

**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**

**Columbia Mill Apartments, L.P.**

**April 30, 2014**

# Columbia Mill Apartments, LP

## Index

	<u>Page</u>
Independent Auditor's Report	2
Sources of Funds	4
Certification of Actual Cost and Opinion as to Eligible Basis	5
Building by Building Credit Allocation	9

## Independent Auditor's Report

Owner's Name: Columbia Mill Apartments, LP

Project Name: Columbia Mill Apartments

Project Number: 2011-031

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 Columbia Mill Apartments, L.P. (the "Owner") for Columbia Mill Apartments ("the Project") as of April 30, 2014.

### *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 \$14,782,086 and eligible basis of \$11,610,873 of the Owner for the Project as of April 30, 2014, 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.

*CohnReznick LLP*

Atlanta, Georgia  
September 10, 2014

**PART THREE - SOURCES OF FUNDS - Columbia Mill Apartments - 2011-0**

**I. PERMANENT FINANCING**

Financing Type	Name of Financing Entity	Principal Amount	Interest Rate (Years)	Term (Years)	Amort. (Years)	Annual Debt Svc Per Terms Given	Loan Type	Balloon?
First Mortgage	Community and Southern Bank	1,700,000	6.000%	18	30	122,308	Amortizing	
Second Mortgage	DeKalb County HOME Loan	1,000,000	2.500%	20	30	47,415	Amortizing	
Third Mortgage								
Other Source (specify)								
Other Source (specify)								
Deferred Developer Fees	New Affordable Housing Partners	204,438	0.000%	10	10	20,444	Cash Flow	
Federal Grant								
State, Local, or Private Grant								
Federal Housing Credit Equity	Community Equity Fund XVII, LP	9,051,398						
State Housing Credit Equity	Georgia Fund 2012 VI, LLC	2,826,250						
Historic Credit Equity								
Investment Earnings from Tax-Exempt Bonds								
Investment Earnings from Taxable Bonds								
Income from Operations								
Other Source (specify)								
Other Source (specify)								
Other Source (specify)								
<b>Total Permanent Financing:</b>		<b>14,782,086</b>						
<b>Total Development Costs from Development Cost Schedule:</b>		<b>14,782,086</b>						
<b>Surplus/(Shortage) of Permanent Funds to Development Costs:</b>		<b>0</b>						

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:									

**PART FOUR - USES OF FUNDS - Columbia Mill Apartments - 2011-0**

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

**I. DEVELOPMENT COST SCHEDULE**

	<b>TOTAL COST</b>	<b>New Construction Basis</b>	<b>Acquisition Basis</b>	<b>Rehabilitation Basis</b>	<b>Amortizable or Non-Depreciable Basis</b>
<b>PRE-DEVELOPMENT COSTS</b>					
Property Appraisal	2,500	2,500			
Market Study	3,000	3,000			
Environmental Report(s)	95,778	95,778			
Soil Borings					
Boundary and Topographical Survey	22,640	22,640			
Zoning/Site Plan Fees	4,050	4,050			
Other: Green Building and Accessibility	18,005	18,005			
<b>Subtotal</b>	<b>145,973</b>	<b>145,973</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>ACQUISITION</b>					
Land	1,089,962				1,089,962
Demolition	310,484				310,484
Acquisition Legal Fees (if existing structures)					
Existing Structures					
<b>Subtotal</b>	<b>1,400,446</b>		<b>-</b>		<b>1,400,446</b>
<b>SITE IMPROVEMENTS</b>					
Site Preparation (On-site)	1,971,539	1,063,127			908,412
Site Preparation (Off-site)					
<b>Subtotal</b>	<b>1,971,539</b>	<b>1,063,127</b>	<b>-</b>	<b>-</b>	<b>908,412</b>
<b>UNIT/BUILDING CONSTRUCTION</b>					
Unit/Building Construction/New Construction	6,617,266	6,617,266			
Unit/Building Construction/Rehab					
Project Amenities / Accessory Buildings					
Other:					
<b>Subtotal</b>	<b>6,617,266</b>	<b>6,617,266</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CONTRACTOR SERVICES</b>					
Builder's Overhead: 2.00%	171,776	156,500			
Builder Profit: 6.00%	515,328	350,000			
General Requirements 6.00%	515,328	390,148			
Payment/performance bond or letter-of-credit fee or premium	79,048	79,048			
<b>Subtotal</b>	<b>975,696</b>	<b>975,696</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Construction Costs</b>	<b>9,564,501</b>	<b>95,645.01 per unit</b>			
		<b>91.56 per sq ft</b>			

See Independent Auditor's Report.

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	170,895	13,383			157,512
Construction Loan Interest	126,293	126,293			
Construction Legal Fees					
Construction Period Real Estate Tax	20,110	13,250			6,860
Construction Insurance					
Bridge Loan Fee and Bridge Loan Interest	10,334	10,334			
Other: Inspection fees	327,632	163,260	-		164,372
<b>Subtotal</b>					
<b>PROFESSIONAL SERVICES</b>					
Architectural Fee - Design	366,265	366,265			
Architectural Fee - Supervision	78,021	78,021			
Engineering	65,000	48,750			16,250
Real Estate Attorney	70,600	60,100			10,500
Accounting	34,921	34,921			
Other: UFAS Consultant Fee, LEED Consulting Fees, EarthCraft Cert fees	614,807	588,057	-		26,750
<b>Subtotal</b>					
<b>LOCAL GOVERNMENT FEES</b>					
Building Permits	145,109	145,109			
Impact Fees	21,689	21,689			
Water Tap Fees	16,225	16,225			
Sewer Tap Fees	72,477	72,477			
Real Estate Taxes	29,312	29,312			
<b>Subtotal</b>	284,812	284,812			
<b>PERMANENT FINANCING FEES</b>					
Permanent Loan Fees					
Permanent Loan Legal Fees					
Title and Recording Fees	47,697	43,897			3,800
As-Built Survey					
Bond Issuance Premium					
Cost of Issuance / Underwriter's Discount					
Other:					
<b>Subtotal</b>	47,697	43,897	-		3,800

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	4,000				4,000
Tax Credit Application Fee					
DCA Waiver Fees	66,500				66,500
LIHTC Allocation Processing Fee	70,000				70,000
LIHTC Compliance Monitoring Fee					
DCA Front End Analysis Fee (when ID of Interest)	3,000				3,000
DCA Final Inspection Fee	1,500				1,500
Other: Project Change Fee					
	<b>Subtotal</b>				<b>145,000</b>
<b>EQUITY COSTS</b>					
Partnership Organization Fees					
Tax Credit Legal Opinion					
Other:					
	<b>Subtotal</b>				<b>-</b>
<b>DEVELOPER'S FEE</b>					
Developer's Overhead	1,560,000	1,560,000			
Consultant's Fee					
Developer's Fee					
	<b>Subtotal</b>	<b>1,560,000</b>			<b>-</b>
<b>START-UP AND RESERVES</b>					
Marketing	5,967				5,967
Rent -Up Reserves	150,000				150,000
Operating Deficit Reserve:					
Replacement Reserve	316,305				316,305
Furniture, Fixtures and Equipment	168,946	168,785			161
Other:					
	<b>Subtotal</b>	<b>168,785</b>			<b>472,433</b>
<b>OTHER COSTS</b>					
Relocation	50,000				50,000
Other:					
Other:					
	<b>Subtotal</b>				<b>50,000</b>
<b>TOTAL DEVELOPMENT COST</b>	<b>14,782,086</b>	<b>11,610,873</b>			<b>3,171,213</b>
Per Unit	147,820.86				
Per Square Foot	141.50				

See Independent Auditor's Report.





**PART EIGHT - BUILDING BY BUILDING CREDIT ALLOCATION - Columbia Mill Apartments - 2011-0**

Cost Certification Date: **4/30/2014** Carryover Allocation Date: **1/30/2012** Project Address: **2229 Flat Shoals Rd, SE, Atlanta GA 303163711**

Type of Activity: **New Construction**

**Please do NOT include common space employee units!**

Building Address	Building Identification Number	Total Nbr of Resident Units	Total Residential Square Footage	Nbr of Low Income Units	Low Income Square Footage	Building's Eligible Basis	QCT/ DDA Boost	Building's Adjusted Basis	Building's Applicable Fraction	Building's Qualified Basis	Date Placed In Service	Applic. Credit %	Tax Credit Amount	FINAL Tax Credit Allocation Request	
														Building's Qualified Basis	Tax Credit Amount
2239 Flat Shoals Road Building 200 Atlanta, GA 30316	GA-11-031-01	4	4,768	2	2,384	529,118	130%	687,853	50.00%	343,927	12/30/2013	9.00%	30,953	302,882	27,259
2239 Flat Shoals Road Building 300 Atlanta, GA 30316	GA-11-031-02	4	4,768	2	2,384	529,118	130%	687,853	50.00%	343,927	12/30/2013	9.00%	30,953	302,882	27,259
2239 Flat Shoals Road Building 400 Atlanta, GA 30316	GA-11-031-03	4	4,768	2	2,384	529,119	130%	687,855	50.00%	343,927	12/30/2013	9.00%	30,954	302,892	27,260
2239 Flat Shoals Road Building 500 Atlanta, GA 30316	GA-11-031-04	12	14,820	10	12,350	1,644,619	130%	2,138,005	83.33%	1,781,671	3/6/2014	9.00%	160,350	1,569,064	141,216
2239 Flat Shoals Road Building 600 Atlanta, GA 30316	GA-11-031-05	12	14,820	9	11,115	1,644,618	130%	2,138,003	75.00%	1,603,503	3/7/2014	9.00%	144,315	1,412,156	127,094
2239 Flat Shoals Road Building 700 Atlanta, GA 30316	GA-11-031-06	10	10,310	9	9,279	1,144,131	130%	1,487,370	90.00%	1,338,633	4/10/2014	9.00%	120,477	1,178,895	106,101
2239 Flat Shoals Road Building 800 Atlanta, GA 30316	GA-11-031-07	10	10,310	9	9,279	1,144,131	130%	1,487,370	90.00%	1,338,633	2/20/2014	9.00%	120,477	1,178,895	106,101
2239 Flat Shoals Road Building 900 Atlanta, GA 30316	GA-11-031-08	10	7,660	8	6,128	850,052	130%	1,105,068	80.00%	884,054	2/20/2014	9.00%	79,565	778,562	70,071
2239 Flat Shoals Road Building 1000 Atlanta, GA 30316	GA-11-031-09	10	7,660	8	6,128	850,053	130%	1,105,069	80.00%	884,055	1/23/2014	9.00%	79,565	778,562	70,071
2239 Flat Shoals Road Building 1100 Atlanta, GA 30316	GA-11-031-10	12	12,372	10	10,310	1,372,957	130%	1,784,844	83.33%	1,487,370	1/23/2014	9.00%	133,864	1,309,890	117,890
2239 Flat Shoals Road Building 1200 Atlanta, GA 30316	GA-11-031-11	12	12,372	11	11,341	1,372,957	130%	1,784,844	91.67%	1,636,107	1/9/2014	9.00%	147,250	1,440,876	129,679
		100	104,628	80	83,082	11,610,873		15,094,135		11,985,807			1,078,723	10,555,558	950,000