

**Tab 4**

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

**A.L. MILLER 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**

**MAY 7, 2017**

INDEPENDENT AUDITOR'S REPORT

Owner's Name: A.L. Miller Village, LP  
Project Name: A. L. Miller Village  
Project Number: TCAA # 2014-052

To the Partners  
A.L. Miller Village, LP

We have audited the costs included in the accompanying Tax Credit Allocation Agency ("TCAA") Final Cost Certification (the "Final Cost Certification") of A.L. Miller Village, LP (the "Owner") for A. L. Miller Village ("the Project") as of May 7, 2017.

**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 \$15,466,501, eligible basis for new construction of \$1,506,080, eligible basis for rehabilitation of \$10,728,182, adjusted eligible basis for new construction of \$1,957,905 and adjusted eligible basis for rehabilitation of \$13,946,637 by the Owner for the Project as of May 7, 2017, on the basis of accounting described below.

## **Basis of Accounting**

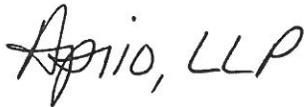
The Final Cost Certification is prepared in conformity with the accounting practices prescribed by the Internal Revenue Service under the accrual method of accounting, and in conformity with the format and qualified allocation plan rules set by TCAA, which is a basis of accounting other than accounting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

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

Atlanta, Georgia

June 26, 2017

PART FOUR - USES OF FUNDS - A.L. Miller Village - 2014-052

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 |
|---|--------------|------------------------|-------------------|----------------------|--------------------------------------|
| <b>PRE-DEVELOPMENT COSTS</b>                                |              |                        |                   |                      |                                      |
| Property Appraisal  | 7,811        | 572                    |                   | 7,239                |                                      |
| Market Study  | 42,617       | 3,121                  |                   | 39,496               |                                      |
| Environmental Report(s)                                     | 3,350        | 245                    |                   | 3,105                |                                      |
| Soil Borings  | 19,800       | 1,450                  |                   | 18,350               |                                      |
| Boundary and Topographical Survey                           | 3,635        | 266                    |                   | 3,369                |                                      |
| Zoning/Site Plan Fees                                       | 4,121        | 302                    |                   | 3,819                |                                      |
| Other: Aerial photos / Phys Needs Assess                    | 81,334       | 5,956                  |                   | 75,378               |                                      |
| <b>Subtotal</b>   |              |                        |                   |                      |                                      |
|   |              |                        |                   |                      |                                      |
| <b>ACQUISITION</b>  |              |                        |                   |                      |                                      |
| Land  | 100,000      |                        |                   |                      | 100,000                              |
| Demolition  |              |                        |                   |                      |                                      |
| Acquisition Legal Fees (if existing structures)             | 150,000      |                        |                   |                      | 150,000                              |
| Existing Structures   | 250,000      |                        |                   |                      | 250,000                              |
| <b>Subtotal</b>   |              |                        |                   |                      |                                      |
|   |              |                        |                   |                      |                                      |
| <b>SITE IMPROVEMENTS</b>                                    |              |                        |                   |                      |                                      |
| Site Preparation (On-site)                                  | 828,115      | 84,313                 |                   | 660,990              | 82,812                               |
| Site Preparation (Off-site)                                 | 828,115      | 84,313                 |                   | 660,990              | 82,812                               |
| <b>Subtotal</b>   |              |                        |                   |                      |                                      |
|   |              |                        |                   |                      |                                      |
| <b>UNIT/BUILDING CONSTRUCTION</b>                           |              |                        |                   |                      |                                      |
| Unit/Building Construction/New Construction                 | 1,025,492.00 | 1,025,492              |                   |                      |                                      |
| Unit/Building Construction/Rehab                            | 8,039,522    |                        |                   | 8,039,522            |                                      |
| Project Amenities / Accessory Buildings                     |              |                        |                   |                      |                                      |
| Other:  |              |                        |                   |                      |                                      |
| <b>Subtotal</b>   | 9,065,014    | 1,025,492              |                   | 8,039,522            |                                      |
|   |              |                        |                   |                      |                                      |
| <b>CONTRACTOR SERVICES</b>                                  |              |                        |                   |                      |                                      |
| Builder's Overhead:   | 197,863      | 22,382                 |                   | 175,468              |                                      |
| Builder Profit:   | 593,588      | 67,140                 |                   | 526,360              |                                      |
| General Requirements  | 593,588      | 67,101                 |                   | 526,054              |                                      |
| Payment/performance bond or letter-of-credit fee or premium | 117,892      | 8,632                  |                   | 109,260              |                                      |
| <b>Subtotal</b>   | 1,502,397    | 165,255                |                   | 1,337,142            |                                      |
| <b>Total Construction Costs</b>                             | 11,395,526   | 160,500.37             |                   | 10,051,664.67        |                                      |
|   |              | 166.16                 |                   | 166.16               |                                      |
|   |              | per unit               |                   | 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 |
|---|----------------|------------------------|-------------------|----------------------|--------------------------------------|
| <b>CONSTRUCTION PERIOD FINANCING</b>        |                |                        |                   |                      |                                      |
| Construction Loan Fee                       | 78,167         | 4,231                  |                   | 53,545               | 20,391                               |
| Construction Loan Interest                  | 266,699        | 9,061                  |                   | 114,684              | 142,954                              |
| Construction Legal Fees                     | 25,000         | 1,373                  |                   | 17,377               | 6,250                                |
| Construction Period Real Estate Tax         | 7,562          | 384                    |                   | 4,862                | 2,316                                |
| Construction Insurance                      | 84,199         | 3,560                  |                   | 45,055               | 35,584                               |
| Bridge Loan Fee and Bridge Loan Interest    |                |                        |                   |                      |                                      |
| Other:                                      |                |                        |                   |                      |                                      |
| <b>Subtotal</b>                             | <b>461,627</b> | <b>18,609</b>          | <b>-</b>          | <b>235,523</b>       | <b>207,495</b>                       |
| <b>PROFESSIONAL SERVICES</b>                |                |                        |                   |                      |                                      |
| Architectural Fee - Design                  | 500,000        | 36,612                 |                   | 463,388              |                                      |
| Architectural Fee - Supervision             | 50,000         | 3,661                  |                   | 46,339               |                                      |
| Engineering                                 | 76,876         | 5,629                  |                   | 71,247               |                                      |
| Real Estate Attorney                        | 74,000         | 4,064                  |                   | 51,436               | 18,500                               |
| Accounting                                  | 29,990         | 1,830                  |                   | 23,160               | 5,000                                |
| Other: Accessibility, Printing, Inspections | 26,012         | 1,905                  |                   | 24,107               |                                      |
| <b>Subtotal</b>                             | <b>756,878</b> | <b>53,701</b>          | <b>-</b>          | <b>679,677</b>       | <b>23,500</b>                        |
| <b>LOCAL GOVERNMENT FEES</b>                |                |                        |                   |                      |                                      |
| Building Permits                            | 38,250         | 2,801                  |                   | 35,449               |                                      |
| Impact Fees                                 |                |                        |                   |                      |                                      |
| Water Tap Fees                              | 96,168         | 7,042                  |                   | 89,126               |                                      |
| Sewer Tap Fees                              |                |                        |                   |                      |                                      |
| Real Estate Taxes                           |                |                        |                   |                      |                                      |
| <b>Subtotal</b>                             | <b>134,418</b> | <b>9,843</b>           | <b>-</b>          | <b>124,575</b>       | <b>-</b>                             |
| <b>PERMANENT FINANCING FEES</b>             |                |                        |                   |                      |                                      |
| Permanent Loan Fees                         |                |                        |                   |                      |                                      |
| Permanent Loan Legal Fees                   |                |                        |                   |                      |                                      |
| Title and Recording Fees                    | 25,034         | 1,821                  |                   | 23,050               | 163                                  |
| As-Built Survey                             | 7,200          | 527                    |                   | 6,673                |                                      |
| Bond Issuance Premium                       |                |                        |                   |                      |                                      |
| Cost of Issuance / Underwriter's Discount   |                |                        |                   |                      |                                      |
| Other:                                      |                |                        |                   |                      |                                      |
| <b>Subtotal</b>                             | <b>32,234</b>  | <b>2,348</b>           | <b>-</b>          | <b>29,723</b>        | <b>163</b>                           |

PART FOUR - USES OF FUNDS - A.L. Miller Village - 2014-052

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 |
|---|-------------------|------------------------|-------------------|----------------------|--------------------------------------|
| <b>DCA-RELATED COSTS</b>                                  |                   |                        |                   |                      |                                      |
| DCA Loan Application Fee                                  | 6,500             |                        |                   |                      | 6,500                                |
| Tax Credit Application Fee                                |                   |                        |                   |                      | 75,955                               |
| DCA Waiver Fees   | 66,461            |                        |                   |                      | 63,100                               |
| LIHTC Allocation Processing Fee                           | 49,700            |                        |                   |                      | 3,000                                |
| LIHTC Compliance Monitoring Fee                           |                   |                        |                   |                      | 2,500                                |
| DCA Front End Analysis Fee (when ID of Interest)          |                   |                        |                   |                      | 151,055                              |
| DCA Final Inspection Fee                                  |                   |                        |                   |                      |                                      |
| Other: Cost Waiver and Concept Change                     |                   |                        |                   |                      |                                      |
| <b>Subtotal</b>   | <b>151,055</b>    |                        |                   |                      |                                      |
| <b>EQUITY COSTS</b>                                       |                   |                        |                   |                      |                                      |
| Partnership Organization Fees                             | 2,019             |                        |                   |                      | 2,019                                |
| Tax Credit Legal Opinion                                  |                   |                        |                   |                      |                                      |
| Other:  |                   |                        |                   |                      |                                      |
| <b>Subtotal</b>   | <b>2,019</b>      |                        |                   |                      |                                      |
| <b>DEVELOPER'S FEE</b>                                    |                   |                        |                   |                      |                                      |
| Developer's Overhead                                      | 793,858           | 58,130                 |                   | 735,728              |                                      |
| Consultant's Fee  |                   | 58,129                 |                   | 735,728              |                                      |
| Developer's Fee   |                   | 116,259                |                   | 1,471,456            |                                      |
| <b>Subtotal</b>   | <b>1,587,715</b>  |                        |                   |                      |                                      |
| <b>START-UP AND RESERVES</b>                              |                   |                        |                   |                      |                                      |
| Marketing   | 14,200            |                        |                   |                      | 14,200                               |
| Rent -Up Reserves   | 89,194            |                        |                   |                      | 89,194                               |
| Operating Deficit Reserve:                                |                   |                        |                   |                      |                                      |
| Replacement Reserve                                       | 178,388           |                        |                   |                      | 178,388                              |
| Furniture, Fixtures and Equipment                         | 80,000            | 5,858                  |                   | 74,142               |                                      |
| Other: ECFM Des., Site Light., Green Bldg Cons., Historic | 251,913           | 18,446                 |                   | 233,467              |                                      |
| <b>Subtotal</b>   | <b>613,695</b>    | <b>24,304</b>          |                   | <b>307,609</b>       | <b>281,782</b>                       |
| <b>OTHER COSTS</b>  |                   |                        |                   |                      |                                      |
| Relocation  |                   |                        |                   |                      |                                      |
| Other:  |                   |                        |                   |                      |                                      |
| Other:  |                   |                        |                   |                      |                                      |
| <b>Subtotal</b>   |                   |                        |                   |                      |                                      |
| <b>TOTAL DEVELOPMENT COST</b>                             | <b>15,466,501</b> | <b>1,506,080</b>       |                   | <b>12,961,595</b>    | <b>998,826</b>                       |
| <b>Per Unit</b>   | <b>217,838.04</b> |                        |                   |                      |                                      |
| <b>Per Square Foot</b>                                    | <b>225.52</b>     |                        |                   |                      |                                      |





PART THREE - SOURCES OF FUNDS - A.L. Miller Village - 2014-052

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  |   |                  |                       |              |                |                                 |           |          |
| Second Mortgage   |   |                  |                       |              |                |                                 |           |          |
| Third Mortgage  |   |                  |                       |              |                |                                 |           |          |
| Other Source (specify)                                      |   |                  |                       |              |                |                                 |           |          |
| Other Source (specify)                                      |   |                  |                       |              |                |                                 |           |          |
| Deferred Developer Fees                                     | Peachtree-Oracle Housing Communities    | 9,073            |                       |              |                |                                 |           |          |
| Federal Grant   |   |                  |                       |              |                |                                 |           |          |
| State, Local, or Private Grant                              |   |                  |                       |              |                |                                 |           |          |
| Federal Housing Credit Equity                               | Tax Credit Holdings - AL Miller, L.L.C. | 8,763,194        |                       |              |                |                                 |           |          |
| State Housing Credit Equity                                 | Tax Credit Holdings - AL Miller, L.L.C. | 3,316,621        |                       |              |                |                                 |           |          |
| Historic Credit Equity                                      | Tax Credit Holdings - AL Miller, L.L.C. | 3,377,613        |                       |              |                |                                 |           |          |
| Investment Earnings from Tax-Exempt Bonds                   |   |                  |                       |              |                |                                 |           |          |
| Investment Earnings from Taxable Bonds                      |   |                  |                       |              |                |                                 |           |          |
| Income from Operations                                      |   |                  |                       |              |                |                                 |           |          |
| Other Source (specify)                                      |   |                  |                       |              |                |                                 |           |          |
| Other Source (specify)                                      |   |                  |                       |              |                |                                 |           |          |
| Other Source (specify)                                      |   |                  |                       |              |                |                                 |           |          |
| Total Permanent Financing:                                  |   | 15,466,501       |                       |              |                |                                 |           |          |
| Total Development Costs from Development Cost Schedule:     |   | 15,466,501       |                       |              |                |                                 |           |          |
| 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

|   |
|---|
| Total tax credit rehabilitation basis of \$12,961,595 less ineligible historic tax credit basis items of \$1,794,532 = \$11,167,063 of historic tax credit basis.   |
| Federal historic tax credit basis of \$11,67,063 times 20% = \$2,333,413; Total federal historic tax credits of \$2,233,413 times 99.98% times an equity factor of \$ .95 = \$2,121,318 of federal historic tax credit equity |
| State historic tax credit basis of \$11,167,063 times 25% = \$2,791,766; Total state historic tax credits of \$2,791,766 times 100.00% times an equity factor of \$ .45 = \$1,256,295 of state historic tax credit equity     |
| Total historic credit equity above of \$3,377,613 is made up of \$2,121,318 of federal historic tax credit equity plus \$1,256,295 of state historic tax credit equity.   |



