### **Independent Auditor's Report**

Certification of Actual Cost and Opinion as to Eligible Basis, Owner's Certification of Funding Sources and Project Subsidy and Building Allocation of Qualified Basis Tobie Grant Senior, LP

June 30, 2016



# **Tobie Grant Senior, LP**

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#### Independent Auditor's Report

Owner's Name:

Tobie Grant Senior, LP

Project Name:

Tobie Grant Senior

Project Number:

2013-031

We have audited the costs included in the accompanying Georgia Department of Community Affairs ("DCA") Certification of Actual Cost and opinion as to Eligible Basis, the Owner's Certification of Funding Sources and Project Subsidy, and the building allocation of Qualified Basis Worksheet (the "Final Cost Certification") of Tobie Grant Senior, LP (the "Owner") for Tobie Grant Senior ("the Project") as of June 30, 2016.

Management's Responsibility for the Final Cost Certification

Management is responsible for the preparation and fair presentation of the Final Cost Certification in accordance with financial reporting provisions and qualified allocation plan rules established by DCA. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Final Cost Certification that is free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Final Cost 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 the Final Cost Certification is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Final Cost Certification. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Final Cost 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 Final Cost 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 Final Cost 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 Final Cost Certification referred to above presents fairly, in all material respects, the actual costs of \$14,643,280 and adjusted eligible basis of \$17,468,419 of the Owner for the Project as of June 30, 2016, in accordance with financial reporting provisions and qualified allocation plan rules established by DCA.

### Basis of Accounting

We draw attention to the financial reporting provisions of DCA, which require the Owner to account for actual costs and adjusted eligible basis in accordance with the basis of accounting the Owner uses for income tax purposes and to comply with the provisions of DCA's qualified allocation plan, 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 this matter.

### Restriction on Use

Our report is intended solely for the information and use of the Owner and DCA and is not intended to be and should not be used by anyone other than these specified parties.

#### Other

We have no financial interest in the Project other than in the practice of our profession.

Atlanta, Georgia July 28, 2016

CohnReynickLLP

## PART THREE - SOURCES OF FUNDS - Tobie Grant Senior - 2013-031

PERMANENT FINANCING			Interest	Term	Amort.	Annual Debt Svc		
Financing Type	Name of Financing Entity	Principal Amount	Rate	(Years)	(Years)	Per Terms Given	Loan Type	Balloon?
First Mortgage	The Community Development Trust, LP	2,250,000	5.650%	18	30		Amortizing	No
Second Mortgage	Housing Authority of Dekalb County	1,350,000	2.890%	40	40		Cash Flow	No
Third Mortgage								
Other Source (specify)								
Other Source (specify)								
Deferred Developer Fees	Norsouth Development Company of GA, LLC	113,597						
Federal Grant								
State, Local, or Private Grant								
Federal Housing Credit Equity	Hudson Housing Capital	7,619,990						
State Housing Credit Equity	CSG Tobie Grant Senior, LLC	3,309,693						
Historic Credit Equity								
Investment Earnings from Tax-Exempt Bond	ds							
Investment Earnings from Taxable Bonds								
Income from Operations								
Other Source (specify)			]					
Other Source (specify)								
Other Source (specify)								
Total Permanent Financing:	·	14,643,280	]					
Total Development Costs from Development	t Cost Schedule:	14,643,280						
Surplus/(Shortage) of Permanent Funds to	Development Costs:	0						
DCA HOME loan interest rate per	Year: 1-7 8 9 10	11 12	13	14	15			
Operating Year for Projects located in Rural Areas:	Rate:							

## PART FOUR - USES OF FUNDS - Tobie Grant Senior - 2013-031

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

DEVELOPMENT COST SCHEDULE	TOTAL COST	New Construction Basis	Acquisition Basis	Rehabilitation Basis	Amortizable or Non-Depreciable Basis
PRE-DEVELOPMENT COSTS  Property Appraisal  Market Study Environmental Report(s) Soil Borings Boundary and Topographical Survey Zoning/Site Plan Fees Other: Noise Study/Mat. Testing/Sustainability & A	6,000 12,147 9,657 4,298 38,809 ADA Consults 99,281 Subtotal 170,192	6,000 12,147 9,657 4,298 38,809 99,281 170,192			
ACQUISITION			ACQUIS	ITION	
Land Demolition Acquisition Legal Fees (if existing structures) Existing Structures	Subtotal 75		-		75
SITE IMPROVEMENTS			SITE IMPRO	VEMENTS	
Site Preparation (On-site) Site Preparation (Off-site)	826,701 Subtotal 826,701	651,724	-	-	174,977
UNIT/BUILDING CONSTRUCTION			UNIT/BUILDING O	CONSTRUCTION	
Unit/Building Construction/New Construction Unit/Building Construction/Rehab Project Amenities / Accessory Buildings Other:	7,609,472 Subtotal 7,609,472	7,609,472	_	-	-
CONTRACTOR SERVICES			CONTRACTO	R SERVICES	
Builder's Overhead: 2.00%  Builder Profit: 6.00%  General Requirements 6.00%  Payment/performance bond or letter-of-credit fee or premium  Total Construction Costs 96,961.29 per unit 9,696,129 123.99 per sq ft	168,723     168,723       506,170     499,356       506,170     512,751       79,126     79,126       Subtotal     1,259,956	168,723 499,356 512,751 79,126 1,259,956	-	-	-

I. DEVELOPMENT COST SCHEDULE	TOTAL COST	New Construction Basis	Acquisition Basis	Rehabilitation Basis	Amortizable or Non-Depreciable Rasis
CONSTRUCTION PERIOD FINANCING			CONSTRUCTION PER	DIOD EINANCING	
Construction Loan Fee	67,855	55,044	CONSTRUCTION FER	NOD FINANCING	12,811
Construction Loan Interest	120,221	90,422			29,799
Construction Legal Fees	39,107	29,639			9,468
Construction Period Real Estate Tax	30,101	20,000			0,100
Construction Insurance	90,519	40,884			49,635
Bridge Loan Fee and Bridge Loan Interest	55,015				.0,000
Other:					
	<b>Subtotal</b> 317,702	215,989	-	-	101,713
PROFESSIONAL SERVICES			PROFESSIONAL	SED/ICES	
Architectural Fee - Design	317,022	317,022	FROILSSIONAL	SERVICES	
Architectural Fee - Supervision	111,430	111,430			
Engineering	64,985	64,985			
Real Estate Attorney	198,837	109,578			89,259
Accounting	28,800	27,550			1,250
Other: Landscape Architect Design & Inspection Fe		12,937			,,
	<b>Subtotal</b> 734,011	643,502	-	-	90,509
LOCAL GOVERNMENT FEES			LOCAL GOVERN	MENT FEES	
Building Permits	76,507	76,507			
Impact Fees					
Water Tap Fees waived?	18,225	18,225			The state of the s
Sewer Tap Fees waived?	137,519	137,519			I
Real Estate Taxes					
	<b>Subtotal</b> 232,251	232,251	-	-	-
PERMANENT FINANCING FEES			PERMANENT FIN	ANCING FEES	
Permanent Loan Fees	70,500				70,500
Permanent Loan Legal Fees	5,000				5,000
Title and Recording Fees	23,499	23,499			
As-Built Survey					
Bond Issuance Premium					
Cost of Issuance / Underwriter's Discount	the state of the s				
Other:					
	Subtotal 98,999	23,499	-	-	75,500

DEVELOPMENT COST SCHEDULE		TOTAL COST	New Construction Basis	Acquisition Basis	Rehabilitation Basis	Amortizable or Non-Depreciable Basis
DCA-RELATED COSTS  DCA Loan Application Fee Tax Credit Application Fee DCA Waiver Fees LIHTC Allocation Processing Fee LIHTC Compliance Monitoring Fee DCA Front End Analysis Fee (when ID of Interest) DCA Final Inspection Fee Other: Qualification Determination	61,576 80,000 Subtotal	6,500 1,500 61,576 80,000 3,000 1,000 153,576		DCA-RE	LATED COSTS	6,500 1,500 61,576 80,000 3,000 1,000 153,576
EQUITY COSTS Partnership Organization Fees Tax Credit Legal Opinion Other:				EQU	IITY COSTS	
	Subtotal	-	-	-	-	-
DEVELOPER'S FEE Developer's Overhead Consultant's Fee Developer's Fee	Subtotal	1,640,000 1,640,000	1,640,000 1,640,000	DEVE	LOPER'S FEE	
START-UP AND RESERVES Marketing Rent -Up Reserves Operating Deficit Reserve: Replacement Reserve Furniture, Fixtures and Equipment Other:	Subtotal	76,084 17,572 306,979 180,812	180,812	START-UF	AND RESERVES	76,084 17,572 306,979
OTHER COSTS Relocation Other: Bank Fees Other: Infrastructure Costs	Subtotal	896 1,018,002 1,018,898	809,848 809,848		HER COSTS	896 208,154 209,050
TOTAL DEVELOPMENT COST	[	14,643,280	13,437,245	-		1,206,035
Per Unit Per Square Foot	[	146,432.80 187.24				

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II.	TAX CREDIT CALCULATION - BASIS METHOD		New Construction Basis		4% Acquisition Basis		Rehabilitation Basis		
	Subtractions From Eligible Basis Amount of federal grant(s) used to finance qualifying development of 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)	osts							
	Other  Total Subtractions From Basis:	<del>-</del>	0	-			0		
				1			0		
	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		13,437,245 0 13,437,245 130% 17,468,419 100.00% 17,468,419 9.00% 1,572,158		0 0 100.00% 0 0 1,572,158		0 0 0 0 100.00% 0		
III.	TAX CREDIT CALCULATION - GAP METHOD								
	Equity Gap Calculation Total Development Cost Subtract Non-LIHTC (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 c Total Gap Method Tax Credit Calculation	ontribution)		1	4,643,280 8,600,000 1,043,280 / 10 1,104,328 1.4300 772,257	=	Federal 1.0000	+	State 0.4300
IV.	TAX CREDIT CARRYOVER ALLOCATION	Allocation Year	2014		769,696				
V.	FINAL TAX CREDIT ALLOCATION REQUEST  I certify that all information provided above is true, correct, complete and redevelopment.	flects the full exte	ent of all project cost					) to the	above-mentioned
	Owner Signature		Name -	Please Ty	E. John	sto	Δ	8	7 / / / / / Date

### PART EIGHT - BUILDING BY BUILDING CREDIT ALLOCATION - Tobie Grant Senior - 2013-031

Please do NOT include common space employee units!															
		Total	Total	Nbr	Low						Date			FINAL Tax	Credit
	Building	Nbr of	Residential	of Low	Income		QCT/	Building's	Building's	Building's	Placed	Applic.	Tax	Allocation R	≀equest
		Residnt	Square	Income	Square	Eligible	DDA	Adjusted	Applicable	Qualified	ln	Credit	Credit	Building's	Tax Credit
Building Address	<u>Number</u>	<u>Units</u>	<u>Footage</u>	<u>Units</u>	<u>Footage</u>	<u>Basis</u>	Boost	<u>Basis</u>	Fraction	<u>Basis</u>	Service	<u>%</u>	<u>Amount</u>	Qualified Basis	<u>Amount</u>
560 Parkdale Drive	GA-14-23101	99	77,452	99	77,452	13,437,245	130%	17,468,419	100.00%	17,468,419	4/22/2016	9.00%	1,572,158	8,552,178	769,696
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		99	77,452	99	77,452	13,437,245		17,468,419		17,468,419			1,572,158	8,552,178	769,696

