

**TALLOKAS POINTE APARTMENTS, LP**

OCTOBER 15, 2014

**FINAL COST CERTIFICATION**

TALLOKAS POINTE APARTMENTS, LP

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## INDEPENDENT AUDITOR'S REPORT

To the Partners  
Tallokas Pointe Apartments, LP  
(A Limited Partnership)

We have audited the accompanying Certification of Actual Cost and Opinion as to Eligible Basis (Part Four – Uses of Funds, Sections I and II) (“the Certification”) of Tallokas Pointe Apartments, LP for Tallokas Pointe Apartments as of October 15, 2014.

### **Management’s Responsibility for the Certification of Actual Cost and Opinion as to Eligible Basis**

Management is responsible for the preparation and fair presentation of the Certification in accordance with accounting practices prescribed by the Internal Revenue Service (IRS), under the accrual method of accounting and in conformity with the format and Qualified Allocation Plan rules set forth by the Georgia Department of Community Affairs, Office of Affordable Housing; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Certification that is free from material misstatement, whether due to fraud or error.

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on Part Four – Uses of Funds, Sections I and II of the Certification based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether Part Four – Uses of Funds, Sections I and II of the Certification is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in Part Four – Uses of Funds, Sections I and II of the Certification. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Certification, 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 Certification 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 Certification.

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 Certification referred to above presents fairly, in all material respects, the total cost of \$6,853,779, new construction eligible basis of \$6,127,359, new construction qualified basis of \$6,127,359, and maximum tax credit amount of \$462,003 for Tallokas Pointe Apartments as of October 15, 2014, in accordance with the accounting practices, accounting methods, and prescribed format referred to above.

## **Basis of Accounting**

The Certification of Actual Cost and Opinion as to Eligible Basis (Part Four – Uses of Funds, Sections I and II) was prepared by Tallokas Pointe Apartments, LP in accordance with accounting practices prescribed by the Internal Revenue Service (IRS), under the accrual method of accounting and in conformity with the format and Qualified Allocation Plan rules set forth by the Georgia Department of Community Affairs, Office of Affordable Housing, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

## **Restriction on Use**

This report is intended solely for the information and use of the partners and management of Tallokas Pointe Apartments, LP, and Georgia Department of Community Affairs, Office of Affordable Housing and is not intended to be and should not be used by anyone other than these specified parties.

*Jackson Thornton & Co. PC*

Dothan, Alabama  
February 3, 2015

**PART FOUR - USES OF FUNDS - Tallahassee Pointe Apartments - 2012-030**

**CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS**

**I. DEVELOPMENT COST SCHEDULE**

**PRE-DEVELOPMENT COSTS**

Property Appraisal	8,750
Market Study	7,866
Environmental Report(s)	8,200
Soil Borings	8,773
Boundary and Topographical Survey	19,146
Zoning/Site Plan Fees	10,145
Other: Construction Inspections	62,880
<b>Subtotal</b>	<b>135,750</b>

<b>New Construction Basis</b>
8,750
7,866
8,200
8,773
19,146
10,145
62,880

<b>Acquisition Basis</b>

<b>Rehabilitation Basis</b>

<b>Amortizable or Non-Depreciable Basis</b>

**ACQUISITION**

Land	330,702
Demolition	
Acquisition Legal Fees (if existing structures)	
Existing Structures	
<b>Subtotal</b>	<b>330,702</b>

**ACQUISITION**

	330,702
	330,702

**SITE IMPROVEMENTS**

Site Preparation (On-site)	876,858
Site Preparation (Off-site)	
<b>Subtotal</b>	<b>876,858</b>

**SITE IMPROVEMENTS**


**UNIT/BUILDING CONSTRUCTION**

Unit/Building Construction/New Construction	3,083,843
Unit/Building Construction/Rehab	
Project Amenities / Accessory Buildings	
Other:	
<b>Subtotal</b>	<b>3,083,843</b>

**UNIT/BUILDING CONSTRUCTION**


**CONTRACTOR SERVICES**

Builder's Overhead:	2.00%	79,214
Builder Profit:	6.00%	237,642
General Requirements	6.00%	237,642
Payment/performance bond or letter-of-credit fee or premium		
<b>Subtotal</b>		<b>554,498</b>
<b>Total Construction Costs</b>	<b>94,066.65 per unit</b>	<b>4,515,199</b>
	<b>79.51 per sq ft</b>	

**CONTRACTOR SERVICES**



**PART FOUR - USES OF FUNDS - Tallahassee Pointe Apartments - 2012-030**

**CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS**

**I. DEVELOPMENT COST SCHEDULE**

	TOTAL COST	New Construction Basis	Acquisition Basis	Rehabilitation Basis	Amortizable or Non-Depreciable Basis
<b>CONSTRUCTION PERIOD FINANCING</b>					
Construction Loan Fee	27,345	27,345			
Construction Loan Interest	234,576	180,576			54,000
Construction Legal Fees	11,750	11,750			
Construction Period Real Estate Tax	3,753	3,753			
Construction Insurance	34,757	34,757			
Bridge Loan Fee and Bridge Loan Interest	145,000	145,000			
Other: Guaranty Fee	457,181	403,181			54,000
<b>Subtotal</b>					
<b>PROFESSIONAL SERVICES</b>					
Architectural Fee - Design	101,760	101,760			
Architectural Fee - Supervision	25,440	25,440			
Engineering	40,937	40,937			
Real Estate Attorney	53,875	53,875			
Accounting	16,500	16,500			
Other: Green Build Consultant & Inspections	24,199	24,199			
<b>Subtotal</b>	262,711	208,836			53,875
<b>LOCAL GOVERNMENT FEES</b>					
Building Permits	33,568	33,568			
Impact Fees					
Water Tap Fees	28,650	28,650			
Sewer Tap Fees	41,650	41,650			
Real Estate Taxes					
<b>Subtotal</b>	103,868	103,868			
<b>PERMANENT FINANCING FEES</b>					
Permanent Loan Fees	23,125				23,125
Permanent Loan Legal Fees					
Title and Recording Fees					
As-Built Survey					
Bond Issuance Premium					
Cost of Issuance / Underwriter's Discount					
Other:					
<b>Subtotal</b>	23,125				23,125

**PART FOUR - USES OF FUNDS - Tallahassee Pointe Apartments - 2012-030**

**CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS**

**I. DEVELOPMENT COST SCHEDULE**

	TOTAL COST	New Construction Basis	Acquisition Basis	Rehabilitation Basis	Amortizable or Non-Depreciable Basis
<b>DCA-RELATED COSTS</b>					
DCA Loan Application Fee	1,000				1,000
Tax Credit Application Fee	6,500				6,500
DCA Waiver Fees	2,500				2,500
LIHTC Allocation Processing Fee	34,649				34,649
LIHTC Compliance Monitoring Fee	38,400				38,400
DCA Front End Analysis Fee (when ID of Interest)	2,450				2,450
DCA Final Inspection Fee					
Other:					
<b>Subtotal</b>	<b>85,499</b>				<b>85,499</b>
<b>EQUITY COSTS</b>					
Partnership Organization Fees	17,975				17,975
Tax Credit Legal Opinion	2,500				2,500
Other:					
<b>Subtotal</b>	<b>20,475</b>				<b>20,475</b>
<b>DEVELOPER'S FEE</b>					
Developer's Overhead	6,487	6,487			
Consultant's Fee	787,289	787,289			
Developer's Fee	793,776	793,776			
<b>Subtotal</b>	<b>1,587,552</b>	<b>1,587,552</b>			
<b>START-UP AND RESERVES</b>					
Marketing	36,296				36,296
Rent -Up Reserves	35,216				35,216
Operating Deficit Reserve:	87,232				87,232
Replacement Reserve					
Furniture, Fixtures and Equipment	33,619	33,619			
Other:					
<b>Subtotal</b>	<b>192,363</b>	<b>192,363</b>			<b>158,744</b>
<b>OTHER COSTS</b>					
Relocation					
Other: Accessibility Inspections	6,000	6,000			
Other:					
<b>Subtotal</b>	<b>6,000</b>	<b>6,000</b>			<b>726,420</b>
<b>TOTAL DEVELOPMENT COST</b>					
	<b>6,853,779</b>	<b>6,127,359</b>			
Per Unit	142,787.06				
Per Square Foot	120.69				

PART FOUR - USES OF FUNDS - Tallahassee Pointe Apartments - 2012-030

CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS

II. TAX CREDIT CALCULATION - BASIS METHOD

Subtractions From Eligible Basis

Amount of federal grant(s) used to finance qualifying development costs  
 Amount of federal below market rate loan  
 Amount of nonqualified nonrecourse financing  
 Costs of Nonqualifying units of higher quality  
 Nonqualifying excess portion of higher quality units  
 Historic Tax Credit (Residential Portion Only)  
 Other

New Construction Basis	0
4% Acquisition Basis	
Rehabilitation Basis	0

Total Subtractions From Basis:

Eligible Basis Calculation

Total Basis  
 Less Total Subtractions From Basis (see above)  
 Total Eligible Basis  
 Eligible Basis Adjustment for DDA/QCT Location  
 Adjusted Eligible Basis  
 Multiply Adjusted Eligible Basis by Applicable Fraction  
 Qualified Basis  
 Multiply Qualified Basis by Applicable Credit Percentage  
 Maximum Tax Credit Amount  
 Total Basis Method Tax Credit Calculation

6,127,359	0	0	0
0	0	0	0
6,127,359	0	0	0
100.00%	0	0	0
6,127,359	0	0	0
100.000000%	100.000000%	100.000000%	100.000000%
6,127,359	0	0	0
7.54%	0	0	0
462,003	0	0	0
462,003			

III. TAX CREDIT CALCULATION - GAP METHOD

Equity Gap Calculation

Total Development Cost  
 Subtract Non-Tax Credit (excluding deferred fee) Source of Funds  
 Equity Gap  
 Divide Equity Gap by 10  
 Annual Equity Required  
 Enter Final Federal and State Equity Factors (not including GP contribution)  
 Total Gap Method Tax Credit Calculation

6,853,779	6,853,779
1,845,000	1,845,000
5,008,779	5,008,779
/ 10	
500,878	500,878
1,1560	1,1560
433,285	433,285


Federal = 0.7960 + State = 0.3600

IV. TAX CREDIT CARRYOVER ALLOCATION

Allocation Year 2012

V. FINAL TAX CREDIT ALLOCATION REQUEST

I certify that all information provided above is true, correct, complete and reflects the full extent of all project costs and eligible basis which apply (or are expected to apply) to the above-mentioned development.

  
 Owner Signature

✓ 2/6/2015  
 Date

Gary Hall  
 Name - Please Type



**PART FOUR - USES OF FUNDS - Tallokes Pointe Apartments - 2012-030**

**CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS**

**VI. OWNER COMMENTS AND CLARIFICATIONS**
