

EUREKA HEIGHTS, 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**

SEPTEMBER 30, 2015

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INDEPENDENT AUDITORS' REPORT

Owner's Name: Eureka Heights, LP
Project Name: Eureka Heights Apartments
Project Number: 2013-017

We have audited the costs included in the accompanying Georgia Department of Community Affairs (DCA) Certification of Actual Cost and Opinion as to Eligible Basis, the Owner's Certification of Funding Sources and Project Subsidy, and the building allocation of Qualified Basis Worksheet (the "Final Cost Certification") of Eureka Heights, LP ("the Owner") for Eureka Heights Apartments ("the Project") as of September 30, 2015. The Final Cost Certification is the responsibility of the Owner and the Owner's management. Our responsibility is to express an opinion on the Final Cost Certification based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the Final Cost Certification. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Final Cost Certification presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Final 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.

In our opinion the Final Cost Certification presents fairly, in all material respects, the actual costs of \$8,578,894 and adjusted eligible basis of \$10,514,941 of the Owner for the Project as of September 30, 2015, on the basis of accounting described above.

This report is intended solely for the information and use of the Owner and the Owner's management and for filing with DCA 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.

Henderson & Godbee, LLP
Henderson & Godbee, LLP
Certified Public Accountants

Valdosta, Georgia
November 10, 2015

PART THREE - SOURCES OF FUNDS - Eureka Heights - 2013-017

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	Family Visions Outreach (AHP)	550,000	0.500%	20	20	28,904	Amortizing	Yes
Second Mortgage								
Third Mortgage								
Other Source (specify)								
Other Source (specify)								
Deferred Developer Fees	Development Team	67,478						
Federal Grant								
State, Local, or Private Grant								
Federal Housing Credit Equity	Stratford Capital Group, LLC	5,475,107						
State Housing Credit Equity	Gardner Capital/SCG Eureka-GA, LLC	2,486,309						
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:		8,578,894						
Total Development Costs from Development Cost Schedule:		8,578,894						
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

Federal Housing Credit Equity total of \$5,475,107 is made up of \$5,420,371 and \$54,736 from the Federal Investor Limited Partner Stratford Capital Group, LLC and the State Investor Limited Partner Gardner Capital/SCG Eureka-GA, LLC, respectively.

PART FOUR - USES OF FUNDS - Eureka Heights - 2013-017

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	4,650	4,650			
Market Study	12,993	12,993			
Environmental Report(s)	12,346	12,346			
Soil Borings	4,350	4,350			
Boundary and Topographical Survey	15,178	15,178			
Zoning/Site Plan Fees					
Other: Postage, Bank Fees, Blue Prints	3,001	3,001			
Subtotal	52,518	52,518	-	-	-
ACQUISITION					
Land	2,000				2,000
Demolition					
Acquisition Legal Fees (if existing structures)					
Existing Structures					
Subtotal	2,000		-		2,000
SITE IMPROVEMENTS					
Site Preparation (On-site)	1,245,139	1,245,139			
Site Preparation (Off-site)					
Subtotal	1,245,139	1,245,139	-	-	-
UNIT/BUILDING CONSTRUCTION					
Unit/Building Construction/New Construction	4,189,322	4,189,322			
Unit/Building Construction/Rehab					
Project Amenities / Accessory Buildings					
Other: Site Lighting	68,450	68,450			
Subtotal	4,257,772	4,257,772	-	-	-
CONTRACTOR SERVICES					
Builder's Overhead: 2.00%	108,689	108,689			
Builder Profit: 6.00%	326,068	326,068			
General Requirements 6.00%	326,068	326,068			
Payment/performance bond or letter-of-credit fee or premium	49,210	49,210			
Subtotal	810,035	810,035	-	-	-
Total Construction Costs	112,731.18 per unit				
	6,312,946	108.19 per sq ft			

See independent auditors' report.

PART FOUR - USES OF FUNDS - Eureka Heights - 2013-017

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	47,120	47,120			
Construction Loan Interest	90,571	54,188			36,383
Construction Legal Fees	33,281	33,281			
Construction Period Real Estate Tax	-	-			
Construction Insurance	33,433	33,433			
Bridge Loan Fee and Bridge Loan Interest					
Other: Inspection, Title, Bonds, Etc	30,836	30,836			
Subtotal	235,241	198,858	-	-	36,383
PROFESSIONAL SERVICES					
Architectural Fee - Design	144,750	144,750			
Architectural Fee - Supervision	46,250	46,250			
Engineering	74,019	74,019			
Real Estate Attorney	74,949	74,949			
Accounting	17,500	15,500			2,000
Other: GreenBldg, Survey, Plan review, etc	45,398	45,398			
Subtotal	402,866	400,866	-	-	2,000
LOCAL GOVERNMENT FEES					
Building Permits	11,122	11,122			
Impact Fees	19,600	19,600			
Water Tap Fees <i>waived?</i>					
Yes					
Sewer Tap Fees <i>waived?</i>					
Yes					
Real Estate Taxes					
Subtotal	30,722	30,722	-	-	-
PERMANENT FINANCING FEES					
Permanent Loan Fees					
Permanent Loan Legal Fees					
Title and Recording Fees	18,602	8,619			9,983
As-Built Survey	7,326				7,326
Bond Issuance Premium					
Cost of Issuance / Underwriter's Discount					
Other:					
Subtotal	25,928	8,619	-	-	17,309

See independent auditors' report.

PART FOUR - USES OF FUNDS - Eureka Heights - 2013-017

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-RELATED COSTS			
DCA Loan Application Fee	1,000				1,000
Tax Credit Application Fee	13,000				13,000
DCA Waiver Fees	6,500				6,500
LIHTC Allocation Processing Fee	44,678				51,061
LIHTC Compliance Monitoring Fee	39,200				44,800
DCA Front End Analysis Fee (when ID of Interest)					
DCA Final Inspection Fee	3,000				3,000
Other:					
Subtotal	119,361				119,361
EQUITY COSTS		EQUITY COSTS			
Partnership Organization Fees	10,350				10,350
Tax Credit Legal Opinion	10,000				10,000
Other: Syndicator Legal Fees	35,000				35,000
Subtotal	55,350	-	-	-	55,350
DEVELOPER'S FEE		DEVELOPER'S FEE			
Developer's Overhead	500,000	500,000			
Consultant's Fee	44,500	44,500			
Developer's Fee	459,767	459,767			
Subtotal	1,004,267	1,004,267	-	-	-
START-UP AND RESERVES		START-UP AND RESERVES			
Marketing	48,075				48,075
Rent -Up Reserves	100,000				100,000
Operating Deficit Reserve:	110,000				110,000
Replacement Reserve					
Furniture, Fixtures and Equipment	79,620	79,620			
Other:					
Subtotal	337,695	79,620	-	-	258,075
OTHER COSTS		OTHER COSTS			
Relocation					
Other:					
Other:					
Subtotal	-	-	-	-	-
TOTAL DEVELOPMENT COST	8,578,894	8,088,416	-	-	490,478
Per Unit	153,194.53				
Per Square Foot	147.02				

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	8,088,416	0	0
Less Total Subtractions From Basis (see above)	0		0
Total Eligible Basis	8,088,416	0	0
Eligible Basis Adjustment for DDA/QCT Location	130.00%		
Adjusted Eligible Basis	10,514,941	0	0
Multiply Adjusted Eligible Basis by Applicable Fraction	100.00%	100.00%	100.00%
Qualified Basis	10,514,941	0	0
Multiply Qualified Basis by Applicable Credit Percentage	9.00%		
Maximum Tax Credit Amount	946,345	0	0
Total Basis Method Tax Credit Calculation		946,345	

III. TAX CREDIT CALCULATION - GAP METHOD

Equity Gap Calculation			
Total Development Cost	8,578,894		
Subtract Non-LIHTC (excluding deferred fee) Source of Funds	550,000		
Equity Gap	8,028,894		
Divide Equity Gap by 10	/ 10		
Annual Equity Required	802,889		
Enter Final Federal and State Equity Factors (not including GP contribution)	1.2474	=	Federal
Total Gap Method Tax Credit Calculation	643,650		0.8579
			+ State
			0.3895

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

Rhett Holmes

12/3/15

PART EIGHT - BUILDING BY BUILDING CREDIT ALLOCATION - Eureka Heights - 2013-017

Cost Certification Date: 11/6/2015 Carryover Allocation Date: 1/28/2014 Project Address: 1060 West Washington Avenue, Ashburn GA 31714-5602
Type of Activity: New Construction

Please do NOT include common space employee units!

Table with 15 columns: Building Address, Building Identification Number, Total Nbr of Residentl Units, Total Residential Square Footage, Nbr of Low Income Units, Low Income Square Footage, Building's Eligible Basis, QCT/DDA Boost, Building's Adjusted Basis, Building's Applicable Fraction, Building's Qualified Basis, Date Placed In Service, Applic. Credit %, Tax Credit Amount, Building's Qualified Basis, and Tax Credit Amount. Rows include buildings A through J and a summary row at the bottom.

See independent auditors' report.