

Truax Park Redevelopment, Phase I, LLC

Financial Report

December 31, 2013

TRUAX PARK REDEVELOPMENT, PHASE I, LLC

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INDEPENDENT AUDITOR'S REPORT

To the Members
Truax Park Redevelopment, Phase I, LLC
Madison, Wisconsin

We have audited the accompanying financial statements of Truax Park Redevelopment, Phase I, LLC, which comprise the balance sheets as of December 31, 2013 and 2012, and the related statements of operations, members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from 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 entity'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 entity's internal control. Accordingly, we express no such 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 Truax Park Redevelopment, Phase I, LLC as of December 31, 2013 and 2012, and the results of its operations, changes in members' equity, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information, including the schedules of project operating expenses required by the investor member shown on page 18, and the supplemental information required by the Wisconsin Housing and Economic Development Authority (WHEDA) shown on pages 19 – 26, are presented for purposes of additional analysis and are noted required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with 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.

SVA Certified Public Accountants, S.C.

Madison, Wisconsin

March 11, 2014

Lead auditor: Glen E. Weyenberg, CPA
SVA Certified Public Accountants, S.C.
ID #39-1203191
Phone number: (608) 831-8181

TRUAX PARK REDEVELOPMENT, PHASE I, LLC

BALANCE SHEETS

December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
ASSETS		
Construction cash	\$ 0	\$ 2,512
Restricted cash	624,962	21,300
Accounts receivable, tenants	802	4,102
Accounts receivable, related party	169,279	87,820
Accounts receivable, other	900	36,347
Prepaid expenses	6,461	1,641
Rental property, net	12,319,641	12,812,221
Tax credit fees, net	127,583	138,215
TOTAL ASSETS	<u><u>\$ 13,249,628</u></u>	<u><u>\$ 13,104,158</u></u>
LIABILITIES AND MEMBERS' EQUITY		
LIABILITIES		
Mortgage notes payable	\$ 3,646,085	\$ 3,636,469
Development completion guaranty loan	112,586	0
Deferred revenue	617,919	643,313
Development fee payable	58,735	867,466
Construction payable	0	35,550
Accounts payable	3,924	156,904
Accrued interest	312,361	195,613
Accrued expenses	46,971	37,645
Accrued real estate taxes	31,442	27,775
Tenants' security deposits payable	14,083	19,819
Prepaid rents	110	990
Total liabilities	4,844,216	5,621,544
MEMBERS' EQUITY	<u>8,405,412</u>	<u>7,482,614</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY	<u><u>\$ 13,249,628</u></u>	<u><u>\$ 13,104,158</u></u>

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

TRUAX PARK REDEVELOPMENT, PHASE I, LLC

STATEMENTS OF OPERATIONS

Years ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Revenues:		
Rental income	\$ 345,092	\$ 348,928
Operating subsidies	200,370	188,167
Other revenue	<u>9,922</u>	<u>14,752</u>
Total revenues	555,384	551,847
Rental expenses:		
Rent and administrative	144,343	133,894
Utilities	61,994	57,576
Operating and maintenance	157,276	149,263
Taxes and insurance	<u>83,037</u>	<u>66,253</u>
Total rental expenses	<u>446,650</u>	<u>406,986</u>
Net rental income	108,734	144,861
Financial income (expense):		
Interest income	2	2
Interest expense	<u>(148,337)</u>	<u>(248,880)</u>
Total financial income (expense)	<u>(148,335)</u>	<u>(248,878)</u>
Loss before other income (expenses)	(39,601)	(104,017)
Other income (expenses):		
Amortization of deferred revenue	25,394	25,394
Depreciation	(492,580)	(525,123)
Amortization	(10,632)	(10,632)
Asset management fee	<u>(7,532)</u>	<u>(7,313)</u>
Total other income (expenses)	<u>(485,350)</u>	<u>(517,674)</u>
Net loss	<u>\$ (524,951)</u>	<u>\$ (621,691)</u>

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

TRUAX PARK REDEVELOPMENT, PHASE I, LLC

STATEMENTS OF MEMBERS' EQUITY Years ended December 31, 2013 and 2012

	Managing member	Investor member - MS Shared Investment Fund I, LLC	Investor member - NEF Assignment Corporation	Total
Members' equity:				
Balances, December 31, 2011	\$ 56	\$ 861,833	\$ 8,445,265	\$ 9,307,154
Net loss	<u>(62)</u>	<u>(57,569)</u>	<u>(564,060)</u>	<u>(621,691)</u>
Balances, December 31, 2012	(6)	804,264	7,881,205	8,685,463
Equity adjuster	0	0	245,000	245,000
Net loss	<u>(53)</u>	<u>(47,403)</u>	<u>(477,495)</u>	<u>(524,951)</u>
Balances, December 31, 2013	(59)	756,861	7,648,710	8,405,512
Subscriptions receivable:				
Balances, December 31, 2011	100	741,272	7,218,819	7,960,191
Subscription receipts	<u>0</u>	<u>(625,730)</u>	<u>(6,131,612)</u>	<u>(6,757,342)</u>
Balances, December 31, 2012	100	115,542	1,087,207	1,202,849
Equity adjuster	0	0	245,000	245,000
Subscription receipts	<u>0</u>	<u>(115,542)</u>	<u>(1,332,207)</u>	<u>(1,447,749)</u>
Balances, December 31, 2013	<u>100</u>	<u>0</u>	<u>0</u>	<u>100</u>
Total members' equity	<u>\$ (159)</u>	<u>\$ 756,861</u>	<u>\$ 7,648,710</u>	<u>\$ 8,405,412</u>
Ownership percentages - 2012	<u>0.01%</u>	<u>9.26%</u>	<u>90.73%</u>	<u>100.000%</u>
Ownership percentages - 2013	<u>0.01%</u>	<u>9.03%</u>	<u>90.96%</u>	<u>100.000%</u>

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

TRUAX PARK REDEVELOPMENT, PHASE I, LLC

STATEMENTS OF CASH FLOWS

Years ended December 31, 2013 and 2012

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (524,951)	\$ (621,691)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	492,580	525,123
Amortization	10,632	10,632
Amortization of deferred revenue	(25,394)	(25,394)
Increase (decrease) in cash due to changes in:		
Accounts receivable, tenants	3,300	(935)
Accounts receivable, related party	(81,459)	(87,820)
Accounts receivable, other	35,447	(36,347)
Grant receivable	0	35,554
Prepaid expenses	(4,820)	(1,492)
Accounts payable	(152,980)	4,358
Accrued interest	116,748	33,158
Accrued expenses	9,326	37,314
Accrued real estate taxes	3,667	27,775
Tenants' security deposits payable	(5,736)	5,958
Prepaid rents	(880)	(2,120)
Net cash used in operating activities	(124,520)	(95,927)
CASH FLOWS FROM INVESTING ACTIVITIES		
Rehabilitation and construction of rental property	0	(1,150,807)
Net withdrawals from construction cash	2,512	23
Net deposits to replacement reserve	(21,300)	(21,300)
Net deposits to operating and ACC reserve	(582,362)	0
Payments on development fee payable	(808,731)	0
Payment of construction payable	(35,550)	0
Net cash used in investing activities	(1,445,431)	(1,172,084)

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

TRUAX PARK REDEVELOPMENT, PHASE I, LLC

STATEMENTS OF CASH FLOWS (Continued)

Years ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from mortgage notes payable	\$ 466,942	\$ 1,313,261
Principal payments on mortgage notes payable	(457,326)	(6,802,592)
Proceeds from development completion guaranty loan	112,586	0
Subscription receipts	<u>1,447,749</u>	<u>6,757,342</u>
Net cash provided by financing activities	<u>1,569,951</u>	<u>1,268,011</u>
Change in cash and cash equivalents	0	0
Cash and cash equivalents:		
Beginning	<u>0</u>	<u>0</u>
Ending	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>
SUPPLEMENTAL DISCLOSURE(S) OF CASH FLOW INFORMATION		
Cash payments for interest	<u><u>\$ 31,589</u></u>	<u><u>\$ 215,722</u></u>
SUPPLEMENTAL SCHEDULE(S) OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Equity adjuster	<u><u>\$ 245,000</u></u>	<u><u>\$ 0</u></u>

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

TRUAX PARK REDEVELOPMENT, PHASE I, LLC

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE A -- Nature of business and significant accounting policies

Nature of business

Truax Park Redevelopment, Phase I, LLC (the company), was organized on March 24, 2009, as a limited liability company under the Wisconsin Limited Liability Company Act (the Act). The company was formed to acquire, rehabilitate and operate a six building, 71-unit apartment complex located in Madison, Wisconsin, called Truax Park Apartments (the project). The project qualifies for low-income housing tax credits pursuant to Section 42 of the Internal Revenue Code (IRC). The original property, including the buildings, common area and land, was acquired under a capital lease dated October 29, 2010. The company completed rehabilitation of the 6 buildings on various dates from March through December of 2011.

The company consists of one managing member, the CDA of the City of Madison (CDA), and two investor members, with rights, preferences and privileges as described in the operating agreement. Each member's liability for the debts and obligations of the company shall be limited to the maximum extent permitted by the Act and other applicable laws.

The company shall be operated in a manner consistent with its treatment as a partnership for federal and state income tax purposes. Therefore, the financial statements do not include the personal or corporate assets and liabilities of the members, including their obligations for income taxes on their distributive shares of the net income of the company or their rights to refunds on its net loss, nor any provision for income tax expense.

The company's income tax filings are subject to audit by various taxing authorities. Open periods subject to audit for federal and Wisconsin purposes are generally the previous three and four years of tax returns filed, respectively. There were no interest or penalties recorded for the years ended December 31, 2013 and 2012.

The company's operating agreement states that the company shall be dissolved upon the occurrence of specific events which are described in the agreement.

A summary of significant accounting policies follows:

Use of estimates

The preparation of financial statements 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.

Cash and cash equivalents

For purposes of reporting cash flows, the company considers all investments purchased with a maturity of three months or less to be cash equivalents, with the exception of cash not available to the company due to restrictions placed on it.

The company maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The company has not experienced any losses in such accounts. Management believes it is not exposed to any significant credit risk on cash and cash equivalents.

TRUAX PARK REDEVELOPMENT, PHASE I, LLC

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE A -- Nature of business and significant accounting policies (Continued)

Accounts receivable and revenue recognition

The company utilizes the direct write-off method of accounting for bad debts. The use of this method has no material effect on the financial statements. Accounts receivable are written off when management determines an account is uncollectible.

Rental revenue is recognized when earned. The company leases apartments to eligible applicants under operating leases which are substantially all on a yearly basis.

Rental property

Rental property is stated at cost. Depreciation of rental property is computed on the straight-line and declining balance methods based upon the following estimated useful lives of the assets:

	<u>Years</u>
Land and buildings under capital lease	98
Land improvements	15
Buildings and improvements	27.5
Furnishings and equipment	5

Maintenance and repairs of rental property are charged to operations, and major improvements are capitalized. Upon retirement, sale or other disposition of rental property, the cost and accumulated depreciation are eliminated from the accounts, and any resulting gain or loss is included in operations.

It is the company's policy to include amortization expense on assets acquired under capital leases with depreciation expense on owned assets.

Impairment of long-lived assets

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

Tax credit fees

In connection with obtaining an allocation of low-income housing tax credits, the company paid fees totaling \$159,479 to the Wisconsin Housing and Economic Development Authority (WHEDA). The company is amortizing these fees on the straight-line method over the related tax credit compliance period of 15 years.

Deferred revenue

Governmental agencies have provided grant funding to the company to encourage the development of affordable housing. The company has received funds under the Tax Credit Exchange Program (TCEP) (see Note I). The deferred revenue relating to these grants is recognized as revenue in the statements of operations (shown as amortization of deferred revenue) under the straight-line method over the estimated useful lives of the underlying assets acquired.

TRUAX PARK REDEVELOPMENT, PHASE I, LLC

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE A -- Nature of business and significant accounting policies (Continued)

Current vulnerability due to certain concentrations

The project's operations are concentrated in the low-income, public housing residential real estate market. In addition, the project operates in a heavily regulated environment. The operations of the project are subject to administrative directives, rules and regulations of federal, state and local regulatory agencies including, but not limited to CDA under the Regulatory & Operating Agreement (R&O Agreement). Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by CDA. Such changes may occur with little or inadequate funding to pay for the related cost, including additional administrative burden to comply with a change.

Subsequent events

These financial statements have not been updated for subsequent events occurring after March 11, 2014, which is the date these financial statements were available to be issued. The company has no responsibility to update these financial statements for events and circumstances occurring after this date.

NOTE B -- Restricted cash

Restricted cash is comprised of the following:

	<u>2013</u>	<u>2012</u>
Replacement reserve	\$ 42,600	\$ 21,300
Operating and ACC reserve	<u>582,362</u>	<u>0</u>
	<u>\$ 624,962</u>	<u>\$ 21,300</u>

Replacement reserve

The operating agreement and R&O Agreement require the company to make monthly deposits to the replacement reserve initially equal to \$300 per unit per year, and increasing annually by 3%. Disbursements are restricted to capital improvements and repairs of the project. Disbursements in excess of \$5,000 per month will require written approval of the managing member and asset manager. Any funds remaining at the end of the compliance period shall be distributed to the members as provided for in the operating agreement. The replacement reserve is currently not held in a segregated bank account. It is held in a bank account in the name of the City of Madison.

	<u>2013</u>	<u>2012</u>
Balance, beginning	\$ 21,300	\$ 0
Annual deposits	<u>21,300</u>	<u>21,300</u>
Balance ending	<u>\$ 42,600</u>	<u>\$ 21,300</u>

TRUAX PARK REDEVELOPMENT, PHASE I, LLC

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE B -- Restricted cash (Continued)

Annual Contributions Contract (ACC) reserve

The operating agreement and R&O Agreement requires the company to fund an ACC reserve equal to \$350,000 upon the receipt of the investor members' third installment of their capital contributions. Disbursements are to be used to pay operating and debt service deficits that directly result from the reduction or loss of the ACC operating subsidy. Funds may only be withdrawn with the approval of the managing member and asset manager. Any funds remaining at the end of the compliance period shall be distributed to the members as provided for in the operating agreement. The ACC reserve is currently being held in the same bank account as the operating reserve.

Operating reserve

The operating agreement and R&O Agreement require the company to fund and maintain an operating reserve in the amount of \$232,360 upon the receipt of the investor members' third installment of their capital contributions. Any excess amount remaining at the end of the compliance period shall be distributed to the members as provided for in the operating agreement. If the balance in the operating reserve falls below \$232,360, the company is obligated to replenish the operating reserve from cash flow or the proceeds of sales or refinancing. Disbursements require the approval of the managing member and the asset manager. The operating reserve is currently being held in the same bank account as the ACC reserve.

	<u>2013</u>	<u>2012</u>
Balance, beginning	\$ 0	\$ 0
Deposit	582,360	0
Interest earned	<u>2</u>	<u>0</u>
Balance ending	<u>\$ 582,362</u>	<u>\$ 0</u>

NOTE C -- Rental property, net

Rental property, net is comprised of the following:

	<u>2013</u>	<u>2012</u>
Land and buildings under capital lease	\$ 1,846,000	\$ 1,846,000
Land improvements	191,117	191,117
Buildings and improvements	11,311,097	11,311,097
Furnishings and equipment	<u>240,052</u>	<u>240,052</u>
	13,588,266	13,588,266
Less accumulated depreciation	<u>1,268,625</u>	<u>776,045</u>
	<u>\$ 12,319,641</u>	<u>\$ 12,812,221</u>

TRUAX PARK REDEVELOPMENT, PHASE I, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE D -- Mortgage notes payable

Mortgage notes payable consists of the following:

	2013	2012
<p>Wisconsin Bank and Trust (f/k/a Wisconsin Community Bank); construction loan; monthly interest-only payments at 1.00% plus the Prime Rate, as published in the Wall Street Journal, but in no event will the interest rate be less than 5.35%; due January 29, 2013; guaranteed by the managing member; collateralized by a mortgage on the project's rental property including the assignment of leases and rents and security agreement. The construction loan was paid off on February 1, 2013.</p>	\$ 0	\$ 410,719
<p>CDA; non-recourse mortgage note payable under the capital lease described in Note E; due in one installment on October 29, 2050, together with interest at 4.00%, compounded annually; collateralized by a mortgage on the project's rental property; accrued interest was \$245,034 and \$160,602 as of December 31, 2013 and 2012, respectively; interest expense totaled \$84,432 and \$73,840 for the years ended December 31, 2013 and 2012, respectively.</p>	1,846,000	1,846,000
<p>CDA; non-recourse mortgage note payable; due in annual installments of \$76,000 beginning in October 29, 2012 through October 29, 2025, with a balloon payment of all outstanding principal and accrued interest due on October 28, 2026, together with interest at 3.00% per annum; collateralized by a mortgage on the project's rental property; accrued interest was \$4,899 and \$5,144 as of December 31, 2013 and 2012, respectively; interest expense totaled \$29,148 and \$30,513 for the years ended December 31, 2013 and 2012, respectively.</p>	933,143	979,750
<p>Balance carried forward</p>	2,779,143	3,236,469

TRUAX PARK REDEVELOPMENT, PHASE I, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE D -- Mortgage notes payable (Continued)

	2013	2012
Balance brought forward	\$ 2,779,143	\$ 3,236,469
CDA; non-recourse mortgage note payable in the amount of \$400,000; due to the extent and priority provided in the operating agreement with the remainder of all outstanding principal and accrued interest due in one installment on October 29, 2050, together with interest at 4.00% per annum; collateralized by a mortgage on the project's rental property; accrued interest was \$45,307 and \$29,867 as of December 31, 2013 and 2012, respectively; interest expense totaled \$15,440 for each of the years ended December 31, 2013 and 2012.	400,000	400,000
CDA; non-recourse mortgage note payable in the amount of \$466,942; due to the extent and priority provided in the operating agreement with the remainder of all outstanding principal and accrued interest due in one installment on October 29, 2050, together with interest at 4.00% per annum; collateralized by a mortgage on the project's rental property; accrued interest was \$17,121 and \$0 as of December 31, 2013 and 2012, respectively; interest expense totaled \$17,121 and \$0 for the years ended December 31, 2013 and 2012, respectively.	466,942	0
	\$ 3,646,085	\$ 3,636,469

Repayment of principal on the mortgage notes payable as of December 31, 2013, is as follows:

Year ending December 31,

2014	\$ 47,605
2015	49,053
2016	50,545
2017	52,083
2018	53,667
Thereafter	3,393,132
	\$ 3,646,085

TRUAX PARK REDEVELOPMENT, PHASE I, LLC

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE E -- Capital lease

The company has entered into a capital lease agreement with the CDA dated October 29, 2010, to operate and manage the project during the term of the capital lease in accordance with all applicable public housing requirements. Rental property recorded under this non-cancellable capital lease consists of:

Land	\$	71,000
Buildings		<u>1,775,000</u>
Total	\$	<u>1,846,000</u>

In accordance with accounting principles generally accepted in the United States, the land and buildings are capitalized as a single unit and amortized over the lease term of 98 years. Accumulated depreciation on the land and building under the capital lease was \$59,650 and \$40,813 as of December 31, 2013 and 2012, respectively.

Base rent under the lease was payable in a single installment of \$1,846,000 on October 29, 2010. The balance of unpaid base rent accrues interest at 4.00%, compounded annually (See Note D). Payments made by the company shall be applied first to accrued interest and then against the unpaid base rent amount. The base rent and all accrued interest thereon is due October 28, 2050. The capital lease obligation is secured by a mortgage note as described in Note D. The lease expires October 28, 2108.

NOTE F -- Members' capital contributions

The managing member is required to make capital contributions of \$100. There have been no managing member contributions made as of December 31, 2013. The investor members are required to make capital contributions totaling \$9,758,907. An equity adjuster for the amount of \$245,000 was agreed upon between the investor members and managing member in January 2013, for a total amount of \$10,003,907. Of this amount, \$10,003,907 has been contributed and \$0 remains receivable as of December 31, 2013.

NOTE G -- Related-party transactions

Accounts receivable

Included in accounts receivable, related party are amounts due from the City of Madison, an affiliate of the managing member, for project funds held by the City of Madison totaling \$100,677 and \$0 as of December 31, 2013 and 2012, respectively.

TRUAX PARK REDEVELOPMENT, PHASE I, LLC

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE G -- Related-party transactions (Continued)

Regulatory and Operating Agreement

The company has entered into an R&O Agreement with the CDA. Provisions of the agreement require the company to maintain 47 units as public housing units. With regards to the public housing units, the CDA is to pay operating subsidies to the company equal to project expenses less project income. The operating subsidy shall terminate no later than January 1, 2051. The agreement will expire upon the earliest to occur of the expiration of 40 years from the date of first occupancy or at the option of the project at the close of the first project year of which the CDA ceases to pay operating subsidies. Operating subsidies totaling \$200,370 and \$188,167 were earned during the years ended December 31, 2013 and 2012, respectively. Included in accounts receivable, related party are operating subsidies receivable of \$68,602 and \$87,820 as of December 31, 2013 and 2012, respectively.

Development completion guaranty

Under terms of the operating agreement, the managing member is obligated to complete the required rehabilitation of the project. In the event the company lacks sufficient funds from the member capital contributions and proceeds from the construction and permanent mortgages to pay for the rehabilitation costs, the managing member is obligated to provide such funds to the company in the form of an unsecured loan. Any loans under this agreement shall not bear interest and shall be payable in accordance with the operating agreement. The development completion guaranty loan was \$112,586 and \$0 as of December 31, 2013 and 2012, respectively.

Development fee

The company has entered into a development agreement with the CDA. The agreement provides for the payment of a development fee of \$1,314,342, which has been capitalized into the cost of the buildings. The unpaid portion of the development fee is payable from future capital contributions and available cash flow as defined in the operating agreement. If not paid in full by the twelfth year of the compliance period, it shall be paid from the proceeds of an additional capital contribution from the managing member to the company in an amount equal to the unpaid portion of the development fees, as defined in the operating agreement. Development fee payable was \$58,735 and \$867,466 as of December 31, 2013 and 2012, respectively.

Accounts payable

Included in accounts payable are amounts due to the City of Madison, an affiliate of the managing member, for project funds paid by the City of Madison on behalf of the project totaling \$0 and \$117,427 as of December 31, 2013 and 2012, respectively.

Property management agreement

The company has entered into a property management agreement with the CDA under which the company is obligated to pay a property management fee equal to 5% of gross residential rents on a monthly basis. The agreement is automatically renewed from year to year unless otherwise terminated. Property management fees totaled \$17,255 and \$17,443 for the years ended December 31, 2013 and 2012, respectively.

TRUAX PARK REDEVELOPMENT, PHASE I, LLC

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE G -- Related-party transactions (Continued)

Asset management fee

The company is obligated to pay an affiliate of an investor member an annual asset management fee in the initial amount of \$7,100, increasing annually by 3%. The fee is payable only out of cash flow as defined in the operating agreement and shall be cumulative and accrued if not paid.

Included in accrued expenses are accrued asset management fees of \$15,176 and \$7,644 as of December 31, 2013 and 2012, respectively. Asset management fees incurred totaled \$7,532 and \$7,313 for the years ended December 31, 2013 and 2012, respectively.

Operating deficit guaranty

The operating agreement provides for an operating deficit guaranty which requires the managing member to loan the company funds required to pay operating deficits incurred during the operating deficit period after funds from the operating reserve have been used. The operating deficit guaranty is limited to \$232,360. The operating deficit period begins on the date the project achieves stabilized occupancy and expires on the later of the date the company achieves 36 consecutive months of a debt service coverage ratio of at least 1.15, five years from the achievement of stabilized occupancy or five years after closing of the permanent loan. Any loans under this agreement shall not bear interest and shall be payable from net operating income or sale or refinancing proceeds, as provided in the operating agreement. There were no operating deficit loans as of December 31, 2013 and 2012.

NOTE H -- Company profits and losses and distributions

Distributable cash flow, as defined by the company agreement, is allocated .01% to the managing member and 99.99% to the investor members.

Gain, if any, from a sale or exchange or other disposition of the property owned by the company is allocable as follows:

1. If the investor members' capital accounts have a negative balance prior to the distribution of any sale or refinancing proceeds, 99.99% to the investor members and 0.01% to the managing member until the investor members' negative balance reaches zero.
2. 99.99% to the investor members and 0.01% to the managing member until the investor members' capital account balance equals the projected tax liabilities as defined in the operating agreement.
3. The remainder of such gain, if any, 99.99% to the investor members and .01% to the managing member.

There were no distributions made during the years ended December 31, 2013 and 2012.

TRUAX PARK REDEVELOPMENT, PHASE I, LLC

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE I -- Commitments and contingencies

Land Use Restriction Agreement (LURA)

The company has entered into a LURA with WHEDA as a condition to receiving an allocation of low-income housing tax credits. Under this agreement, the company must continuously comply with IRC Section 42 and other applicable sections of the IRC. The agreement places occupancy restrictions on rents and the minimum percent of units which shall be occupied by individuals or families whose income meets the requirements set under IRC Section 42. If the company fails to comply with this agreement or with the IRC, it may be ineligible for low-income housing tax credits, and the members may be required to recapture a portion of the tax credits previously claimed on their income tax returns. In addition, noncompliance may require an adjustment to the contributed capital of the investor members. The company is obligated to certify tenant eligibility.

TCEP

The company has entered into a TCEP Subaward Agreement (Subaward Agreement) with WHEDA. Under the Subaward Agreement, the company received grant funds totaling \$698,333 pursuant to Section 1602 of the American Recovery and Reinvestment Act of 2009. If the company fails to continuously comply with the guidelines of the Subaward Agreement, it may be required to refund up to the full amount of the grant funds received and reimburse WHEDA for the costs and fees incurred in connection with the recapture event. As a condition to making the Subaward Agreement, WHEDA required the owner to enter into a corporate guarantee. The Subaward Agreement terminates at the expiration of the low-income housing tax credit compliance period.

Project Based Housing Assistance Payments Contract

The company entered into a Project Based Housing Assistance Payments Contract (the Agreement) with the CDA. The CDA has entered into a Consolidated Annual Contributions Contract with HUD allowing its participation in HUD's Section 8 Project Based Housing Assistance Payments Program (the Program). The Agreement, approved by HUD, authorizes the CDA to set aside on a long-term basis 24 certificates for future residents of the project. Under terms of the Program, each household that holds a certificate pays no more than 30% of its annual income for rents and utilities, provided that the rent and utilities do not exceed the applicable fair market rents (FMR). The agreement may be terminated upon at least 30 days notice if it is determined that the contract units were not meeting HUD requirements. The length of the initial term of the contract is 15 years.

SUPPLEMENTARY INFORMATION

TRUAX PARK REDEVELOPMENT, PHASE I, LLC
 SUPPLEMENTAL INFORMATION REQUIRED BY INVESTOR MEMBER
 Years ended December 31, 2013 and 2012

SCHEDULES OF PROJECT OPERATING EXPENSES

	2013	2012
RENT AND ADMINISTRATIVE		
Advertising	\$ 142	\$ 0
Other rent expense	1,150	1,058
Office salaries	80,524	83,686
Office expense	14,553	15,815
Property management fees	17,255	17,443
Professional fees - legal	407	618
Professional fees - audit	14,150	12,989
Miscellaneous rent and administrative	16,162	2,285
TOTAL RENT AND ADMINISTRATIVE	\$ 144,343	\$ 133,894
 UTILITIES		
Electric	\$ 19,896	\$ 18,918
Water	12,990	11,967
Gas	16,230	14,118
Sewer	12,878	12,573
TOTAL UTILITIES	\$ 61,994	\$ 57,576
 OPERATING AND MAINTENANCE		
Payroll	\$ 3,636	\$ 15,232
Supplies	40,949	28,051
Contracts	72,634	56,902
Garbage and trash removal	9,029	9,199
Security services	19,182	17,890
Heating and cooling repair and maintenance	1,147	658
Snow removal	1,380	0
Miscellaneous operating and maintenance	9,319	21,331
TOTAL OPERATING AND MAINTENANCE	\$ 157,276	\$ 149,263
 TAXES AND INSURANCE		
Real estate taxes	\$ 31,442	\$ 27,775
Payroll taxes	6,216	5,379
Property and liability insurance	21,730	15,936
Health insurance and other employee benefits	23,649	17,163
TOTAL TAXES AND INSURANCE	\$ 83,037	\$ 66,253

TRUAX PARK REDEVELOPMENT, PHASE I, LLC

WHEDA Project No. 5495

SUPPLEMENTAL INFORMATION REQUIRED BY WHEDA

December 31, 2013

ACCOUNTS AND NOTES RECEIVABLE (OTHER THAN FROM REGULAR TENANTS)

Accounts receivable, related party	\$	100,677
Accounts receivable, ACC subsidy, related party		68,602
Accounts receivable, other		<u>900</u>
	\$	<u>170,179</u>

DELINQUENT TENANTS' ACCOUNTS RECEIVABLE

	<u>Number of tenants</u>	<u>Amount past due</u>
Delinquent 0 to 30 days	4	\$ 297
Delinquent 31 to 60 days	6	505
Delinquent 61 to 90 days	0	0
Delinquent over 90 days	0	<u>0</u>
		<u>\$ 802</u>

MORTGAGE ESCROW DEPOSITS

None.

RESERVE FUNDS HELD BY WHEDA

None.

ACCOUNTS AND NOTES PAYABLE (OTHER THAN TRADE CREDITORS)

Development completion guaranty loan	\$	112,586
Development fee payable		<u>58,735</u>
	\$	<u>171,321</u>

TRUAX PARK REDEVELOPMENT, PHASE I, LLC
 WHEDA Project No. 5495
 SUPPLEMENTAL INFORMATION REQUIRED BY WHEDA (Continued)
 December 31, 2013

ACCRUED PROPERTY TAXES AND ACCRUED EXPENSES

Accrued interest		\$ 312,361
Accrued asset management fees		15,176
Other accrued expenses		31,795
Accrued real estate taxes		31,442
		<u>390,774</u>
		<u>\$ 390,774</u>

SURPLUS CASH, DISTRIBUTIONS AND RESIDUAL RECEIPTS

CURRENT ASSETS

Project cash on hand		\$ 0
Accounts receivable, related party		169,279
Accounts receivable, other		900
MEMO - Tenants' security deposits	\$ 0	<u>0</u>
Total current assets		<u>170,179</u>

CURRENT LIABILITIES

MEMO - Tenants' security deposits	\$ 14,083	
Accounts payable		3,924
Accrued interest		4,899
Other accrued expenses		31,795
Accrued real estate taxes		31,442
Underfunded tenants' security deposits		14,083
Prepaid rents		110
Total current liabilities		<u>86,253</u>

SURPLUS CASH

\$ 83,926

COMPENSATION TO MEMBERS

Asset management fee		<u>\$ 7,532</u>
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TRUAX PARK REDEVELOPMENT, PHASE I, LLC
 WHEDA Project No. 5495
 SUPPLEMENTAL INFORMATION REQUIRED BY WHEDA (Continued)
 December 31, 2013

UNAUTHORIZED DISTRIBUTIONS TO MEMBERS

None.

CHANGES IN FIXED ASSET ACCOUNTS

Assets	Cost			Balance 12/31/13
	Balance 1/1/13	Additions	Reductions	
Land and buildings under capital lease	\$ 1,846,000	\$ 0	\$ 0	\$ 1,846,000
Land improvements	191,117	0	0	191,117
Buildings and improvements	11,311,097	0	0	11,311,097
Furnishings and equipment	240,052	0	0	240,052
	<u>\$ 13,588,266</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 13,588,266</u>

Assets	Accumulated depreciation			Balance 12/31/13
	Balance 1/1/13	Depreciation	Reductions	
Land and buildings under capital lease	\$ 40,813	\$ 18,837	\$ 0	\$ 59,650
Land improvements	27,712	16,340	0	44,052
Buildings and improvements	582,693	411,313	0	994,006
Furnishings and equipment	124,827	46,090	0	170,917
	<u>\$ 776,045</u>	<u>\$ 492,580</u>	<u>\$ 0</u>	<u>\$ 1,268,625</u>

COMPUTATION OF MANAGEMENT FEE

Receipts eligible for management fee	\$ 345,100
Property management fee percentage	x 5%
Property management fee expense	<u>\$ 17,255</u>

The management fee was paid in accordance with the management agreement.

ANNUAL SCHEDULE OF ASSETS for Multifamily Projects					
Project Name: TRUAX PARK REDEVELOPMENT, PHASE I, LLC					
Period beginning: January 1, 2013 through December 31, 2013			Project Number: 5495		
	Description of Account	ID	Account	Amount	Totals
1100 CURRENT ASSETS	Cash - Operations		1120		
	Construction Cash		1121		
	Cash - Entity		1125		
	Tenant Accounts Receivable		1130	802	
	Allowance for Doubtful Accounts (deduct)		1131		
	Accounts Receivable - WHEDA		1135		
	Accounts and Notes Receivable - Operations		1140	170,179	
	Accounts and Notes Receivable - Entity		1145		
	Accounts Receivable - Interest		1160		
	Interest Reduction Payment Receivable		1165		
	Short Term Investments - Operations		1170		
	Short Term Investments - Entity		1175		
	Miscellaneous Current Assets		1190		
	Insurance Escrow		1312		
	Real Estate Tax or PILOT Escrow		1311		
	TOTAL CURRENT ASSETS		1100		170,981
1191	Tenant Security Deposits - RESTRICTED ASSET		1191		
1200 PREPAID EXPENSES	Miscellaneous Prepaid Expenses		1200	6,461	
	Total Prepaid Expenses				6,461
1300 FUNDED RESERVES	Escrow Deposits		1310		
	Reserve for Replacements		1320		
	Other Reserve		1330		
	Residual Receipts Reserve		1340		
	Management Improvement and Operating Plan		1381		
	Development Cost Escrow (DCE)		1390		
	FHA Insurance Reserve		1392		
	Total Funded Reserves		1300		
1400 FIXED ASSETS	Land - Land & building under capital lease		1410	1,846,000	
	Buildings		1420	11,311,097	
	Building Equipment (portable)		1440		
	Furniture for Project/Tenant Use		1450		
	Furnishings		1460	240,052	
	Office Furniture and Equipment		1465		
	Maintenance Equipment		1470		
	Motor Vehicles		1480		
	Miscellaneous Fixed Assets - Land Improvements		1490	191,117	
	Gross Fixed Assets		1400	13,588,266	
1495 ALLOWANCE ACCOUNTS	Accumulated Depreciation		1495	1,268,625	
	Total Accumulated Depreciation			1,268,625	
	Net Fixed Assets		1400		12,319,641
1500 INVESTMENTS	Investments - Operations		1510		
	Investments - Entity		1515		
	Intangible Assets - Tax credit fees, net of amortization		1520	127,583	
	Miscellaneous Other Assets - Replacement, ACC & operating reserves		1590	624,962	
	TOTAL OTHER ASSETS		1500		752,545
	TOTAL ASSETS		1000		13,249,628

ANNUAL SCHEDULE OF LIABILITIES AND EQUITY for Multifamily Projects

Project Name: TRUAX PARK REDEVELOPMENT, PHASE I, LLC

Period beginning: January 1, 2013 through December 31, 2013

Project Number:

5495

	Description of Account	ID	Account	Amount	Totals
2100	Bank Overdraft - Operations		2105		
CURRENT LIABILITIES	Accounts Payable-30 Days		2109		
	Accounts Payable - Operations		2110	3,924	
	Accounts Payable - Construction/Development		2111	58,735	
	Accounts Payable-Project Improvements Items		2112		
	Accounts Payable - Entity		2113	15,176	
	Accounts Payable-236 Excess Income Due HUD		2115		
	Accounts Payable-WHEDA/HUD		2116		
	Accrued Wages Payable		2120		
	Accrued Payroll Taxes Payable		2121		
	Accrued Management Fee Payable		2123		
	Accrued Interest Payable - Section 236		2130		
	Accrued Interest Payable - First Mortgage		2131	4,899	
	Accrued Interest Payable - Second Mortgage		2132	45,307	
	Accrued Interest Payable - Other Loans & Notes (Surplus Cash)		2133		
	Accrued Interest Payable - Other Loans and Notes		2134	262,155	
	Accrued Interest Payable - Flexible Subsidy Loan		2135		
	Accrued Interest Payable - Capital Improvement Loan		2136		
	Accrued Interest Payable - Operating Loss Loan		2137		
	Accrued Real Estate & Property Tax Payable		2150	31,442	
	Short Term Notes Payable		2160		
Mortgage Payable - First Mortgage (Short Term)		2170			
Mortgage Payable - Second Mortgage (Short Term)		2172			
Other Loans and Notes Payable, Surplus Cash (Short Term)		2173			
Other Loans and Notes (Short Term)		2174			
Flexible Subsidy Loan Payable (Short Term)		2175			
Capital Improvement Loan Payable (Short Term)		2176			
Operating Loss Loan Payable (Short Term)		2177			
Utility Allowances		2180			
Miscellaneous Current Liabilities - Other accrued exp & CM of def rev		2190	57,189		
	TOTAL CURRENT LIABILITIES				478,827
2191	Tenant Security Deposits - CONTRA ASSET		2191		14,083
2200 PREPAID REVENUES	Prepaid Revenue		2210	110	
	Total Current Liabilities		2122		493,020
2300 LONG-TERM LIABILITIES	Notes Payable - Long Term		2310		
	Notes Payable - Surplus Cash		2311		
	Mortgage Payable - First Mortgage		2320	933,143	
	Mortgage Payable - Second Mortgage		2322	400,000	
	Other Loans and Notes Payable - Surplus Cash		2323		
	Other Loans and Notes Payable		2324	2,312,942	
	Flexible Subsidy Loan Payable		2325		
	Capital Improvement Loan Payable		2326		
	Operating Loss Loan Payable		2327		
	Miscellaneous LT Liabilities - Dev completion grnty loan / deferred revenue		2390	705,111	
	Total Long Term Liabilities		2300		4,351,196
	TOTAL LIABILITIES		2000		4,844,216
3033 TOTAL EQUITY	Total Equity/Retained Earnings		3033	8,405,412	
	TOTAL LIABILITIES and EQUITY/RETAINED EARNINGS		2033		13,249,628

SCHEDULE OF PROFIT AND LOSS for Multifamily Projects

Project Name: TRUAX PARK REDEVELOPMENT, PHASE I, LLC

Project Number: 5495

Period beginning: January 1, 2013 through December 31, 2013

Year: 2013

	Description of Account	Acct. No.	Amount	Totals
5100 RENTAL INCOME	Rent Revenue - Gross Potential	5120	345,092	
	Tenant Assistance Payments	5121	200,370	
	Rent Revenue - Commercial/Stores @ 100%	5140		
	Rent Revenue - Garage/Parking @ 100%	5170		
	Flexible Subsidy Revenue	5180		
	Miscellaneous Rent Revenue	5190		
	Excess Rent	5191		
	Rent Revenue/Insurance	5192		
	Special Claims Revenue	5193		
	Retained Excess Income	5194		
	Total Rent Revenue Potential	5100		545,462
5200 VACANCIES	Apartment Vacancies	5220		
	Stores/Commercial Vacancies or Concessions	5240		
	Rental Concessions	5250		
	Garage/Parking Vacancies or Concessions	5270		
	Miscellaneous	5290		
		Total Vacancies or Concessions	5200	
	Net Rental Revenue (Rent Revenue less Vacancies)	5152		545,462
5300	Total Service Income	5300		0
5400 FINANCIAL INCOME	Financial Revenue - Project Operations	5410		
	Revenue from Investments-Residual Receipts	5430		
	Revenue from Investments-Replacement Reserve	5440		
	Revenue from Investments-Miscellaneous	5490	2	
	Total Financial Revenue	5400		2
5900 MISC. REVENUE	Laundry/Vending Income (Net)	5910		
	Tenant Charges	5920	9,922	
	Miscellaneous Revenue	5990	25,394	
	Total Miscellaneous Revenue	5900		35,316
	Total Revenue	5000		580,780
6200 RENT EXPENSE	Conventions and Meetings	6203		
	Management Consultants	6204		
	Advertising/Marketing Expense	6210	142	
	Other Rent Expense	6250	1,150	
		Total Rent Expense		1,292
6300 ADMIN. EXPENSES	Office Salaries	6310	80,524	
	Office Expenses	6311	14,553	
	Office or Model Apartment Rent	6312		
	Management Fee - Residential Rents	6320		
	Management Fee - Commercial Rents	6321		
	Management Fee - Miscellaneous Income	6322	17,255	
	Manager/Superintendent Salaries	6330		
	Administrative Rent-free Unit	6331		
	Legal Expense-project only	6340	407	
	Audit Expense-project only	6350	14,150	
	Bookkeeping Fees/Accounting Services	6351		
	Bad Debt Expense	6370		
	Miscellaneous Administrative Expense	6390	16,162	
	Total Administrative Expense		143,051	
6200 + 6300	Total Rent & Administrative Expense	6263		144,343
6400 UTILITIES EXPENSE	Electricity	6450	19,896	
	Water & Sewer	6451	12,990	
	Gas	6452	16,230	
	Sewer	6453	12,878	
		Total Utilities Expense	6400	

Project Name: TRUAX PARK REDEVELOPMENT, PHASE I, LLC

Project Number:

5495

	Description of Account	Acct. No.	Amount	Totals	
6500	Payroll	6510	3,636		
OPERATING & MAINTENANCE EXPENSE	Supplies	6515	40,949		
	Contracts	6520	72,634		
	Operating and Maintenance Rent Free Unit	6521			
	Garbage & Trash Removal	6525	9,029		
	Security Payroll/Contract (incl. taxes and benefits)	6530	19,182		
	Security Rent Free Unit	6531			
	Heating/Cooling Repairs & Maintenance	6546	1,147		
	Snow Removal	6548	1,380		
	Vehicle/Maintenance Equipment Operation & Repairs	6570			
	Misc. Operating & Maintenance Expense	6590	9,319		
	Total Operating & Maintenance Expense	6500			157,276
	6900	Total Service Expense	6900		0
6700 TAXES AND INSURANCE	Real Estate & Personal Property Taxes	6710	31,442		
	Payroll Taxes (Project's Share)	6711	6,216		
	Property & Liability Insurance (Hazard)	6720	21,730		
	Fidelity Bond Insurance	6721			
	Workmen's Compensation	6722			
	Health Insurance and Other Employee Benefits	6723	23,649		
	Miscellaneous Taxes, Licenses, Permits and Insurance	6790			
	Total Taxes and Insurance	6700			83,037
3220	Replacement Reserve Deposits as Required by WHEDA	3220		0	
	Total Operating Expenses			446,650	
	Net Operating Income (NOI)			134,130	
6800 FINANCIAL EXPENSE	Interest on Mortgage Payable	6820	148,337		
	Interest on Notes Payable (Long Term)	6830			
	Interest on Notes Payable (Short Term)	6840			
	Mortgage Insurance Premium/Service Charge	6850			
	Miscellaneous Financial Expense	6890			
	Total Financial Expense	6800			148,337
	Total Expenses of Operations Before Depreciation	6000		594,987	
	Profit or (Loss) Before Depreciation	5060		(14,207)	
6600	Depreciation Expense	6601		492,580	
	Amortization Expense	6610		10,632	
	Operating Profit or Loss	5060		(517,419)	
7100 CORPORATE OR MORTGAGOR EXPENSE	Officer's Salaries	7110			
	Legal Expense	7120			
	Federal, State and Other Income Taxes	7130			
	Interest Income	7140			
	Interest on Notes Payable	7141			
	Interest on Mortgage Payable	7142			
	Other Expense	7190	7,532		
	Net Entity Expenses	7100			7,532
	NET PROFIT OR (LOSS)	3250		(524,951)	
TOTAL PRINCIPAL PAYMENTS	WHEDA First Mortgage	9910		0	
	Second Mortgage	9911		0	
	Other Mortgage(s)	9912		46,607	
	Reserve releases to reimburse items expensed on this schedule.	9920		0	
	Capital expenditures paid from project operations and expensed on this schedule.	9930		0	

TRUAX PARK REDEVELOPMENT, PHASE I, LLC

WHEDA Project No. 5495
SCHEDULE OF PROFIT AND LOSS (Continued)
Year ended December 31, 2013

MISCELLANEOUS EXPENSE ACCOUNTS OVER 1% OF CATEGORY

MISCELLANEOUS ADMINISTRATIVE EXPENSE (Account #6390)

Training and travel	\$	2,520
Consulting services		1,509
Bank service charges		1,015
Permits and licenses		651
WHEDA monitoring fees		9,598
Miscellaneous		869
		<hr/>

TOTAL MISCELLANEOUS ADMINISTRATIVE EXPENSE **\$ 16,162**

MISC. OPERATING & MAINTENANCE EXPENSE (Account #6590)

General building repairs and maintenance	\$	609
General equipment repairs and maintenance		3,767
Front line fees		4,943
		<hr/>

TOTAL MISC. OPERATING & MAINTENANCE EXPENSE **\$ 9,319**

OTHER EXPENSE (Account #7190)

Asset management fee	\$	7,532
		<hr/> <hr/>

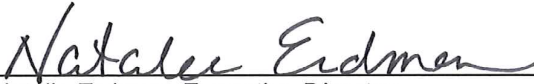
TRUAX PARK REDEVELOPMENT, PHASE I, LLC

WHEDA Project No. 5495

CERTIFICATION BY MANAGING MEMBER OF MORTGAGOR

December 31, 2013

I hereby certify that I have examined the accompanying financial statements and supplemental data of Truax Park Redevelopment, Phase I, LLC and, to the best of my knowledge and belief, the same are complete and accurate.



By: Natalie Erdman, Executive Director
Community Development Authority of the
City of Madison, Managing Member

March 11, 2014

Date

ID #39-6006968

TRUAX PARK REDEVELOPMENT, PHASE I, LLC

WHEDA Project No. 5495

CERTIFICATION BY MANAGEMENT AGENT

December 31, 2013

I hereby certify that I have examined the accompanying financial statements and supplemental data of Truax Park Redevelopment, Phase I, LLC and, to the best of my knowledge and belief, the same are complete and accurate.



March 11, 2014

By: Natalie Erdman, Executive Director
Community Development Authority of the
City of Madison, Management Agent

Date

ID #39-6006968