

**PART FOUR - USES OF FUNDS - Tan Yard Branch II Apartments - 2014-522**

**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	0	665,094	1,060,393
Less Total Subtractions From Basis (see above)	0		0
Total Eligible Basis	0	665,094	1,060,393
Eligible Basis Adjustment for DDA/QCT Location			100.00%
Adjusted Eligible Basis	0	665,094	1,060,393
Multiply Adjusted Eligible Basis by Applicable Fraction	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
Qualified Basis	0	665,094	1,060,393
Multiply Qualified Basis by Applicable Credit Percentage		3.22%	3.22%
Maximum Tax Credit Amount	0	21,416	34,145
Total Basis Method Tax Credit Calculation		<b>55,561</b>	

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

<b>Equity Gap Calculation</b>			
Total Development Cost	2,059,873		
Subtract Non-LIHTC (excluding deferred fee) Source of Funds	1,650,106		
Equity Gap	409,767		
Divide Equity Gap by 10	/ 10		
Annual Equity Required	40,977		
Enter Final Federal and State Equity Factors (not including GP contribution)	0.5586	=	Federal
Total Gap Method Tax Credit Calculation	<b>73,356</b>		State
			0.3386 + 0.2200

**IV. TAX CREDIT CARRYOVER ALLOCATION**

Allocation Year 2015

**V. FINAL TAX CREDIT ALLOCATION REQUEST**

55,561

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 \_\_\_\_\_





**BLAIRSVILLE TAN YARD BRANCH PHASE II, 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**  
**AND**  
**50% CALCULATION**

**DECEMBER 31, 2015**



Certified Public Accountants and Business Advisors

## INDEPENDENT AUDITOR'S REPORT

Owner's Name: Blairsville Tan Yard Branch Phase II, LP  
Project Name: Tan Yard Branch II Apartments  
Project Number: TCAA # 2014-522

To the Partners  
Blairsville Tan Yard Branch Phase II, LP

We have audited the costs included in the accompanying Tax Credit Allocation Agency ("TCAA") Final Cost Certification (the "Final Cost Certification") of Blairsville Tan Yard Branch Phase II, LP (the "Owner") for Tan Yard Branch II Apartments ("the Project") as of December 31, 2015.

### **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 \$2,059,873 and eligible basis of \$1,725,487, and that fifty-six and three-tenths percent 56.3% of the aggregate basis of the building and the land of \$1,764,306 were financed with tax-exempt bond proceeds of \$993,912 by the Owner for the Project as of December 31, 2015, on the basis of accounting described below.

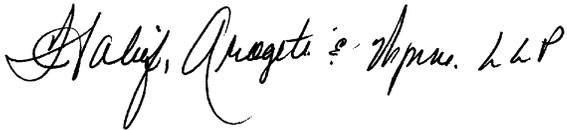
## Basis of Accounting

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.

A handwritten signature in cursive script that reads "Halij, Aroneta & Wynn, LLP".

Atlanta, Georgia

March 10, 2016

PART FOUR - USES OF FUNDS - Tan Yard Branch II Apartments - 2014-522

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	3,871			3,871	
Market Study	3,550			3,550	
Environmental Report(s)	6,000			6,000	
Soil Borings					
Boundary and Topographical Survey	10,569			10,569	
Zoning/Site Plan Fees					
Other: Accessibility Review	5,250			5,250	
<b>Subtotal</b>	<b>29,240</b>	<b>-</b>	<b>-</b>	<b>29,240</b>	<b>-</b>
<b>ACQUISITION</b>					
Land	38,819				38,819
Demolition					-
Acquisition Legal Fees (if existing structures)			-		
Existing Structures	578,343		578,343		
<b>Subtotal</b>	<b>617,162</b>	<b>-</b>	<b>578,343</b>	<b>-</b>	<b>38,819</b>
<b>SITE IMPROVEMENTS</b>					
Site Preparation (On-site)	150,506			150,506	
Site Preparation (Off-site)					
<b>Subtotal</b>	<b>150,506</b>	<b>-</b>	<b>-</b>	<b>150,506</b>	<b>-</b>
<b>UNIT/BUILDING CONSTRUCTION</b>					
Unit/Building Construction/New Construction	613,989			613,989	
Unit/Building Construction/Rehab				-	
Project Amenities / Accessory Buildings					
Other:					
<b>Subtotal</b>	<b>613,989</b>	<b>-</b>	<b>-</b>	<b>613,989</b>	<b>-</b>
<b>CONTRACTOR SERVICES</b>					
Builder's Overhead: 2.00%	15,290			13,269	
Builder Profit: 6.00%	45,870			39,807	
General Requirements 6.00%	45,870			20,256	
Payment/performance bond or letter-of-credit fee or premium	6,794			6,794	
<b>Subtotal</b>	<b>80,126</b>	<b>-</b>	<b>-</b>	<b>80,126</b>	<b>-</b>
<b>Total Construction Costs</b>	<b>33,784.84 per unit</b>				
<b>844,621</b>	<b>49.35 per sq ft</b>				

PART FOUR - USES OF FUNDS - Tan Yard Branch II Apartments - 2014-522

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>CONSTRUCTION PERIOD FINANCING</b>			<b>CONSTRUCTION PERIOD FINANCING</b>		
Construction Loan Fee					
Construction Loan Interest	3,530				3,530
Construction Legal Fees					
Construction Period Real Estate Tax					
Construction Insurance					
Bridge Loan Fee and Bridge Loan Interest	1,000			1,000	
Other: Green Rebate Costs/Rehab inspection fees	5,000			5,000	
<b>Subtotal</b>	<b>9,530</b>	<b>-</b>	<b>-</b>	<b>6,000</b>	<b>3,530</b>
<b>PROFESSIONAL SERVICES</b>			<b>PROFESSIONAL SERVICES</b>		
Architectural Fee - Design	20,000			20,000	
Architectural Fee - Supervision					
Engineering					
Real Estate Attorney	18,500			18,500	
Accounting	15,000			15,000	
Other:					
<b>Subtotal</b>	<b>53,500</b>	<b>-</b>	<b>-</b>	<b>53,500</b>	<b>-</b>
<b>LOCAL GOVERNMENT FEES</b>			<b>LOCAL GOVERNMENT FEES</b>		
Building Permits	210			210	
Impact Fees					
Water Tap Fees <i>waived?</i>					
Sewer Tap Fees <i>waived?</i>					
Real Estate Taxes					
<b>Subtotal</b>	<b>210</b>	<b>-</b>	<b>-</b>	<b>210</b>	<b>-</b>
<b>PERMANENT FINANCING FEES</b>			<b>PERMANENT FINANCING FEES</b>		
Permanent Loan Fees	34,398				34,398
Permanent Loan Legal Fees	14,833				14,833
Title and Recording Fees	7,445			7,445	
As-Built Survey					
Bond Issuance Premium				-	
Cost of Issuance / Underwriter's Discount	30,476				30,476
Other:				-	
<b>Subtotal</b>	<b>87,152</b>	<b>-</b>	<b>-</b>	<b>7,445</b>	<b>79,707</b>

PART FOUR - USES OF FUNDS - Tan Yard Branch II Apartments - 2014-522

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>		<b>DCA-RELATED COSTS</b>			
DCA Loan Application Fee					-
Tax Credit Application Fee	5,000				5,000
DCA Waiver Fees	3,000				3,000
LIHTC Allocation Processing Fee	3,889 4,597				4,597
LIHTC Compliance Monitoring Fee	17,500 10,000				10,000
DCA Front End Analysis Fee (when ID of Interest)					-
DCA Final Inspection Fee					-
Other:					-
<b>Subtotal</b>	<b>22,597</b>				<b>22,597</b>
<b>EQUITY COSTS</b>		<b>EQUITY COSTS</b>			
Partnership Organization Fees					
Tax Credit Legal Opinion					
Other: Due Diligence Fee	15,000				15,000
<b>Subtotal</b>	<b>15,000</b>	-	-	-	<b>15,000</b>
<b>DEVELOPER'S FEE</b>		<b>DEVELOPER'S FEE</b>			
Developer's Overhead	-				
Consultant's Fee	23,000				
Developer's Fee	176,904		86,751	90,153	
<b>Subtotal</b>	<b>199,904</b>	-	<b>86,751</b>	<b>113,153</b>	-
<b>START-UP AND RESERVES</b>		<b>START-UP AND RESERVES</b>			
Marketing					-
Rent -Up Reserves					-
Operating Deficit Reserve:	86,490				86,490
Replacement Reserve	57,950				57,950
Furniture, Fixtures and Equipment	5,000			5,000	
Other: Cash required by RD/ Rental assistance reserve	30,293				30,293
<b>Subtotal</b>	<b>179,733</b>	-	-	<b>5,000</b>	<b>174,733</b>
<b>OTHER COSTS</b>		<b>OTHER COSTS</b>			
Relocation	1,224			1,224	
Other:					
Other:					
<b>Subtotal</b>	<b>1,224</b>	-	-	<b>1,224</b>	-
<b>TOTAL DEVELOPMENT COST</b>	<b>2,059,873</b>	-	<b>665,094</b>	<b>1,060,393</b>	<b>334,386</b>
<b>Per Unit</b>	<b>82,394.92</b>				
<b>Per Square Foot</b>	<b>120.35</b>				

PART FOUR - USES OF FUNDS - Tan Yard Branch II Apartments - 2014-522

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	0	665,094	1,060,393
Less Total Subtractions From Basis (see above)	0		0
Total Eligible Basis	0	665,094	1,060,393
Eligible Basis Adjustment for DDA/QCT Location			100.00%
Adjusted Eligible Basis	0	665,094	1,060,393
Multiply Adjusted Eligible Basis by Applicable Fraction	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
Qualified Basis	0	665,094	1,060,393
Multiply Qualified Basis by Applicable Credit Percentage		3.22%	3.22%
Maximum Tax Credit Amount	0	21,416	34,145
Total Basis Method Tax Credit Calculation		<b>55,561</b>	

III. TAX CREDIT CALCULATION - GAP METHOD

See modified version

<b>Equity Gap Calculation</b>			
Total Development Cost	2,059,873		
Subtract Non-LIHTC (excluding deferred fee) Source of Funds	1,650,106		
Equity Gap	409,767		
Divide Equity Gap by 10	/ 10		
Annual Equity Required	40,977		
Enter Final Federal and State Equity Factors (not including GP contribution)	0.5800	=	Federal
Total Gap Method Tax Credit Calculation	<b>70,649</b>		0.3550 + State
			0.2250

IV. TAX CREDIT CARRYOVER ALLOCATION

Allocation Year 2015

V. FINAL TAX CREDIT ALLOCATION REQUEST

55,561

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 - Tan Yard Branch II Apartments - 2014-522**

**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	538 Loan	960,900	4.800%	40	40	54,082	Amortizing	
Second Mortgage	515 USDA Loan	689,206	3.375%	30	50	28,555	Amortizing	
Third Mortgage								
Other Source (specify)								
Other Source (specify)								
Deferred Developer Fees	Rea Ventures Group, LLC	99,367						
Federal Grant								
State, Local, or Private Grant								
Federal Housing Credit Equity	CSG MT I, LLC	188,152						
State Housing Credit Equity	CSG SLP, LLC	122,248						
Historic Credit Equity								
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:		<b>2,059,873</b>						
Total Development Costs from Development Cost Schedule:		<b>2,059,873</b>						
Surplus/(Shortage) of Permanent Funds to Development Costs:		<b>0</b>						

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**

The equity calculation reported in the sources of funds above is based on the blended rate in article v of the partnership agreement.





**PART ELEVEN - 50% TEST - Tan Yard Branch II Apartments - 2014-522**

Project Name: Tan Yard Branch II Apartments DCA Project Nbr: 2014-522

- 1.) Tax-exempt bond proceeds: 993912
  
- 2.) Aggregate basis of building and land: 1764306
  
- 3.) Percentage of aggregate basis financed by tax-exempt bonds: 56.3%