

# Campbell Place I, LP

Project No. 2014-017

Certification of Actual Cost and Opinion as to Eligible Basis

December 31, 2016

Howe & Associates, PC  
Columbia, Missouri

**Campbell Place I, LP**  
Independent Auditor's Report and  
Cost Certification

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**HOWE & ASSOCIATES, PC**  
*Certified Public Accountants*  
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INDEPENDENT AUDITOR'S REPORT

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Owner's Name: Campbell Place I, LP  
Project Name: Campbell Place  
Project Number: 2014-017

We have audited the costs included in the accompany Georgia Department of Community Affairs ("DCA") Certification of Actual Cost and Opinion as to Eligible Basis ("the Cost Certification") of Campbell Place ("the Project") as of December 31, 2016.

**Management's Responsibility for the Cost Certification**

Management is responsible for the preparation and fair presentation of the Cost Certification in accordance with 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 the DCA. Management is also responsible for the design implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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 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 Cost Certification is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Cost Certification. The procedures selected depend on the auditor's judgment, including assessment of the risks of material misstatement of the 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 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 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 Cost Certification referred to above presents fairly, in all material respects, the actual costs of \$7,052,621 and adjusted eligible basis of \$8,691,712 of the Owner for the Project as of December 31, 2016, in accordance with the basis of accounting described below.

**Basis of Accounting**

The Cost Certification was 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 DCA, which is a comprehensive basis of accounting other than generally accepted accounting principles. Our opinion is not modified with respect to this matter.

**Restriction on Use**

This 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 not financial interest in the Project other than in the practice of our profession.

*Howe & Associates PC.*

Howe & Associates, PC

Columbia, Missouri

February 1, 2017

**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	-	-			
Market Study	6,821	6,821			
Environmental Report(s)	6,250	6,250			
Soil Borings	6,015	6,015			
Boundary and Topographical Survey	12,660	12,660			
Zoning/Site Plan Fees	-	-			
Other:	-	-			
<b>Subtotal</b>	<b>31,746</b>	<b>31,746</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>ACQUISITION</b>					
Land	45,000				45,000
Demolition	-				-
Acquisition Legal Fees (if existing structures)	2,889				2,889
Existing Structures	-				-
<b>Subtotal</b>	<b>47,889</b>		<b>-</b>		<b>47,889</b>
<b>SITE IMPROVEMENTS</b>					
Site Preparation (On-site)	631,155	568,040			63,115
Site Preparation (Off-site)	-				-
<b>Subtotal</b>	<b>631,155</b>	<b>568,040</b>	<b>-</b>	<b>-</b>	<b>63,115</b>
<b>UNIT/BUILDING CONSTRUCTION</b>					
Unit/Building Construction/New Construction	4,034,482	4,034,482			
Unit/Building Construction/Rehab	-	-			
Project Amenities / Accessory Buildings	-	-			
Other:	-	-			
<b>Subtotal</b>	<b>4,034,482</b>	<b>4,034,482</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CONTRACTOR SERVICES</b>					
Builder's Overhead: 2.00%	93,313	92,657			
Builder Profit: 6.00%	279,938	277,972			
General Requirements 6.00%	279,938	273,679			
Payment/performance bond or letter-of-credit fee or premium	-	-			
<b>Subtotal</b>	<b>644,308</b>	<b>644,308</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Construction Costs</b>	<b>102,114.33 per unit</b>				
	<b>5,309,945</b>				
	<b>127.64 per sq ft</b>				

**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>CONSTRUCTION PERIOD FINANCING</b>					
Construction Loan Fee	37,611	37,611			
Construction Loan Interest	69,184	69,184			
Construction Legal Fees	9,673	9,673			
Construction Period Real Estate Tax	228	228			
Construction Insurance	3,081	3,081			
Bridge Loan Fee and Bridge Loan Interest	-				
Other: Title and Recording Fees	12,712	10,170			2,542
<b>Subtotal</b>	<b>132,489</b>	<b>129,947</b>	<b>-</b>	<b>-</b>	<b>2,542</b>
<b>PROFESSIONAL SERVICES</b>					
Architectural Fee - Design	136,000	136,000			
Architectural Fee - Supervision	41,626	41,626			
Engineering	63,517	63,517			
Real Estate Attorney	-	-			
Accounting	7,500	7,500			
Other: Material Testing, Earth Craft Fee & Third Party Insp	40,416	40,416			
<b>Subtotal</b>	<b>289,059</b>	<b>289,059</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>LOCAL GOVERNMENT FEES</b>					
Building Permits	6,189	6,189			
Impact Fees	4,050	4,050			
Water Tap Fees <i>waived?</i>	500	500			
Sewer Tap Fees <i>waived?</i>	5,000	5,000			
Real Estate Taxes	-				
<b>Subtotal</b>	<b>15,739</b>	<b>15,739</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>PERMANENT FINANCING FEES</b>					
Permanent Loan Fees	1,500				1,500
Permanent Loan Legal Fees	-				
Title and Recording Fees	-				
As-Built Survey	-				
Bond Issuance Premium	-				
Cost of Issuance / Underwriter's Discount	-				
Other:	-				
<b>Subtotal</b>	<b>1,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,500</b>

**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>DCA-RELATED COSTS</b>		<b>DCA-RELATED COSTS</b>			
DCA Loan Application Fee	-				-
Tax Credit Application Fee	8,500				8,500
DCA Waiver Fees	-				
LIHTC Allocation Processing Fee 39,843	45,535				45,535
LIHTC Compliance Monitoring Fee 36,400	41,600				41,600
DCA Front End Analysis Fee (when ID of Interest)	-				
DCA Final Inspection Fee	-				
Other:	-				
<b>Subtotal</b>	<b>95,635</b>				<b>95,635</b>
<b>EQUITY COSTS</b>		<b>EQUITY COSTS</b>			
Partnership Organization Fees	-				
Tax Credit Legal Opinion	-				
Other:	-				
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DEVELOPER'S FEE</b>		<b>DEVELOPER'S FEE</b>			
Developer's Overhead	424,826	424,826			
Consultant's Fee	-				
Developer's Fee	490,136	490,136			
<b>Subtotal</b>	<b>914,962</b>	<b>914,962</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>START-UP AND RESERVES</b>		<b>START-UP AND RESERVES</b>			
Marketing	15,000				15,000
Rent -Up Reserves	43,225				43,225
Operating Deficit Reserve:	97,781				97,781
Replacement Reserve	-				
Furniture, Fixtures and Equipment	57,651	57,651			
Other:	-				
<b>Subtotal</b>	<b>213,657</b>	<b>57,651</b>	<b>-</b>	<b>-</b>	<b>156,006</b>
<b>OTHER COSTS</b>		<b>OTHER COSTS</b>			
Relocation	-				
Other: Contingency	-				
Other:	-				
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL DEVELOPMENT COST</b>	<b>7,052,621</b>	<b>6,685,933</b>	<b>-</b>	<b>-</b>	<b>366,688</b>
<b>Per Unit</b>	<b>135,627.32</b>				
<b>Per Square Foot</b>	<b>169.53</b>				

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

**II. TAX CREDIT CALCULATION - BASIS METHOD**

	New Construction Basis	4% Acquisition Basis	Rehabilitation Basis
<b>Subtractions From Eligible Basis</b>			
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			
<b>Total Subtractions From Basis:</b>	<b>0</b>		<b>0</b>
<b>Eligible Basis Calculation</b>			
Total Basis	6,685,933	0	0
Less Total Subtractions From Basis (see above)	0		0
Total Eligible Basis	6,685,933	0	0
Eligible Basis Adjustment for DDA/QCT Location	130.00%		
Adjusted Eligible Basis	8,691,712	0	0
Multiply Adjusted Eligible Basis by Applicable Fraction	100.00%	100.00%	100.00%
Qualified Basis	8,691,712	0	0
Multiply Qualified Basis by Applicable Credit Percentage	9.00%		
Maximum Tax Credit Amount	782,254	0	0
<b>Total Basis Method Tax Credit Calculation</b>		<b>782,254</b>	

**III. TAX CREDIT CALCULATION - GAP METHOD**

<b>Equity Gap Calculation</b>			
Total Development Cost	7,052,621		
Subtract Non-LIHTC (excluding deferred fee) Source of Funds	150,110		
Equity Gap	6,902,511		
Divide Equity Gap by 10	/ 10		
Annual Equity Required	690,251		
Enter Final Federal and State Equity Factors (not including GP contribution)	1.1970	=	Federal
Total Gap Method Tax Credit Calculation	576,651		0.8970
			+ State
			0.3000

**IV. TAX CREDIT CARRYOVER ALLOCATION**

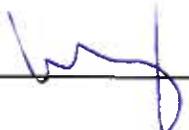
Allocation Year 2014

569,188

**V. FINAL TAX CREDIT ALLOCATION REQUEST**

569,188

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 

W. Daniel Hughes, Jr.  
Name - Please Type

2/14/17  
Date

