

Tab 4

Independent Auditor's Report and Certification of Actual Costs

Note regarding state designated basis boost: Pointe North Senior Village, LP applied for and received a state designated basis boost of 130% per the requirements of the 2014 GA QAP. The 130% state designated basis boost is noted on the "Eligible Basis Adjustment for DDA/QCT Location" line item in "Part IV-Uses of Funds" as we did not see a line item specifically noted for the state designated basis boost.

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**

Pointe North Senior Village, LP

November 30, 2015

Pointe North Senior Village, LP

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Independent Auditor's Report

Owner's Name: Pointe North Senior Village, LP
Project Name: Pointe North Senior Village
Project Number: 2013-034

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 Pointe North Senior Village, LP. (the "Owner") for Pointe North Senior Village ("the Project") as of November 30, 2015.

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 \$8,613,189 and adjusted eligible basis of \$9,554,750 of the Owner for the Project as of November 30, 2015, 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.

A handwritten signature in cursive script that reads "Cohn Reznick LLP".

Atlanta, Georgia
December 21, 2015

PART THREE - SOURCES OF FUNDS - Pointe North Senior Village, LP - 2013-034

I. PERMANENT FINANCING

Financing Type	Name of Financing Entity	Principal Amount	Interest Rate	Term (Years)	Amort. (Years)	Annual Debt Svc Per Terms Given	Loan Type	Balloon?
First Mortgage	Sterling Bank	320,000	1.000%	20	20	17,660	Cash Flow	Yes
Second Mortgage								
Third Mortgage								
Other Source (specify)								
Other Source (specify)								
Deferred Developer Fees	Peachtree Housing Communities	4,950						
Federal Grant								
State, Local, or Private Grant								
Federal Housing Credit Equity	TAX CREDIT HOLDINGS-POINTE NORTH, LLC	6,356,762						
State Housing Credit Equity	TAX CREDIT HOLDINGS-POINTE NORTH, LLC	1,911,823						
Historic Credit Equity								
Investment Earnings from Tax-Exempt Bonds								
Investment Earnings from Taxable Bonds								
Income from Operations								
Other Source (specify) <u>General Partner</u>	Dougherty Housing Ventures, LLC	100						
Other Source (specify) <u>Energy Rebate</u>	Georgia Power	19,554						
Other Source (specify)								
Total Permanent Financing:		8,613,189						
Total Development Costs from Development Cost Schedule:		8,613,189						
Surplus/(Shortage) of Permanent Funds to Development Costs:		0						

DCA HOME loan interest rate per Operating Year for Projects located in Rural Areas:

Year:	1 -7	8	9	10	11	12	13	14	15
Rate:									

VII. OWNER COMMENTS AND CLARIFICATIONS

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
PRE-DEVELOPMENT COSTS					
Property Appraisal					
Market Study	6,115	6,115			
Environmental Report(s)	8,150	8,150			
Soil Borings	6,500	6,500			
Boundary and Topographical Survey	6,526	6,526			
Zoning/Site Plan Fees					
Other: Aerial Photos	250	250			
Subtotal	27,541	27,541	-	-	-
ACQUISITION					
Land	495,000				495,000
Demolition					
Acquisition Legal Fees (if existing structures)					
Existing Structures					
Subtotal	495,000		-		495,000
SITE IMPROVEMENTS					
Site Preparation (On-site)	679,330	593,717			85,613
Site Preparation (Off-site)					
Subtotal	679,330	593,717	-	-	85,613
UNIT/BUILDING CONSTRUCTION					
Unit/Building Construction/New Construction	4,422,670	4,422,670			
Unit/Building Construction/Rehab					
Project Amenities / Accessory Buildings					
Other:					
Subtotal	4,422,670	4,422,670	-	-	-
CONTRACTOR SERVICES					
Builder's Overhead: 2.00%	102,040	102,040			
Builder Profit: 6.00%	306,120	306,120			
General Requirements 6.00%	306,120	306,120			
Payment/performance bond or letter-of-credit fee or premium					
Subtotal	714,280	714,280	-	-	-
Total Construction Costs	98,581.02 per unit				
	5,816,280	108.47 per sq ft			

I. DEVELOPMENT COST SCHEDULE

	TOTAL COST	New Construction Basis	Acquisition Basis	Rehabilitation Basis	Amortizable or Non-Depreciable Basis
CONSTRUCTION PERIOD FINANCING					
Construction Loan Fee	61,091	3,465			57,626
Construction Loan Interest	136,078	124,963			11,115
Construction Legal Fees	57,013	42,760			14,253
Construction Period Real Estate Tax	10,437	7,101			3,336
Construction Insurance	6,710	3,673			3,037
Bridge Loan Fee and Bridge Loan Interest					
Other:					
Subtotal	271,329	181,962	-	-	89,367
PROFESSIONAL SERVICES					
Architectural Fee - Design	122,720	122,720			
Architectural Fee - Supervision	32,480	32,480			
Engineering	35,000	35,000			
Real Estate Attorney	58,304	43,728			14,576
Accounting	18,740	18,740			
Other: Accessibility Consultant	6,433	6,433			
Subtotal	273,677	259,101	-	-	14,576
LOCAL GOVERNMENT FEES					
Building Permits	12,518	12,518			
Impact Fees					
Water Tap Fees <i>waived?</i>	12,075	12,075			
Sewer Tap Fees <i>waived?</i>	14,750	14,750			
Real Estate Taxes					
Subtotal	39,343	39,343	-	-	-
PERMANENT FINANCING FEES					
Permanent Loan Fees	9,200				9,200
Permanent Loan Legal Fees					
Title and Recording Fees	19,183	18,080			1,103
As-Built Survey	3,400	3,400			
Bond Issuance Premium					
Cost of Issuance / Underwriter's Discount					
Other:					
Subtotal	31,783	21,480	-	-	10,303

I. 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	6,500				6,500
DCA Waiver Fees					
LIHTC Allocation Processing Fee	59,123				59,123
LIHTC Compliance Monitoring Fee	47,200				47,200
DCA Front End Analysis Fee (when ID of Interest)					
DCA Final Inspection Fee	3,000				3,000
Other:					
Subtotal	115,823				115,823
EQUITY COSTS					
Partnership Organization Fees	2,713				2,713
Tax Credit Legal Opinion					
Other: LP Fees	10,236				10,236
Subtotal	12,949	-	-	-	12,949
DEVELOPER'S FEE					
Developer's Overhead	1,058,894	1,058,894			
Consultant's Fee					
Developer's Fee					
Subtotal	1,058,894	1,058,894	-	-	-
START-UP AND RESERVES					
Marketing					
Rent -Up Reserves	56,250				56,250
Operating Deficit Reserve:	265,500				265,500
Replacement Reserve					
Furniture, Fixtures and Equipment	53,930	53,930			
Other:					
Subtotal	375,680	53,930	-	-	321,750
OTHER COSTS					
Relocation					
Other: Site Lighting/Const Mat Testing/ECMF/ECC fees	87,960	87,960			
Other: 3rd Party Inspection/UA analysis	6,930	6,930			
Subtotal	94,890	94,890	-	-	-
TOTAL DEVELOPMENT COST	8,613,189	7,467,808	-	-	1,145,381
Per Unit	145,986.25				
Per Square Foot	160.64				

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

Anticipated 45L credits (\$2,000/unit)

Total Subtractions From Basis:

	New Construction Basis	4% Acquisition Basis	Rehabilitation Basis
	118,000		
Total Subtractions From Basis:	118,000		0
Eligible Basis Calculation			
Total Basis	7,467,808	0	0
Less Total Subtractions From Basis (see above)	118,000		0
Total Eligible Basis	7,349,808	0	0
Eligible Basis Adjustment for DDA/QCT Location	130.00%		
Adjusted Eligible Basis	9,554,750	0	0
Multiply Adjusted Eligible Basis by Applicable Fraction	100.00%	100.00%	100.00%
Qualified Basis	9,554,750	0	0
Multiply Qualified Basis by Applicable Credit Percentage	9.00%		
Maximum Tax Credit Amount	859,928	0	0
Total Basis Method Tax Credit Calculation	859,928		

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 contribution)
 Total Gap Method Tax Credit Calculation

	8,613,189		
	339,654		
	8,273,535		
	/ 10		
	827,354		
	1.1190	=	Federal
	739,369		0.8690
			+ State
			0.2500

IV. TAX CREDIT CARRYOVER ALLOCATION

Allocation Year

739,040

V. FINAL TAX CREDIT ALLOCATION REQUEST

739,040

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


 Name - Please Type


 Date

