

Tab 4

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

PARK SENIOR 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**

NOVEMBER 17, 2016

INDEPENDENT AUDITORS' REPORT

Owner's Name: Park Senior Village, LP
Project Name: Park Senior Village
Project Number: TCAA # 2014-054

To the Partners
Park Senior Village, LP

We have audited the costs included in the accompanying Tax Credit Allocation Agency ("TCAA") Final Cost Certification (the "Final Cost Certification") of Park Senior Village, LP (the "Owner") for Park Senior Village ("the Project") as of November 17, 2016.

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 \$7,654,026 and eligible basis of \$6,753,863, as of November 17, 2016, 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.

Aprio, LLP

Atlanta, Georgia

February 11, 2017

PART FOUR - USES OF FUNDS - Park Senior Village - 2014-054

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	8,000	8,000			
Market Study	6,619	6,619			
Environmental Report(s)	6,894	6,894			
Soil Borings	6,520	6,520			
Boundary and Topographical Survey	12,230	12,230			
Zoning/Site Plan Fees	2,571	2,571			
Other:					
Subtotal	42,834	42,834			
ACQUISITION					
Land	441,000				441,000
Demolition					
Acquisition Legal Fees (if existing structures)					
Existing Structures					
Subtotal	441,000				441,000
SITE IMPROVEMENTS					
Site Preparation (On-site)	1,085,691	977,122			108,569
Site Preparation (Off-site)					
Subtotal	1,085,691	977,122			108,569
UNIT/BUILDING CONSTRUCTION					
Unit/Building Construction/New Construction	4,157,888	4,157,888			
Unit/Building Construction/Rehab					
Project Amenities / Accessory Buildings					
Other:					
Subtotal	4,157,888	4,157,888			
CONTRACTOR SERVICES					
Builder's Overhead: 2.00%	104,872	-			
Builder Profit: 6.00%	314,615	(407,294)			
General Requirements 6.00%	314,615	300,372			
Payment/performance bond or letter-of-credit fee or premium	42,632	42,632			
Subtotal	(64,290)	(64,290)			
Total Construction Costs	103,585.78 per unit				
	5,179,289				
	104.00 per sq ft				

PART FOUR - USES OF FUNDS - Park Senior Village - 2014-054

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	32,788	32,788			
Construction Loan Interest	88,433	63,644			
Construction Legal Fees	66,000	49,500			24,789
Construction Period Real Estate Tax	4,559	3,163			16,500
Construction Insurance	2,753	2,450			1,396
Bridge Loan Fee and Bridge Loan Interest					303
Other:					
Subtotal	194,533	151,545	-	-	42,988
PROFESSIONAL SERVICES					
Architectural Fee - Design	108,000	108,000			
Architectural Fee - Supervision	22,000	22,000			
Engineering	48,500	48,500			
Real Estate Attorney	32,500	24,375			8,125
Accounting	12,150	12,150			
Other: Accessibility, Constr Inspection, Landscape Arch	20,500	20,500			
Subtotal	243,650	235,525	-	-	8,125
LOCAL GOVERNMENT FEES					
Building Permits	11,391	11,391			
Impact Fees					
Water Tap Fees <i>waived?</i>	90,500	90,500			
Sewer Tap Fees <i>waived?</i>	109,395	109,395			
Real Estate Taxes					
Subtotal	211,286	211,286	-	-	-
PERMANENT FINANCING FEES					
Permanent Loan Fees					
Permanent Loan Legal Fees					
Title and Recording Fees	20,507	19,325			1,182
As-Built Survey	4,600	4,600			
Bond Issuance Premium					
Cost of Issuance / Underwriter's Discount					
Other:					
Subtotal	25,107	23,925	-	-	1,182

PART FOUR - USES OF FUNDS - Park Senior Village - 2014-054

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	2,000				2,000
Tax Credit Application Fee	6,500				6,500
DCA Waiver Fees					
LIHTC Allocation Processing Fee	32,945				37,650
LIHTC Compliance Monitoring Fee	35,000				40,000
DCA Front End Analysis Fee (when ID of Interest)					
DCA Final Inspection Fee	3,000				3,000
Other:					
Subtotal	89,150				89,150
EQUITY COSTS					
Partnership Organization Fees	1,599				1,599
Tax Credit Legal Opinion					
Other:					
Subtotal	1,599				1,599
DEVELOPER'S FEE					
Developer's Overhead					
Consultant's Fee					
Developer's Fee	911,164	911,164			
Subtotal	911,164	911,164			
START-UP AND RESERVES					
Marketing	10,000				10,000
Rent -Up Reserves	49,375				49,375
Operating Deficit Reserve:	117,085				117,085
Replacement Reserve					
Furniture, Fixtures and Equipment	30,948	30,948			
Other: Tax and Insurance Escrow	25,272				25,272
Subtotal	232,680	30,948			201,732
OTHER COSTS					
Relocation					
Other: Construction Materials Testing, Earthcraft, ECC	70,986	70,986			
Other: Site lighting, UA Analysis	10,748	4,930			5,818
Subtotal	81,734	75,916			5,818
TOTAL DEVELOPMENT COST	7,654,026	6,753,863			900,163
Per Unit	153,080.52				
Per Square Foot	153.70				

PART FOUR - USES OF FUNDS - Park Senior Village - 2014-054

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	6,753,863	0	0
Less Total Subtractions From Basis (see above)	0		0
Total Eligible Basis	6,753,863	0	0
Eligible Basis Adjustment for DDA/QCT Location	100.00%		
Adjusted Eligible Basis	6,753,863	0	0
Multiply Adjusted Eligible Basis by Applicable Fraction	100.00%	100.00%	100.00%
Qualified Basis	6,753,863	0	0
Multiply Qualified Basis by Applicable Credit Percentage	9.00%		
Maximum Tax Credit Amount	607,848	0	0
Total Basis Method Tax Credit Calculation		607,848	

III. TAX CREDIT CALCULATION - GAP METHOD

Equity Gap Calculation			
Total Development Cost	7,654,026		
Subtract Non-LIHTC (excluding deferred fee) Source of Funds	1,875,110		
Equity Gap	5,778,916		
Divide Equity Gap by 10	/ 10		
Annual Equity Required	577,892		
Enter Final Federal and State Equity Factors (not including GP contribution)	1.2250	=	Federal 0.9000 + State 0.3250
Total Gap Method Tax Credit Calculation	471,748		


IV. TAX CREDIT CARRYOVER ALLOCATION

Allocation Year

470,645
470,645

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

Josh Thomason
Name - Please Type

2/15/17
Date

CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS

VI. OWNER COMMENTS AND CLARIFICATIONS

PART THREE - SOURCES OF FUNDS - Park Senior Village - 2014-054

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	DCA Home Loan	1,875,000	1.000%	20	20	103,476	DCA HOME IPS	Yes
Second Mortgage								
Third Mortgage								
Other Source (specify)								
Other Source (specify)								
Deferred Developer Fees	Peachtree Housing Communities	14,362	0.000%	13			Cash Flow	
Federal Grant								
State, Local, or Private Grant								
Federal Housing Credit Equity	Affordable Equity Partners	4,192,600						
State Housing Credit Equity	Affordable Equity Partners	1,571,954						
Historic Credit Equity								
Investment Earnings from Tax-Exempt Bonds								
Investment Earnings from Taxable Bonds								
Income from Operations								
Other Source (specify) GP Contribution	Lee Housing Ventures II, LLC	100						
Other Source (specify) SLP Contribution	Affordable Equity Partners	10						
Other Source (specify)								
Total Permanent Financing:		7,654,026						
Total Development Costs from Development Cost Schedule:		7,654,026						
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

