

Tab 4

**Independent Auditor's Report and
Certification of Actual Costs**

HORIZON SENIOR VILLAGE, LP

**INDEPENDENT AUDITORS' 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**

DECEMBER 31, 2015

INDEPENDENT AUDITOR'S REPORT

Owner's Name: Horizon Senior Village, LP

Project Name: Horizon Senior Village

To the Partners

Horizon Senior Village, LP

We have audited the costs included in the accompanying Tax Credit Allocation Agency ("TCAA") Final Cost Certification (the "Final Cost Certification") of Horizon Senior Village, LP (the "Owner") for Horizon Senior Village ("the Project") as of December 31, 2015.

Owner and Owner Management's Responsibility for the Schedule

The Owner and the Owner's management are responsible for the preparation and fair presentation of the Final Cost Certification in accordance with contractual agreements with the TCAA; this includes 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 the Owner and Owner's 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 opinion.

Opinion

In our opinion, the Final Cost Certification presents fairly, in all material respects, the actual costs of \$9,185,489 and eligible basis of \$7,590,142 of the Owner for the Project as of December 31, 2015, on the basis of accounting described below.

Basis of Accounting

The Final Cost Certification is prepared in conformity with the accounting practices prescribed by the Internal Revenue Service under the accrual method of accounting, and in conformity with the format and qualified allocation plan rules set by TCAA, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the provisions of the contractual agreements with TCAA, referred to above. 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 Owner and the Owner's management and for filing with TCAA and should not be used for any other purpose.

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

A handwritten signature in cursive script that reads "Stanley, Aronson & Wynn, LLP".

Atlanta, Georgia

February 10, 2016

PART FOUR - USES OF FUNDS - Horizon Senior Village - 2013-048

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	8,000	8,000			
Market Study	6,111	6,111			
Environmental Report(s)	8,769	8,769			
Soil Borings	7,250	7,250			
Boundary and Topographical Survey	10,425	10,425			
Zoning/Site Plan Fees	10,290	10,290			
Other:	300	300			
Subtotal	51,145	51,145	-	-	-
ACQUISITION					
Land	925,000				925,000
Demolition					
Acquisition Legal Fees (if existing structures)					
Existing Structures					
Subtotal	925,000		-		925,000
SITE IMPROVEMENTS					
Site Preparation (On-site)	1,358,192	1,228,192			130,000
Site Preparation (Off-site)					
Subtotal	1,358,192	1,228,192	-	-	130,000
UNIT/BUILDING CONSTRUCTION					
Unit/Building Construction/New Construction	4,430,941	4,430,941			
Unit/Building Construction/Rehab					
Project Amenities / Accessory Buildings					
Other:					
Subtotal	4,430,941	4,430,941	-	-	-
CONTRACTOR SERVICES					
Builder's Overhead: 2.00%	115,783	-			
Builder Profit: 6.00%	347,348	(206,626)			
General Requirements 6.00%	347,348	295,602			
Payment/performance bond or letter-of-credit fee or premium	46,951	46,951			
Subtotal	135,927	135,927	-	-	-
Total Construction Costs	87,133.24 per unit				
	5,925,060	101.35 per sq ft			

PART FOUR - USES OF FUNDS - Horizon Senior Village - 2013-048

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
CONSTRUCTION PERIOD FINANCING		CONSTRUCTION PERIOD FINANCING			
Construction Loan Fee	17,591	17,591			
Construction Loan Interest	115,372	107,122			8,250
Construction Legal Fees	17,502	15,752			1,750
Construction Period Real Estate Tax	2,088	2,088			
Construction Insurance	20,068	4,980			15,088
Bridge Loan Fee and Bridge Loan Interest					
Other:					
Subtotal	172,621	147,533	-	-	25,088
PROFESSIONAL SERVICES		PROFESSIONAL SERVICES			
Architectural Fee - Design	136,000	136,000			
Architectural Fee - Supervision	34,000	34,000			
Engineering	62,000	62,000			
Real Estate Attorney	67,517	60,765			6,752
Accounting	12,400	12,400			
Other: Materials Testing	52,250	52,250			
Subtotal	364,167	357,415	-	-	6,752
LOCAL GOVERNMENT FEES		LOCAL GOVERNMENT FEES			
Building Permits	18,977	18,977			
Impact Fees					
Water Tap Fees	<i>waived?</i> No 51,425	51,425			
Sewer Tap Fees	<i>waived?</i> No 50,025	50,025			
Real Estate Taxes					
Subtotal	120,427	120,427	-	-	-
PERMANENT FINANCING FEES		PERMANENT FINANCING FEES			
Permanent Loan Fees					
Permanent Loan Legal Fees					
Title and Recording Fees	21,406	21,406			
As-Built Survey	5,000	5,000			
Bond Issuance Premium					
Cost of Issuance / Underwriter's Discount					
Other:					
Subtotal	26,406	26,406	-	-	-

PART FOUR - USES OF FUNDS - Horizon Senior Village - 2013-048

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
DCA-RELATED COSTS		DCA-RELATED COSTS			
DCA Loan Application Fee	1,000				1,000
Tax Credit Application Fee	6,500				6,500
DCA Waiver Fees					
LIHTC Allocation Processing Fee	35,848 40,969				40,969
LIHTC Compliance Monitoring Fee	47,600 54,400				54,400
DCA Front End Analysis Fee (when ID of Interest)					
DCA Final Inspection Fee					
Other: <u>Pre-Application Qualification Determination Fee</u>	1,000				1,000
Subtotal	103,869				103,869
EQUITY COSTS		EQUITY COSTS			
Partnership Organization Fees	1,713				1,713
Tax Credit Legal Opinion					
Other:					
Subtotal	1,713	-	-	-	1,713
DEVELOPER'S FEE		DEVELOPER'S FEE			
Developer's Overhead					
Consultant's Fee					
Developer's Fee	1,077,455	1,077,455			
Subtotal	1,077,455	1,077,455	-	-	-
START-UP AND RESERVES		START-UP AND RESERVES			
Marketing					
Rent -Up Reserves	68,000				68,000
Operating Deficit Reserve:	166,625				166,625
Replacement Reserve					
Furniture, Fixtures and Equipment	33,240	33,240			
Other: <u>Tax & Insurance Reserve</u>	32,300				32,300
Subtotal	300,165	33,240	-	-	266,925
OTHER COSTS		OTHER COSTS			
Relocation					
Other: <u>Accessibility Consult/Earthcraft Fees&Consult</u>	44,883	44,883			
Other: <u>AT&T/GA Power Fees/Site Lighting/ energy credit</u>	72,578	72,578			
Subtotal	117,461	117,461	-	-	-
TOTAL DEVELOPMENT COST	9,185,489	7,726,142	-	-	1,459,347
Per Unit	135,080.72				
Per Square Foot	157.12				

PART FOUR - USES OF FUNDS - Horizon Senior Village - 2013-048

CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS

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 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		
	136,000		
Total Subtractions From Basis:	136,000		0
Eligible Basis Calculation			
Total Basis	7,726,142	0	0
Less Total Subtractions From Basis (see above)	136,000		0
Total Eligible Basis	7,590,142	0	0
Eligible Basis Adjustment for DDA/QCT Location	100.00%		
Adjusted Eligible Basis	7,590,142	0	0
Multiply Adjusted Eligible Basis by Applicable Fraction	100.00%	100.00%	100.00%
Qualified Basis	7,590,142	0	0
Multiply Qualified Basis by Applicable Credit Percentage	9.00%		
Maximum Tax Credit Amount	683,113	0	0
Total Basis Method Tax Credit Calculation	683,113		

III. TAX CREDIT CALCULATION - GAP METHOD

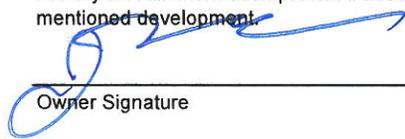
Equity Gap Calculation			
Total Development Cost	9,185,489		
Subtract Non-LIHTC (excluding deferred fee) Source of Funds	2,495,310		
Equity Gap	6,690,179		
Divide Equity Gap by 10	/ 10		
Annual Equity Required	669,018		
Enter Final Federal and State Equity Factors (not including GP contribution)	1.2729	Federal	State
Total Gap Method Tax Credit Calculation	525,606	= 0.9729	+ 0.3000

IV. TAX CREDIT CARRYOVER ALLOCATION

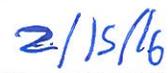
Allocation Year

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


 Name - Please Type


 Date

PART FOUR - USES OF FUNDS - Horizon Senior Village - 2013-048

CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS

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 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	136,000		
Total Subtractions From Basis:	136,000		0
Eligible Basis Calculation			
Total Basis	7,726,142	0	0
Less Total Subtractions From Basis (see above)	136,000		0
Total Eligible Basis	7,590,142	0	0
Eligible Basis Adjustment for DDA/QCT Location	100.00%		
Adjusted Eligible Basis	7,590,142	0	0
Multiply Adjusted Eligible Basis by Applicable Fraction	100.00%	100.00%	100.00%
Qualified Basis	7,590,142	0	0
Multiply Qualified Basis by Applicable Credit Percentage	9.00%		
Maximum Tax Credit Amount	683,113	0	0
Total Basis Method Tax Credit Calculation	683,113		

III. TAX CREDIT CALCULATION - GAP METHOD

Equity Gap Calculation

Total Development Cost	9,185,489		
Subtract Non-LIHTC (excluding deferred fee) Source of Funds	2,495,310		
Equity Gap	6,690,179		
Divide Equity Gap by 10	/ 10		
Annual Equity Required	669,018		
Enter Final Federal and State Equity Factors (not including GP contribution)	1.2729	=	Federal
Total Gap Method Tax Credit Calculation	525,606		+ State
			0.9729 + 0.3000

IV. TAX CREDIT CARRYOVER ALLOCATION

Allocation Year 2013 512,114

V. FINAL TAX CREDIT ALLOCATION REQUEST

512,114

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

PART THREE - SOURCES OF FUNDS - Horizon Senior Village - 2013-048

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	Georgia Housing & Finance Authority	2,400,000	1.000%	20	20	132,450	DCA HOME IPS	Yes
Second Mortgage								
Third Mortgage								
Other Source (specify)								
Other Source (specify)								
Deferred Developer Fees	Peachtree Housing Communities, LLC	172,729						
Federal Grant								
State, Local, or Private Grant								
Federal Housing Credit Equity	TAX CREDIT HOLDINGS - HORIZON	4,931,287						
State Housing Credit Equity	TAX CREDIT HOLDINGS - HORIZON	1,586,163						
Historic Credit Equity								
Investment Earnings from Tax-Exempt Bonds								
Investment Earnings from Taxable Bonds								
Income from Operations								
Other Source (specify)	General Partner Equity Contribut	100						
Other Source (specify)	SLP Equity Contribution	10						
Other Source (specify)	45L additional equity	95,200						
Total Permanent Financing:		9,185,489						
Total Development Costs from Development Cost Schedule:		9,185,489						
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

The equity included for the 45L credits above is an estimate based on discussions with the limited partner. The additional equity will be finalized once the final energy study is received

