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A VETERAN OWNED BUSINESS

INDEPENDENT ACCOUNTANT'S REPORT

To the Board of Directors
Colonial Oaks

We have examined the costs associated with the *Colonial Oak's* AHP Project Number 2015A0604, and supporting documents in the line item categories corresponding to FHLBI Affordable Housing Program, Development Budget Uses – Rental Supportive Services Project. The *Colonial Oak's* management is responsible for the assembled project bills and supporting documents in the line item categories corresponding to the Development Budget Uses – Rental Supportive Services Project and for the assertion that the information is presented in conformity with the presentation of project costs in accordance with the requirement of the FHLBI Affordable Housing Program. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the assembled project bills and supporting documents in the line item categories corresponding to Development Budget Uses – Rental Supportive Services Project and performing such other procedures as we considered necessary in the circumstances. This cost certification was undertaken to satisfy the requirements of the FHLBI Affordable Housing Program related to their disbursements of funds. A summary of the verified project costs are on the enclosed Development Budget Uses – Rental Supportive Services Project.

In our opinion, the FHLBI Affordable Housing Program, Development Budget Uses – Rental Supportive Services Project presents, in all material respects, the costs associated with the *Colonial Oak's* AHP Project Number 2015A0604 and supporting documents in the line item categories corresponding to the Development Budget Uses – Rental Supportive Services Project.

Saginaw, Michigan
October 4, 2018



Attachment 2 (AHP 2015A Application) Development Budget Uses - Rental Supportive Services Projects

Member Institution:	Chelsea State Bank
Name of Project:	Colonial Oaks, Ann Arbor - 2015A0604
County:	Washtenaw
State:	Michigan

Uses of Project Funding (Housing Items)

The Per Unit information will not be calculated until total units provided (Att. 4 Rental Project Worksheet.)

Category	Per Application Amount	As Updated 6/30/2018 Amount	Per Unit	Percent
Acquisition				
Land Only	\$5	\$0	\$0	0.00%
Building Only	\$0	\$0	\$0	0.00%
Predevelopment				
Appraisal	\$0	\$0	\$0	0.00%
Architect	\$0	\$0	\$0	0.00%
Engineering	\$12,800	\$17,500	\$700	1.23%
Legal	\$14,287	\$34,042	\$1,362	2.39%
Market study	\$0	\$0	\$0	0.00%
Environmental assessment	\$19,748	\$1,698	\$68	0.12%
Title & Closing fees	\$5,750	\$1,738	\$70	0.12%
1. Other _Capital Needs Assessment	\$42,940	\$28,493	\$1,140	2.00%
Construction				
New construction	\$0	\$0	\$0	0.00%
Rehabilitation	\$895,060	\$887,912	\$35,516	62.27%
Infrastructure & Site Work	\$0	\$0	\$0	0.00%
Hazardous materials abatement	\$0	\$0	\$0	0.00%
Permits and fees	\$4,000	\$0	\$0	0.00%
General requirements, profit, overhead	\$0	\$0	\$0	0.00%
Construction contingencies	\$89,506	\$186,525	\$7,461	13.08%
2. Other _easement fee work__	\$3,750	\$4,500	\$180	0.32%
3. Other Survey	\$0	\$19,830	\$793	1.39%
4. Other _____	\$0	\$0	\$0	0.00%
Development				
Consultant fees	\$13,331	\$30,306	\$1,212	2.13%
Developer fees	\$115,000	\$45,364	\$1,815	3.18%
Construction / Bridge loan interest	\$0	\$0	\$0	0.00%
Construction / Bridge loan fees	\$0	\$0	\$0	0.00%
Real estate taxes	\$0	\$0	\$0	0.00%
Insurance	\$0	\$8,452	\$338	0.59%
Tax credit fees	\$0	\$0	\$0	0.00%
Operating Reserves	\$31,000	\$31,000	\$1,240	2.17%
Rent up reserves	\$0	\$0	\$0	0.00%
Relocation costs	\$31,000	\$54,589	\$2,184	3.83%
Accounting - Cost certification	\$0	\$0	\$0	0.00%
Supportive Services Reserves	\$0	\$0	\$0	0.00%
5. Other: Replacement Reserve	\$74,000	\$74,000	\$2,960	5.19%
6. Other __	\$0	\$0	\$0	0.00%
7. Other _____	\$0	\$0	\$0	0.00%
Total Housing Development Costs	\$1,352,177	\$1,425,949	\$57,038	100.00%
Total Commercial Development Costs	\$0			0.00%
Total Project Development Costs	\$1,425,949			