

**Independent Auditor's 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  
Tobie Grant Senior, LP**

**June 30, 2016**

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**Tobie Grant Senior, LP**

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Independent Auditor's Report

Owner's Name: Tobie Grant Senior, LP  
Project Name: Tobie Grant Senior  
Project Number: 2013-031

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 Tobie Grant Senior, LP (the "Owner") for Tobie Grant Senior ("the Project") as of June 30, 2016.

*Management's Responsibility for the Final Cost Certification*

Management is responsible for the preparation and fair presentation of the Final Cost Certification in accordance with financial reporting provisions and qualified allocation plan rules established by DCA. Management is also responsible for 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 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 audit opinion.

*Opinion*

In our opinion, the Final Cost Certification referred to above presents fairly, in all material respects, the actual costs of \$14,643,280 and adjusted eligible basis of \$17,468,419 of the Owner for the Project as of June 30, 2016, in accordance with financial reporting provisions and qualified allocation plan rules established by DCA.

*Basis of Accounting*

We draw attention to the financial reporting provisions of DCA, which require the Owner to account for actual costs and adjusted eligible basis in accordance with the basis of accounting the Owner uses for income tax purposes and to comply with the provisions of DCA's qualified allocation plan, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

*Restriction on Use*

Our report is intended solely for the information and use of the Owner and DCA and is not intended to be and should not be used by anyone other than these specified parties.

*Other*

We have no financial interest in the Project other than in the practice of our profession.

*CohnReznick LLP*

Atlanta, Georgia  
July 28, 2016

**PART THREE - SOURCES OF FUNDS - Tobie Grant Senior - 2013-031**

**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	The Community Development Trust, LP	2,250,000	5.650%	18	30		Amortizing	No
Second Mortgage	Housing Authority of Dekalb County	1,350,000	2.890%	40	40		Cash Flow	No
Third Mortgage								
Other Source (specify)								
Other Source (specify)								
Deferred Developer Fees	Norsouth Development Company of GA, LLC	113,597						
Federal Grant								
State, Local, or Private Grant								
Federal Housing Credit Equity	Hudson Housing Capital	7,619,990						
State Housing Credit Equity	CSG Tobie Grant Senior, LLC	3,309,693						
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>14,643,280</b>						
Total Development Costs from Development Cost Schedule:		<b>14,643,280</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:									

**PART FOUR - USES OF FUNDS - Tobie Grant Senior - 2013-031**

**CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS**

**I. DEVELOPMENT COST SCHEDULE**

	<b>TOTAL COST</b>	<b>New Construction Basis</b>	<b>Acquisition Basis</b>	<b>Rehabilitation Basis</b>	<b>Amortizable or Non-Depreciable Basis</b>
<b>PRE-DEVELOPMENT COSTS</b>					
Property Appraisal					
Market Study	6,000	6,000			
Environmental Report(s)	12,147	12,147			
Soil Borings	9,657	9,657			
Boundary and Topographical Survey	4,298	4,298			
Zoning/Site Plan Fees	38,809	38,809			
Other: Noise Study/Mat. Testing/Sustainability & ADA Consults	99,281	99,281			
<b>Subtotal</b>	<b>170,192</b>	<b>170,192</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>ACQUISITION</b>					
Land	75				75
Demolition					
Acquisition Legal Fees (if existing structures)					
Existing Structures					
<b>Subtotal</b>	<b>75</b>		<b>-</b>		<b>75</b>
<b>SITE IMPROVEMENTS</b>					
Site Preparation (On-site)	826,701	651,724			174,977
Site Preparation (Off-site)					
<b>Subtotal</b>	<b>826,701</b>	<b>651,724</b>	<b>-</b>	<b>-</b>	<b>174,977</b>
<b>UNIT/BUILDING CONSTRUCTION</b>					
Unit/Building Construction/New Construction	7,609,472	7,609,472			
Unit/Building Construction/Rehab					
Project Amenities / Accessory Buildings					
Other:					
<b>Subtotal</b>	<b>7,609,472</b>	<b>7,609,472</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CONTRACTOR SERVICES</b>					
Builder's Overhead: 2.00%	168,723	168,723			
Builder Profit: 6.00%	506,170	499,356			
General Requirements 6.00%	506,170	512,751			
Payment/performance bond or letter-of-credit fee or premium	79,126	79,126			
<b>Subtotal</b>	<b>1,259,956</b>	<b>1,259,956</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Total Construction Costs</i>	<i>96,961.29 per unit</i>				
	<i>9,696,129</i>				
		<i>123.99 per sq ft</i>			

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	67,855	55,044			12,811
Construction Loan Interest	120,221	90,422			29,799
Construction Legal Fees	39,107	29,639			9,468
Construction Period Real Estate Tax					
Construction Insurance	90,519	40,884			49,635
Bridge Loan Fee and Bridge Loan Interest					
Other:					
<b>Subtotal</b>	<b>317,702</b>	<b>215,989</b>	-	-	<b>101,713</b>
<b>PROFESSIONAL SERVICES</b>					
Architectural Fee - Design	317,022	317,022			
Architectural Fee - Supervision	111,430	111,430			
Engineering	64,985	64,985			
Real Estate Attorney	198,837	109,578			89,259
Accounting	28,800	27,550			1,250
Other: <u>Landscape Architect Design &amp; Inspection Fees</u>	12,937	12,937			
<b>Subtotal</b>	<b>734,011</b>	<b>643,502</b>	-	-	<b>90,509</b>
<b>LOCAL GOVERNMENT FEES</b>					
Building Permits	76,507	76,507			
Impact Fees					
Water Tap Fees <i>waived?</i>	18,225	18,225			
Sewer Tap Fees <i>waived?</i>	137,519	137,519			
Real Estate Taxes					
<b>Subtotal</b>	<b>232,251</b>	<b>232,251</b>	-	-	-
<b>PERMANENT FINANCING FEES</b>					
Permanent Loan Fees	70,500				70,500
Permanent Loan Legal Fees	5,000				5,000
Title and Recording Fees	23,499	23,499			
As-Built Survey					
Bond Issuance Premium					
Cost of Issuance / Underwriter's Discount					
Other:					
<b>Subtotal</b>	<b>98,999</b>	<b>23,499</b>	-	-	<b>75,500</b>

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					
Tax Credit Application Fee	6,500				6,500
DCA Waiver Fees	1,500				1,500
LIHTC Allocation Processing Fee	61,576				61,576
LIHTC Compliance Monitoring Fee	80,000				80,000
DCA Front End Analysis Fee (when ID of Interest)					
DCA Final Inspection Fee	3,000				3,000
Other: <u>Qualification Determination</u>	1,000				1,000
<b>Subtotal</b>	153,576				153,576
<b>EQUITY COSTS</b>					
Partnership Organization Fees					
Tax Credit Legal Opinion					
Other: _____					
<b>Subtotal</b>	-	-	-	-	-
<b>DEVELOPER'S FEE</b>					
Developer's Overhead					
Consultant's Fee					
Developer's Fee	1,640,000	1,640,000			
<b>Subtotal</b>	1,640,000	1,640,000	-	-	-
<b>START-UP AND RESERVES</b>					
Marketing	76,084				76,084
Rent -Up Reserves	17,572				17,572
Operating Deficit Reserve:	306,979				306,979
Replacement Reserve					
Furniture, Fixtures and Equipment	180,812	180,812			
Other: _____					
<b>Subtotal</b>	581,447	180,812	-	-	400,635
<b>OTHER COSTS</b>					
Relocation					
Other: <u>Bank Fees</u>	896				896
Other: <u>Infrastructure Costs</u>	1,018,002	809,848			208,154
<b>Subtotal</b>	1,018,898	809,848	-	-	209,050
<b>TOTAL DEVELOPMENT COST</b>	<b>14,643,280</b>	<b>13,437,245</b>	<b>-</b>	<b>-</b>	<b>1,206,035</b>
Per Unit	146,432.80				
Per Square Foot	187.24				









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