

COMMUNITY DEVELOPMENT AUTHORITY
MINUTES

02/17/15

MEMBERS PRESENT: Sarah Napgezok, Gary Gisselman, David Welles, Romey Wagner, Dorothy Korzilius

MEMBERS ABSENT: Russ Wilson, Andy Witt

OTHERS PRESENT: Ann Werth, Betty Noel, Juli Birkenmeier, Tammy Stratz, Kevin Fabel, Ted Matkom, Gorman & Company

(1) Call Meeting to Order

Meeting was called to order at 12:04 pm in the WCDA Boardroom at 550 E Thomas Street, Wausau, Wisconsin.

(2) Approval of Minutes

Napgezok moved to approve the minutes from 01/27/15. Welles seconded the motion. Motion approved unanimously.

(3) 303-305 S. 2nd Avenue – Status Update

Fabel reviewed the current status of the project and stated that they met with Lisa Gutknecht on January 30th to discuss revisions required to Change Order #9 before DNR approval of Amendment #5 could be given. He provided to commissioners the revised Change Order, as well as the subsequent letter of approval from Lisa Gutknecht, Wisconsin DNR. Fabel reiterated that commissioners had conditionally approved Amendment #5, including the required Wisconsin DNR revisions, at the January board meeting. Fabel said that the mobile vapor extraction system continues to operate and reduce contamination. He reported that the South Second Avenue soil borings are scheduled for next month and test results will be shared as soon as possible. Fabel said it has not yet been determined whether the City will proceed with the South Second Avenue street reconstruction.

(4) Consideration and Action on Resolution 15-001 Section Eight Management Assessment Program (SEMAP) Submission to the US Department of Housing & Urban Development (HUD) for Fiscal Year Ending 12/31/14

Noel explained that each year staff must submit a certification to HUD that their program is in compliance with all aspects of the Section Eight Housing Choice Voucher program guidelines. She said the board must approve the submission of the certification in the form of a resolution. Napgezok moved to approve Resolution 15-001. Korzilius seconded. Roll call vote was taken with unanimous consent. Resolution is approved.

(5) Consideration and Action on Resolution 15-002 – Capital Fund Program Assistance for Fiscal Year 2015 – Capital Fund Grant #WI39P03150115

Noel reviewed the 2015 Capital Fund Program Amendment stating that the WCDA has been awarded \$174,104 in Capital Fund Program assistance. She said, as a formality, the board must approve the receipt of these funds in the form of a resolution. Welles moved to approve Resolution 15-002. Napgezsek seconded. Roll call vote was taken with unanimous consent. Resolution is approved.

(6) Riverview Towers LLC Compliance Agent Contract Update

Werth reiterated that our current compliance contract with Gorman & Company expires on February 28, 2015. She said NEF has provided guidance relative to the review of proposals and selection of a compliance agent that would best meet the needs of the WCDA. Werth reported that Comprehensive Compliance Solutions (CCS) has been selected as the new compliance agent for an initial one year term effective March 1, 2015. Noel stated that CCS provides comparable compliance services that Gorman is currently providing for a slightly higher fee. Ted Matkom was also present and offered assurance that Gorman and Company will assist with the transfer of compliance responsibilities to ensure a smooth transition.

Wagner formally thanked Matkom for Gorman's partnership and services provided throughout the duration of the Riverview Towers renovation project.

(7) Operational Issues and Current Activities

- **Occupancy Overview** – Noel stated currently Scattered Sites is at 100% occupancy and both Riverview Towers and Riverview Terrace are maintaining minimum vacancies. She said staff is being very proactive in processing applicants to meet any future vacancies.
- **RVT LLC Audit Update** – Werth stated that Schenck has recently completed the RVT LLC audit and said that a draft would soon be available. She said Schenck has also completed the 2014 tax return which is currently under review by NEF.
- **WAHA Annual Conference** – Werth mentioned that the annual WAHA conference will be held in Waukesha, Wisconsin on April 14 – 17, 2015, and urged new commissioners to consider attending the commissioner training offered at the conference. Noel said the training is very informative and is led by John Finger from HUD's Milwaukee field office. Noel pledged to forward the WAHA conference information to all commissioners via email immediately following the board meeting.

(8) Adjourn

Welles moved to adjourn, Gisselman seconded. Meeting adjourned.

Respectfully Submitted,

Romey Wagner
Vice Chairperson

COMMUNITY DEVELOPMENT AUTHORITY
CAPITAL FUND PROGRAM
WI39H200039
As of 02/28/2015

FUND #	GRANT AMOUNT	OBLIGATION START	OBLIGATION END	OBLIGATION BALANCE	DISBURSEMENT END	DISBURSEMENT BALANCE
501-13	\$ 183,141	09/09/2013	09/08/2015	\$ 85,268.30	09/08/2017	\$ 121,828.30
501-14	\$ 176,073	05/13/2014	05/12/2016	\$ 167,822.24	05/12/2018	\$ 167,822.24
501-15	\$ 174,104	04/13/2015	04/12/2017	\$ 174,104.00	04/12/2019	\$ 174,104.00
						\$ 463,754.54

CFP 2013 BUDGET DETAIL

Operations		\$	58,000.00
Management Improvements	Staff Training, Housing Software Upgrade & Support	\$	5,100.00
Administration		\$	668.93
Audit		\$.00
Fees/Costs	Architectural/Consultant Services	\$	14,117.50
Site Improvements	Landscaping, Concrete/Driveway Repair/Replacement	\$	8,060.18
Dwelling Structures	Boiler Upgrade, Gutter Installation	\$	1,166.89
Non-Dwelling Structures	Garage Brick Moulding Repairs/Replacements, Service Door Replacements, HVAC Repair	\$	86,051.78
Non-Dwelling Equipment	Computer Equipment/Office & Maintenance Equipment	\$	9,975.72
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	CFP 2013 Grant Total	\$	183,141.00

CFP 2014 BUDGET DETAIL

Operations		\$	50,000.00
Management Improvements	Training, Software Support	\$	5,000.00
Administration		\$	4,000.00
Audit		\$	1,000.00
Fees/Costs	Architectural/Consultant Services	\$	17,000.00
Site Improvements	Landscaping, Driveway Repair/Replacement, Painting	\$	13,500.00
Dwelling Structures	Scattered Site Unit Modernization, Deck/Balcony Repair Closet Repairs, Kitchen & Bath Upgrades	\$	54,573.00
Dwelling Equipment	Appliances	\$	2,000.00
Non-Dwelling Structures	Garage Repairs/Replacements, Cabinetry Install	\$	23,000.00
Non-Dwelling Equipment	Office & Maintenance Equipment	\$	6,000.00
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	CFP 2014 Grant Total	\$	176,073.00

CFP 2015 BUDGET DETAIL

Operations		\$	50,000.00
Management Improvements	Staff Training, Software Support & Upgrades	\$	3,600.00
Administration		\$	2,000.00
Audit		\$.00
Fees/Costs	Architectural/Consultant Services	\$	12,000.00
Site Improvements	Landscaping, Driveway/Parking Repair, Mailbox Replacements	\$	8,000.00
Dwelling Structures	Scattered Site Unit Modernization, Siding & Roof Repairs	\$	88,304.00
Dwelling Equipment	Appliance Replacements	\$	3,200.00
Non-Dwelling Structures	Garage/Office Modernization	\$	3,000.00
Non-Dwelling Equipment	Office & Maintenance Equipment	\$	4,000.00
	CFP 2015 Grant Total	\$	174,104.00

COMMUNITY DEVELOPMENT AUTHORITY
INCOME STATEMENT SUMMARY THROUGH DECEMBER 31, 2014

	2014 QUARTERLY	2014 YTD	2014 BUDGET	2013 YTD
TTL TENANT REV	\$64,579.32	\$259,094.64	\$235,375.00	\$238,540.00
TTL OTHER REV	\$215,845.16	\$825,268.11	\$634,380.00	\$534,833.70
TOTAL REVENUE	\$280,424.48	\$1,084,362.75	\$869,755.00	\$773,373.70
TTL ADMIN EXP	\$53,032.60	\$199,401.74	\$201,621.00	\$166,576.65
TTL TENANT SRVC EXP	\$107,215.89	\$331,655.24	\$356,000.00	\$322,034.89
TTL UTILITY EXP	\$24,632.40	\$68,656.03	\$70,700.00	\$65,092.93
TTL MAINTENANCE EXP	\$40,195.38	\$136,588.54	\$147,745.00	\$127,965.92
TTL PROTECTIVE SRVC EXP	(\$708.99)	\$2,874.14	\$4,400.00	\$3,612.69
TTL OTHER EXP	\$73,463.43	\$132,141.57	\$38,650.00	\$84,121.21
TTL EXTRA/CASUALTY EXP	\$0.00	\$2,055.00	\$6,200.00	\$11,999.77
TOTAL OPERATING EXPENSES	\$297,830.71	\$873,372.26	\$825,316.00	\$781,404.06
INCOME/(LOSS) BEFORE DEPRECIATION	(\$17,406.23)	\$210,990.49	\$44,439.00	(\$8,030.36)
DEPRECIATION EXP	\$80,735.88	\$367,250.88	\$371,500.00	\$382,028.39
NET INCOME/(LOSS)	(\$98,142.11)	(\$156,260.39)	(\$327,061.00)	(\$390,058.75)

COMMUNITY DEVELOPMENT AUTHORITY
INCOME STATEMENT SUMMARY THROUGH DECEMBER 31, 2014

Wausau Community Development Authority

Balance Sheet

December 31, 2014

	Low Rent (46 Scattered Sites) (Fund 01)	Voucher (Sec 8) (Fund 02)	Riverview Terrace (Fund 12)	Business Activity ** (Fund 15)	Business Activity II (Fund 17)	Redevelopment (Fund 16)	Entity Wide Total
ASSETS							
Cash							
'1111 Cash - Unrestricted	1,694.44	1,323.14	1,533.65	1,290.20	0.00	1,528.57	7,370.00
'1117 Petty Cash	75.00	25.00	0.00	0.00	0.00	0.00	100.00
'1118 Change Fund	20.00	0.00	0.00	0.00	0.00	0.00	20.00
'1162 General Fund Investments	724,753.58	120,190.73	857,289.70	2,173,780.70	440,821.98	386,322.41	4,703,159.10
Total Cash	726,543.02	121,538.87	858,823.35	2,175,070.90	440,821.98	387,850.98	4,710,649.10
Accounts Receivable							
1121 Accounts Receivable- Fraud	0.00	9,100.00	0.00	0.00	0.00	0.00	9,100.00
'1122 Accounts Receivable - Tenants	1,363.34	0.00	389.00	0.00	0.00	0.00	1,752.34
1125 Accounts Receivable - HUD	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1129 Accounts Receivable - Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1128 Accounts Receivable - Other	0.00	0.00	5,136.39	0.00	0.00	0.00	5,136.39
'1145 Accrued Interest Receivable	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Accounts Receivable	1,363.34	9,100.00	5,525.39	0.00	0.00	0.00	15,988.73
Other Current Assets							
1210 Prepaid Expenses	1,100.00	1,100.00	1,808.99	3,879.04	0.00	0.00	7,888.03
'1211 Prepaid Insurance	0.00	0.00	0.00	0.00	0.00	0.00	0.00
'1295 Interfund due to/from	0.00	0.00	0.00	0.00	2,573.04	0.00	2,573.04
Total Other Current Assets	1,100.00	1,100.00	1,808.99	3,879.04	2,573.04	0.00	10,461.07
Noncurrent Assets							
1350 CDA Mortgage Sale	0.00	0.00	0.00	0.00	0.00	23,002.47	23,002.47
'1400 Land/Structures/Equip Less Accum. Deprn	4,370,579.67	1,525.27	1,920,055.29	60,000.00	0.00	0.00	6,352,160.23
1500 Note Receivables - Tax Credits/Thunderlube	3,303,750.00			733,903.00	0.00	25,000.00	4,062,653.00
1600 Investment in Tax Credits	174,956.69						174,956.69
Total Noncurrent Assets	7,849,286.36	1,525.27	1,920,055.29	793,903.00	0.00	48,002.47	10,612,772.39
TOTAL ASSETS	8,578,292.72	133,264.14	2,786,213.02	2,972,852.94	443,395.02	435,853.45	15,349,871.29

RIVERVIEW TOWERS LLC
INCOME STATEMENT SUMMARY THROUGH DECEMBER 31, 2014

	2014 QUARTERLY	2014 YTD	2014 BUDGET	2013 YTD
TTL TENANT REV	\$116,969.00	\$462,403.61	\$412,000.00	\$397,526.74
TTL OTHER REV	\$65,764.15	\$134,830.92	\$144,652.00	\$94,589.18
TOTAL REVENUE	\$182,733.15	\$597,234.53	\$556,652.00	\$492,115.92
TTL ADMIN EXP	\$59,094.50	\$218,592.63	\$183,395.00	\$166,002.26
TTL TENANT SRVC EXP	\$3,568.13	\$10,999.46	\$11,200.00	\$11,252.76
TTL UTILITY EXP	\$41,080.85	\$111,499.14	\$123,600.00	\$106,744.30
TTL MAINTENANCE EXP	\$47,132.37	\$165,656.85	\$160,717.00	\$147,541.27
TTL PROTECTIVE SRVC EXP	\$479.27	\$2,440.08	\$8,300.00	\$4,413.09
TTL OTHER EXP	\$20,763.99	\$69,170.35	\$39,300.00	\$41,637.41
TTL EXTRA/CASUALTY EXP	\$1,434.00	\$9,166.47	\$5,000.00	\$14,674.48
TOTAL OPERATING EXPENSES	\$173,553.11	\$587,524.98	\$531,512.00	\$492,265.57
INCOME/(LOSS) BEFORE DEPRECIATION	\$9,180.04	\$9,709.55	\$25,140.00	(\$149.65)
DEPRECIATION EXP	\$199,581.21	\$329,294.70	\$172,951.32	\$180,809.48
NET INCOME/(LOSS)	(\$190,401.17)	(\$319,585.15)	(\$147,811.32)	(\$180,959.13)

Riverview Towers LLC
Balance Sheet-Riverview Towers LLC
December 31, 2014

	Current Period	Cumulative
ASSETS		
CURRENT ASSETS		
Cash		
26-0-000-000-1010.100 Cash - Construction (US Bank)	0.00	0.00
26-0-000-000-1111.040 Cash - Unrestricted	(4,121.46)	58,789.94
26-0-000-000-1111.050 Cash - Reserve Account	(2,065.92)	68.03
26-0-000-000-1162.000 Cash - Savings/Money Mkts/CDs	3,884.78	720,814.87
Total	(2,302.60)	779,672.84
Accounts Receivable		
26-0-000-000-1122.000 Accounts Receivable - Tenants	(318.00)	300.00
26-0-000-000-1128.000 Accounts Receivable - Other	0.00	0.00
26-0-000-000-1129.000 Accounts Receivable - Subsidy	48,755.09	46,736.37
Total	48,437.09	47,036.37
Accrued Receivables		
26-0-000-000-1145.000 Accrued Interest Receivable	7.67	77.10
Total	7.67	77.10
Other Current Assets		
26-0-000-000-1210.000 Prepaid Expenses	(532.65)	4,163.53
26-0-000-000-1211.000 Prepaid Insurance	(871.21)	7,405.27
26-0-000-000-1295.001 Interprogram Due (to) from PH	0.00	0.00
Total	(1,403.86)	11,568.80
TOTAL CURRENT ASSETS	44,738.30	838,355.11

*(See Accountants' Compilation Report)

Riverview Towers LLC
Balance Sheet-Riverview Towers LLC
December 31, 2014

	Current Period	Cumulative
NONCURRENT ASSETS		
Fixed Assets		
26-0-000-000-1400.000 CWIP	(421,966.12)	0.00
26-0-000-000-1400.060 Land	0.00	0.00
26-0-000-000-1400.061 Land Improvements	0.00	17,560.00
26-0-000-000-1400.080 Dwelling Equipment	0.00	13,364.21
26-0-000-000-1400.090 Nondwelling Equipment	0.00	245,455.54
26-0-000-000-1400.100 Building Improvements	273,560.90	10,043,201.07
26-0-000-000-1400.150 Accumulated Depreciation	(170,343.38)	(500,201.54)
Total	(318,748.60)	9,819,379.28
Other Assets		
26-0-000-000-1460.000 Tax Credit Fees	0.00	47,114.00
26-0-000-000-1460.010 Tax Credit Fee Amort	(261.74)	(7,066.98)
26-0-000-000-1470.000 Financing Fees	0.00	54,313.00
26-0-000-000-1470.010 Financing Fees Amort	(150.87)	(4,073.49)
Total	(412.61)	90,286.53
TOTAL NONCURRENT ASSETS	(319,161.21)	9,909,665.81
TOTAL ASSETS	(274,422.91)	10,748,020.92

*(See Accountants' Compilation Report)

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Riverview Towers LLC
Balance Sheet-Riverview Towers LLC
December 31, 2014

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	Current Period	Cumulative
LIABILITIES AND MEMBERS' EQUITY		
CURRENT LIABILITIES		
Accounts Payable		
26-0-000-000-2111.000 A/P - Vendors & Contractors	16,621.95	16,621.95
26-0-000-000-2111.010 A/P - Other	0.00	0.00
26-0-000-000-2114.000 Tenants Security Deposits	885.50	44,765.00
26-0-000-000-2119.010 A/P - Payroll	1,439.61	19,063.58
26-0-000-000-2119.020 A/P - Gorman Compliance Fee	28.59	428.84
26-0-000-000-2119.030 A/P - Gorman Developer Fee	(45,000.00)	0.00
Total	(26,024.35)	80,879.37
Accrued Liabilities		
26-0-000-000-2134.000 Accrued Comp Absences - Due within one year	948.71	7,080.76
26-0-000-000-2136.000 Other Accrued Liabilities	0.00	0.00
26-0-000-000-2137.000 Payment in Lieu of Taxes	(27,471.94)	35,090.45
26-0-000-000-2149.000 Accrued Asset Mgt Fee	(7,299.22)	0.00
Total	(33,822.45)	42,171.21
Other Current Liabilities		
26-0-000-000-2145.001 Interprogram Due to (from) PH	0.00	0.00
26-0-000-000-2145.012 Interprogram Due to (from) Riverview Terrace	0.00	0.00
26-0-000-000-2145.017 Interprogram Due to (from) BA II	(277,828.48)	2,573.04
26-0-000-000-2240.000 Tenants Prepaid Rent	0.00	0.00
Total	(277,828.48)	2,573.04
TOTAL CURRENT LIABILITIES	(337,675.28)	125,623.62
NONCURRENT LIABILITIES		
26-0-000-000-2134.010 Accrued Comp Absences	(2,751.23)	0.00
26-0-000-000-2310.000 Notes Payable - Construction Loan	(2,521,003.75)	0.00
26-0-000-000-2320.000 Notes Payable - Wausau CDA PH	0.00	2,500,000.00
26-0-000-000-2320.010 Interest Payable - Wausau CDA PH	50,000.00	50,000.00
26-0-000-000-2330.000 Notes Payable - Wausau CDA PH (AHP loan)	0.00	750,000.00
26-0-000-000-2330.010 Interest Payable - Wausau CDA PH (AHP loan)	3,750.00	3,750.00
Total	(2,470,004.98)	3,303,750.00
TOTAL LIABILITIES	(2,807,680.26)	3,429,373.62

*(See Accountants' Compilation Report)

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Riverview Towers LLC
Balance Sheet-Riverview Towers LLC
December 31, 2014

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	Current Period	Cumulative
MEMBERS' EQUITY		
26-0-000-000-2700.000 CY Net Change	173,848.91	0.00
26-0-000-000-1450.000 Syndication Costs	0.00	(52,000.00)
26-0-000-000-2810.512 Unrestricted Net Assets	0.00	0.00
26-0-000-000-2834.000 Managing Member Equity	(37.33)	174,943.60
26-0-000-000-2835.000 NEF Investor Equity	2,359,445.77	7,195,703.70
TOTAL MEMBERS' EQUITY	2,533,257.35	7,318,647.30
TOTAL LIABILITIES AND MEMBERS' EQUITY	(274,422.91)	10,748,020.92
Proof	0.00	0.00

*(See Accountants' Compilation Report)

To the Members
Riverview Towers, LLC
Wausau, Wisconsin

We have audited the financial statements of Riverview Towers, LLC as of and for the year ended December 31, 2014, and have issued our report thereon dated February 17, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated October 30, 2014. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Consideration of Internal Control

In planning and performing our audit of the financial statements of the Company as of and for the year ended December 31, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Company are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2014. We noted no transactions entered into by the Company during the year for which there is a lack of authoritative guidance or consensus. To the best of our knowledge, all significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the depreciable lives of property and equipment is based on analysis of the expected useful lives of the assets. We evaluated the key factors and assumptions and the consistency of the key factors and assumptions used to development the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

The amortization period for tax credit fees is based on the related period over which tax credits will be calculated and claimed by the members. The amortization period for loan financing fees is based on the period over which the construction financing will be repaid. We evaluated the key factors and assumptions used to develop the estimated amortization period and determined that it is reasonable in relation to the financial statements taken as a whole.

The accrual for compensated absences is based on employees' years of service and pay rates as of the end of the calendar year. We evaluated the key factors and assumptions used to develop the estimate and the consistency of applying those factors and assumptions and determined that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The most significant audit adjustments related to correcting the investor member equity contributions, the construction work in progress and amounts placed in service, and the accruals for developer fees payable, and adjusting depreciation expense to the end of the year. Copies of the audit adjustments are available from management.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 17, 2015. The management representation letter follows this communication.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Supplementary Information

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

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

A handwritten signature in black ink that reads "Schmidt SC". The signature is written in a cursive style.

Certified Public Accountants

Green Bay, Wisconsin
February 17, 2015

APPENDIX



February 17, 2015

Schenck SC
P. O. Box 23819
Green Bay, WI 54305-3819

This representation letter is provided in connection with your audit of the financial statements of Riverview Towers, LLC, which comprise the balance sheets as of December 31, 2014 and 2013, and the related statements of operations, members' equity, and cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of February 17, 2015, the following representations made to you during your audit.

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated October 30, 2014, including our responsibility for the preparation and fair presentation of the financial statements.
- The financial statements referred to above are fairly presented in conformity with U.S. generally accepted accounting principles.
- We acknowledge our responsibility for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.

- Significant assumptions we used in making accounting estimates, including the depreciable lives of fixed assets and those measured at fair value, are reasonable. In this regard –
 - The measurement processes used by management in determining accounting estimates is appropriate and consistent.
 - The assumptions used appropriately reflect management's intent and ability to carry out specific courses of action.
 - The disclosures related to accounting estimates are complete and appropriate.
 - No subsequent event has occurred that would require adjustment to the accounting estimates or disclosures included in the financial statements.
- Receivables recorded in the financial statements represent valid claims against debtors for charges arising on or before the balance sheet date and have been reduced to their estimated net realizable value.
- Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances, lines of credit, or similar arrangements have been properly disclosed.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All event subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the Company's accounts.
- We are not aware of any pending or threatened litigation, claims or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigations, claims or assessments.
- Material concentrations have been properly disclosed in accordance with U.S. GAAP.
- Guarantees, whether written or oral, under which the Company is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation and other matters.
 - Additional information that you have requested from us for the purpose of the audit.

- Unrestricted access to persons within the Company from whom you determined it necessary to obtain audit evidence.
- All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud. In this regard –
 - We have no knowledge of any fraud or suspected fraud that affects the Company and involves:
 - Management,
 - Employees who have significant roles in internal control or
 - Others where the fraud could have a material effect on the financial statements.
 - We have no knowledge of any allegations of fraud or suspected fraud affecting the Company's financial statements communicated by employees, former employees, analysts, regulators or others.
- We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
- We have disclosed to you the identity of the Company's related parties and all the related party relationships and transactions of which we are aware.
- The Company has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral, except as made known to you and disclosed in the notes to the financial statements.
- We acknowledge our responsibility for presenting the supplementary information in accordance with U.S. GAAP, and we believe the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of measurement of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

Wausau Community Development Authority



Russell Wilson, Board Chairman



Ann Werth, Executive Director
Managing Member Representative

Occupancy Overview

March 24, 2015

Riverview Towers (149)

- 4 vacancies
- 97% Occupancy

Riverview Terrace (36)

- 1 vacancy
- 97% Occupancy
- 1 move-in for March

Scattered Sites (46)

- 1 vacancy
- 98% Occupancy