date the loan is forgiven or repaid in full and permit authorized representatives of SBA to access such files upon request. SBA may review any loan at any time at its discretion. Therefore, SBA may review VIA CDC's good-faith certification concerning the necessity of its loan request, whether VIA CDC calculated the loan amount correctly, whether VIA CDC used loan proceeds for the allowable uses specified in the CARES Act, and whether VIA CDC was entitled to loan forgiveness in the amount claimed on its application. If SBA determines VIA CDC was ineligible for the loan or for forgiveness in whole or in part, SBA will seek repayment of the outstanding loan balance.

NOTE 15—LIQUIDITY AND AVAILABILITY

VIA CDC strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. Financial assets in excess of daily cash requirements are invested in money market funds and other short-term investments. VIA CDC manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

NOTE 15—LIQUIDITY AND AVAILABILITY (continued)

The following table reflects VIA CDC's financial assets as of the date of the consolidated statement of financial position, reduced by amounts that are not available to meet general expenditures within one year of the date of the consolidated statement of financial position because of contractual restrictions, donor restrictions, or internal designations.

	2023	2022
Financial assets at year-end		
Cash	$ 1,553,262	$ 1,202,779
Certificates of deposit	547,650	-
Accounts receivable	13,911	24,451
Interest receivable	543,033	527,314
Unconditional promises to give	88,641	631,250
Grants receivable	76,246	107,694
Notes receivable	1,107,725	1,107,725
Developer fee receivable	-	11,412
Total financial assets at year-end	3,930,468	3,612,625
Less those unavailable for general expenditures within one year:		
Donor-restricted with time or purpose restrictions	(219,606)	(556,884)
Board designated for specific purposes	(97,588)	(84,715)
Amounts from notes receivable to be collected in more than one year	(1,107,725)	(1,107,725)
Interest from notes receivable to be collected in more than one year	(543,033)	(527,314)
Financial assets available to meet cash needs for general expenditures within one year	$ 1,962,516	$ 1,335,987

In the event the need arises to utilize the board-designated reserves for liquidity purposes, the reserves could be drawn upon through a board resolution. VIA CDC and SD also have lines of credit available to draw upon for liquidity purposes as described in Note 4.

NOTE 16—CONDITIONAL GRANTS

VIA CDC has a grant that is conditioned upon VIA CDC incurring qualifying expenses or meeting specific program outcomes. At December 31, 2023, the conditional grant totals approximately $770,000. This conditional grant will be recognized as revenue when the conditions are met in future years.

LAYTON BOULEVARD WEST NEIGHBORS, INC.
Doing Business as VIA CDC
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
December 31, 2023

	VIA	3500	SD	LBWN SM	3514	LBWN RED	Eliminations	Consolidated Totals
ASSETS								
Cash	$ 472,072	$ 31,804	$ 650,592	$ 49,092	$ 212,405	$ 137,297	$ -	$ 1,553,262
Certificates of deposit	547,650	-	-	-	-	-	-	547,650
Accounts receivable	514,696	10,541	3,051	-	-	79,759	(594,136)	13,911
Interest receivable	543,033	-	-	-	-	-	-	543,033
Unconditional promises to give	88,641	-	-	-	-	-	-	88,641
Grants receivable	43,565	-	146,045	-	-	1,636	(115,000)	76,246
Building inventory	-	-	119,069	-	-	-	-	119,069
Notes receivable	1,137,725	-	-	-	-	-	(30,000)	1,107,725
Property and equipment, net	13,943	388,908	-	-	-	226,425	-	629,276
Investments in other entities	1,166,180	-	-	1,407	-	-	(1,147,891)	19,696
Total assets	$ 4,527,505	$ 431,253	$ 918,757	$ 50,499	$ 212,405	$ 445,117	$ (1,887,027)	$ 4,698,509
LIABILITIES								
Accounts payable	$ 131,426	$ 91,690	$ 286,438	$ 28,381	$ 763	$ 198,009	$ (629,377)	$ 107,330
Accrued expenses	271,853	-	-	-	-	-	-	271,853
Accrued payroll	47,541	-	-	-	-	-	-	47,541
Notes payable	100,000	221,032	-	-	-	-	(30,000)	291,032
Developer fee payable	96,000	-	-	-	-	-	-	96,000
Line of credit	-	-	79,759	-	-	-	(79,759)	-
Other liabilities	-	4,300	-	-	-	1,175	-	5,475
Forgivable loans	815,725	-	-	-	-	-	-	815,725
Total liabilities	1,462,545	317,022	366,197	28,381	763	199,184	(739,136)	1,634,956
NET ASSETS AND MEMBER'S EQUITY								
Net assets								
Without donor restrictions	2,821,130	-	-	-	-	-	(1,407)	2,819,723
With donor restrictions	243,830	-	-	-	-	-	-	243,830
Total net assets	3,064,960	-	-	-	-	-	(1,407)	3,063,553
Member's equity	-	114,231	552,560	22,118	211,642	245,933	(1,146,484)	-
Total net assets and member's equity	3,064,960	114,231	552,560	22,118	211,642	245,933	(1,147,891)	3,063,553
Total liabilities net assets and member's equity	$ 4,527,505	$ 431,253	$ 918,757	$ 50,499	$ 212,405	$ 445,117	$ (1,887,027)	$ 4,698,509

LAYTON BOULEVARD WEST NEIGHBORS, INC.
Doing Business as VIA CDC
CONSOLIDATING SCHEDULE OF ACTIVITIES
Year Ended December 31, 2023

	VIA	3500	SD	LBWN SM	3514	LBWN RED	Eliminations	Consolidated Totals
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS								
REVENUES								
Contributions								
Grants	$ 257,962	$ -	$ 688,118	$ -	$ -	$ 1,636	$ (265,000)	$ 682,716
General contributions	266,754	-	-	-	-	-	-	266,754
Other revenues								
Rent	-	47,118	-	-	34,121	10,680	(1,700)	90,219
Sales of development properties	-	-	583,900	-	-	-	-	583,900
Fee income	156,260	6,372	-	-	-	250,126	(338,029)	74,729
Interest	59,551	290	-	-	-	702	-	60,543
Change in equity in earnings of other entities	167,136	-	-	26,062	-	-	(167,151)	26,047
Total revenues without donor restrictions	907,663	53,780	1,272,018	26,062	34,121	263,144	(771,880)	1,784,908
EXPENSES AND LOSSES								
Program services								
Community Building and Leadership Development	215,831	-	-	-	-	-	-	215,831
Housing Outreach	220,689	-	-	-	-	-	-	220,689
Economic Development	114,828	-	-	-	-	-	-	114,828
Affordable Developments Projects	699,955	57,976	1,342,755	1,590	22,853	11,766	(604,729)	1,532,166
Total program services	1,251,303	57,976	1,342,755	1,590	22,853	11,766	(604,729)	2,083,514
Supporting activities								
Management and general	287,114	1,113	4,084	6,808	5,225	5,509	-	309,853
Fundraising	72,449	-	-	-	-	-	-	72,449
Total expenses	1,610,866	59,089	1,346,839	8,398	28,078	17,275	(604,729)	2,465,816
Loss on sale of property and equipment	-	-	-	-	22,284	-	-	22,284
Total expenses and losses	1,610,866	59,089	1,346,839	8,398	50,362	17,275	(604,729)	2,488,100
NET ASSETS RELEASED FROM RESTRICTIONS								
Satisfaction of purpose restrictions and expiration of time restrictions	1,402,735	-	-	-	-	-	-	1,402,735
Change in net assets without donor restrictions and member's equity	699,532	(5,309)	(74,821)	17,664	(16,241)	245,869	(167,151)	699,543
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS								
General contributions	741,431	-	-	-	-	-	-	741,431
Net assets released from restrictions	(1,402,735)	-	-	-	-	-	-	(1,402,735)
Change in net assets with donor restrictions	(661,304)	-	-	-	-	-	-	(661,304)
Change in net assets and member's equity	38,228	(5,309)	(74,821)	17,664	(16,241)	245,869	(167,151)	38,239
Net assets and member's equity at beginning of year	3,026,732	119,540	627,381	4,454	227,883	64	(980,740)	3,025,314
Net assets and member's equity at end of year	$ 3,064,960	$ 114,231	$ 552,560	$ 22,118	$ 211,642	$ 245,933	$ (1,147,891)	$ 3,063,553

LAYTON BOULEVARD WEST NEIGHBORS, INC.
Doing Business as VIA CDC
CONSOLIDATING SCHEDULE OF CASH FLOWS
Year Ended December 31, 2023

	VIA	3500	SD	LBWN SM	3514	LBWN RED	Eliminations	Consolidated Totals
CASH FLOWS FROM OPERATING ACTIVITIES								
Change in net assets and member's equity	$ 38,228	$ (5,309)	$ (74,821)	$ 17,664	$ (16,241)	$ 245,869	$ (167,151)	$ 38,239
Adjustments to reconcile change in net assets and member's equity to net cash flows from operating activities								
Depreciation	12,388	24,263	-	-	9,332	4,330	-	50,313
Loss on sale of property and equipment	-	-	-	-	22,284	-	-	22,284
Change in equity in earnings of other entities	(167,136)	-	-	(26,062)	-	-	167,151	(26,047)
(Increase) decrease in assets								
Accounts receivable	(125,703)	(719)	(107)	-	376	-	136,693	10,540
Interest receivable	(15,719)	-	-	-	-	-	-	(15,719)
Unconditional promises to give	542,609	-	-	-	-	-	-	542,609
Grants receivable	(14,921)	-	183,005	-	-	(1,636)	(135,000)	31,448
Building inventory	-	-	526,861	-	-	-	-	526,861
Developer fee receivable	11,412	-	-	-	-	-	-	11,412
Increase (decrease) in liabilities								
Accounts payable	(129,534)	(1,272)	88,018	3,812	(5,577)	6,702	(1,693)	(39,544)
Accrued expenses	7,260	-	-	-	-	-	-	7,260
Accrued payroll	2,326	-	-	-	-	-	-	2,326
Other liabilities	-	-	-	-	(3,200)	1,175	-	(2,025)
Net cash flows from operating activities	161,210	16,963	722,956	(4,586)	6,974	256,440	-	1,159,957
CASH FLOWS FROM INVESTING ACTIVITIES								
Purchases of and interest retained in certificates of deposit	(547,650)	-	-	-	-	-	-	(547,650)
Purchases of property and equipment	-	(13,062)	-	-	-	(230,755)	-	(243,817)
Proceeds received from sale of property and equipment	(3,786)	-	-	-	153,777	-	-	149,991
Proceeds from distributions to member	-	-	-	26,073	-	-	-	26,073
Net cash flows from investing activities	(551,436)	(13,062)	-	26,073	153,777	(230,755)	-	(615,403)
CASH FLOWS FROM FINANCING ACTIVITIES								
Draws on line of credit	-	-	111,643	-	-	-	-	111,643
Payments on line of credit	-	-	(296,223)	-	-	-	-	(296,223)
Principal payments on notes payable	-	(4,351)	-	-	(5,140)	-	-	(9,491)
Net cash flows from financing activities	-	(4,351)	(184,580)	-	(5,140)	-	-	(194,071)
Change in cash	(390,226)	(450)	538,376	21,487	155,611	25,685	-	350,483
Cash at beginning of year	862,298	32,254	112,216	27,605	56,794	111,612	-	1,202,779
Cash at end of year	$ 472,072	$ 31,804	$ 650,592	$ 49,092	$ 212,405	$ 137,297	$ -	$ 1,553,262
SUPPLEMENTAL DISCLOSURES								
Cash paid for interest	$ -	$ 9,187	$ 5,321	$ -	$ 4,944	$ -	$ -	$ 19,452
Noncash investing and financing transactions								
Note payable satisfied from sale of property and equipment	-	-	-	-	146,222	-	-	146,222