

THE GROVES PLACE, LP

SEPTEMBER 30, 2016

FINAL COST CERTIFICATION

THE GROVES PLACE, LP

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INDEPENDENT AUDITOR'S REPORT

To the Partners
The Groves Place, 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 The Groves Place, LP for The Groves Place Apartments as of September 30, 2016.

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 \$8,236,725, new construction eligible basis of \$7,452,387, new construction qualified basis of \$7,452,387, and maximum tax credit amount of \$503,394 for The Groves Place Apartments as of September 30, 2016, 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 The Groves Place, 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 The Groves Place, 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 14, 2017

PART FOUR - USES OF FUNDS - The Groves Place Apartments - 2014-008

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	10,750	10,750			
Market Study	4,000	4,000			
Environmental Report(s)	6,714	6,714			
Soil Borings	12,728	12,728			
Boundary and Topographical Survey	5,225	5,225			
Zoning/Site Plan Fees	-	-			
Other: Construction Inspections	-	-			
Subtotal	39,417	39,417	-	-	-
ACQUISITION					
Land	286,000				286,000
Demolition	91,470				91,470
Acquisition Legal Fees (if existing structures)	-				
Existing Structures	-				
Subtotal	377,470		-		377,470
SITE IMPROVEMENTS					
Site Preparation (On-site)	584,686	584,686			
Site Preparation (Off-site)					
Subtotal	584,686	584,686	-	-	-
UNIT/BUILDING CONSTRUCTION					
Unit/Building Construction/New Construction	4,259,308	4,259,308			
Unit/Building Construction/Rehab					
Project Amenities / Accessory Buildings					
Other:					
Subtotal	4,259,308	4,259,308	-	-	-
CONTRACTOR SERVICES					
Builder's Overhead: 2.00%	96,880	148,349			
Builder Profit: 6.00%	290,640	236,311			
General Requirements: 6.00%	290,640	293,501			
Payment/performance bond or letter-of-credit fee or premium					
Subtotal	678,161	678,161	-	-	-
Total Construction Costs	98,609.91 per unit				
	5,522,155	95.13 per sq ft			

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PART FOUR - USES OF FUNDS - The Groves Place Apartments - 2014-008

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 Loan Fee	30,570	30,570			
Construction Loan Interest	155,066	121,866			33,200
Construction Legal Fees	75,281	75,281			
Construction Period Real Estate Tax	7,948	7,948			
Construction Insurance	88,431	88,431			
Bridge Loan Fee and Bridge Loan Interest	-	-			
Other: Guaranty Fee	130,000	130,000			
Subtotal	487,296	454,096	-	-	33,200
PROFESSIONAL SERVICES					
Architectural Fee - Design	127,680	127,680			
Architectural Fee - Supervision	31,920	31,920			
Engineering	62,699	62,699			
Real Estate Attorney	8,689	-			8,689
Accounting	19,000	19,000			
Other: Accessibility Inspections	6,667	6,667			
Subtotal	256,655	247,966	-	-	8,689
LOCAL GOVERNMENT FEES					
Building Permits	21,579	21,579			
Impact Fees	-				
Water Tap Fees	-				
Sewer Tap Fees	18,950	18,950			
Real Estate Taxes	-				
Subtotal	40,529	40,529	-	-	-
PERMANENT FINANCING FEES					
Permanent Loan Fees					
Permanent Loan Legal Fees	17,875				17,875
Title and Recording Fees	23,058	23,058			-
As-Built Survey	12,000				12,000
Bond Issuance Premium					
Cost of Issuance / Underwriter's Discount					
Other:					
Subtotal	52,933	23,058	-	-	29,875

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PART FOUR - USES OF FUNDS - The Groves Place Apartments - 2014-008

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 Loan Application Fee	1,000				1,000
Tax Credit Application Fee	7,500				7,500
DCA Waiver Fees	1,500				1,500
LIHTC Allocation Processing Fee	40,271				40,271
LIHTC Compliance Monitoring Fee	44,800				44,800
DCA Front End Analysis Fee (when ID of Interest)	2,750				2,750
DCA Final Inspection Fee					
Other:					
Subtotal	97,821				97,821
EQUITY COSTS					
Partnership Organization Fees	18,151				18,151
Tax Credit Legal Opinion	2,500				2,500
Other:					
Subtotal	20,651				20,651
DEVELOPER'S FEE					
Developer's Overhead	-				
Consultant's Fee	-				
Developer's Fee	993,164	993,164			
Subtotal	993,164	993,164			
START-UP AND RESERVES					
Marketing	51,629				51,629
Rent -Up Reserves	46,206				46,206
Operating Deficit Reserve:	118,797				118,797
Replacement Reserve					
Furniture, Fixtures and Equipment	71,427	71,427			
Other:					
Subtotal	288,059	71,427			216,632
OTHER COSTS					
Relocation					
Other: Construction Inspections & Testing	36,375	36,375			
Other: Greenbuild Inspections & Certifications	24,200	24,200			
Subtotal	60,575	60,575			
TOTAL DEVELOPMENT COST	8,236,725	7,452,387			784,338
Per Unit	147,084.38				
Per Square Foot	141.90				

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PART FOUR - USES OF FUNDS - The Groves Place Apartments - 2014-008

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			
Total Subtractions From Basis:	0		0
Eligible Basis Calculation			
Total Basis	7,452,387	0	0
Less Total Subtractions From Basis (see above)	0		0
Total Eligible Basis	7,452,387	0	0
Eligible Basis Adjustment for DDA/QCT Location	100.00%		
Adjusted Eligible Basis	7,452,387	0	0
Multiply Adjusted Eligible Basis by Applicable Fraction	100.00000%	100.00000%	100.00000%
Qualified Basis	7,452,387	0	0
Multiply Qualified Basis by Applicable Credit Percentage	9.00%		
Maximum Tax Credit Amount	670,715	0	0
Total Basis Method Tax Credit Calculation	670,715		

III. TAX CREDIT CALCULATION - GAP METHOD

Equity Gap Calculation			
Total Development Cost	8,236,725		
Subtract Non-Tax Credit (excluding deferred fee) Source of Funds	1,440,000		
Equity Gap	6,796,725		
Divide Equity Gap by 10	/ 10		
Annual Equity Required	679,673		
Enter Final Federal and State Equity Factors (not including GP contribution)	1.3500	=	Federal
Total Gap Method Tax Credit Calculation	503,461		State
			0.9000 + 0.4500

IV. TAX CREDIT CARRYOVER ALLOCATION

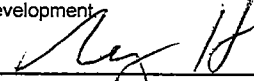
Allocation Year 2014

503,394

V. FINAL TAX CREDIT ALLOCATION REQUEST

503,394

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

Gary Hall
 Name - Please Type

12/14/17
 Date

PART FOUR - USES OF FUNDS - The Groves Place Apartments - 2014-008

CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS

VI. OWNER COMMENTS AND CLARIFICATIONS

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