

POTEMKIN SENIOR VILLAGE OF WARNER ROBINS II

**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**

MARCH 29, 2018

INDEPENDENT AUDITOR'S REPORT

Owner's Name: Potemkin Senior Village of Warner Robins II, LP
Project Name: Potemkin Senior Village of Warner Robins II
Project Number: TCAA # 2014-046

To the Partners of
Potemkin Senior Village of Warner Robins II, LP

We have audited the costs included in the accompanying Tax Credit Allocation Agency ("TCAA") Final Cost Certification (the "Final Cost Certification") of Potemkin Senior Village of Warner Robins II, LP (the "Owner") for Potemkin Senior Village of Warner Robins II ("the Project") as of March 29, 2018.

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.

Auditors' 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 \$8,183,036, adjusted eligible basis of \$9,647,901 and a qualified basis of \$9,647,901 by the Owner for the Project as of March 29, 2018, on the basis of accounting described below.

Basis of Accounting

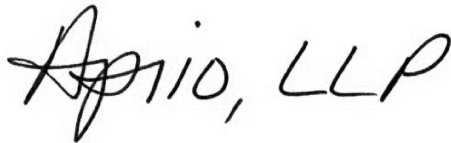
The Final Cost Certification is prepared in conformity with the accounting practices prescribed by the Internal Revenue Service under the accrual method of accounting, and in conformity with the format and qualified allocation plan rules set by TCAA, which is a basis of accounting other than accounting 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.

Very truly yours,

A handwritten signature in black ink that reads "Aprio, LLP". The signature is written in a cursive, stylized font.

Atlanta, Georgia

March 29, 2018

PART FOUR - USES OF FUNDS - Potemkin Senior Village of Warner Robins II - 2014-046

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	5,600	5,600			
Market Study	6,626	6,626			
Environmental Report(s)	17,289	17,289			
Soil Borings	11,500	11,500			
Boundary and Topographical Survey	7,675	7,675			
Zoning/Site Plan Fees	819	819			
Other:					
Subtotal	49,509	49,509	-	-	-
ACQUISITION					
Land	144,780				144,780
Demolition					
Acquisition Legal Fees (if existing structures)					
Existing Structures					
Subtotal	144,780		-		144,780
SITE IMPROVEMENTS					
Site Preparation (On-site)	1,616,060	1,616,060			
Site Preparation (Off-site)					
Subtotal	1,616,060	1,616,060	-	-	-
UNIT/BUILDING CONSTRUCTION					
Unit/Building Construction/New Construction	3,574,928	3,574,928			
Unit/Building Construction/Rehab					
Project Amenities / Accessory Buildings					
Other:					
Subtotal	3,574,928	3,574,928	-	-	-
CONTRACTOR SERVICES					
Builder's Overhead: 2.00%	103,820	103,820			
Builder Profit: 6.00%	311,459	311,459			
General Requirements 6.00%	311,459	310,733			
Payment/performance bond or letter-of-credit fee or premium					
Subtotal	726,012	726,012	-	-	-
Total Construction Costs	113,788.46 per unit				
	5,917,000	103.81 per sq ft			

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I. DEVELOPMENT COST SCHEDULE

	TOTAL COST	New Construction Basis	Acquisition Basis	Rehabilitation Basis	Amortizable or Non-Depreciable Basis
CONSTRUCTION PERIOD FINANCING					
Construction Loan Fee	48,400	48,400			
Construction Loan Interest	149,188	91,721			57,467
Construction Legal Fees	48,430	36,770			11,660
Construction Period Real Estate Tax	12,233	7,395			4,838
Construction Insurance	40,899	28,699			12,200
Bridge Loan Fee and Bridge Loan Interest					
Other:					
Subtotal	299,150	212,985	-	-	86,165
PROFESSIONAL SERVICES					
Architectural Fee - Design	52,953	52,953			
Architectural Fee - Supervision	13,275	13,275			
Engineering	75,110	75,110			
Real Estate Attorney	12,250	-			12,250
Accounting	30,525	30,525			
Other: Green Building (Earthcraft)	22,829	22,829			
Subtotal	206,942	194,692	-	-	12,250
LOCAL GOVERNMENT FEES					
Building Permits	8,717	8,717			
Impact Fees					
Water Tap Fees <i>waived?</i>	7,800	7,800			
Sewer Tap Fees <i>waived?</i>	7,800	7,800			
Real Estate Taxes					
Subtotal	24,317	24,317	-	-	-
PERMANENT FINANCING FEES					
Permanent Loan Fees					
Permanent Loan Legal Fees					
Title and Recording Fees	15,743	15,743			
As-Built Survey	8,800	8,800			
Bond Issuance Premium					
Cost of Issuance / Underwriter's Discount					
Other: Accessibility/Inspections/Construction Material Tes	38,569	38,569			
Subtotal	63,112	63,112	-	-	-

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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	4,000				4,000
LIHTC Allocation Processing Fee	46,380 53,006				53,006
LIHTC Compliance Monitoring Fee	36,400 41,600				41,600
DCA Front End Analysis Fee (when ID of Interest)					
DCA Final Inspection Fee	3,000				3,000
Other:					
Subtotal	108,106				108,106
EQUITY COSTS					
Partnership Organization Fees	19,164				19,164
Tax Credit Legal Opinion					
Other: Syndicator Legal	50,000				50,000
Subtotal	69,164	-	-	-	69,164
DEVELOPER'S FEE					
Developer's Overhead					
Consultant's Fee					
Developer's Fee	939,330	939,330			
Subtotal	939,330	939,330	-	-	-
START-UP AND RESERVES					
Marketing	9,259				9,259
Rent -Up Reserves	52,000				52,000
Operating Deficit Reserve:	192,298				192,298
Replacement Reserve	35,000				35,000
Furniture, Fixtures and Equipment	20,517	20,517			
Other: Prepaid Asset Management Fees	52,500				52,500
Subtotal	361,574	20,517	-	-	341,057
OTHER COSTS					
Relocation					
Other:					
Other: Miscellaneous Costs	52				52
Subtotal	52	-	-	-	52
TOTAL DEVELOPMENT COST	8,183,036	7,421,462	-	-	761,574
Per Unit	157,366.08				
Per Square Foot	143.56				

PART FOUR - USES OF FUNDS - Potemkin Senior Village of Warner Robins II - 2014-046

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	7,421,462	0	0
Less Total Subtractions From Basis (see above)	0		0
Total Eligible Basis	7,421,462	0	0
Eligible Basis Adjustment for DDA/QCT Location	130.00%		
Adjusted Eligible Basis	9,647,901	0	0
Multiply Adjusted Eligible Basis by Applicable Fraction	100.00%	100.00%	100.00%
Qualified Basis	9,647,901	0	0
Multiply Qualified Basis by Applicable Credit Percentage	9.00%		
Maximum Tax Credit Amount	868,311	0	0
Total Basis Method Tax Credit Calculation	868,311		

III. TAX CREDIT CALCULATION - GAP METHOD

Equity Gap Calculation			
Total Development Cost	8,183,036		
Subtract Non-LIHTC (excluding deferred fee) Source of Funds	110		
Equity Gap	8,182,926		
Divide Equity Gap by 10	/ 10		
Annual Equity Required	818,293		
Enter Final Federal and State Equity Factors (not including GP contribution)	1.2350	=	Federal 0.9000 + State 0.3350
Total Gap Method Tax Credit Calculation	662,585		

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 THREE - SOURCES OF FUNDS - Potemkin Senior Village of Warner Robins II - 2014-046

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								
Second Mortgage								
Third Mortgage								
Other Source (specify)								
Other Source (specify)								
Deferred Developer Fees	Potemkin Development, Inc.	1,392						
Federal Grant								
State, Local, or Private Grant								
Federal Housing Credit Equity	Affordable Equity Partners	5,902,297						
State Housing Credit Equity	Affordable Equity Partners	2,279,237						
Historic Credit Equity								
Investment Earnings from Tax-Exempt Bonds								
Investment Earnings from Taxable Bonds								
Income from Operations								
Other Source (specify) GP Capital Contribution	Potemkin Development	100						
Other Source (specify) Special Limited Partner Capital	Affordable Equity Partners	10						
Other Source (specify)								
Total Permanent Financing:		8,183,036						
Total Development Costs from Development Cost Schedule:		8,183,036						
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

