

**Georgia Department of Community Affairs
Low Income Housing Tax Credits Final Allocation Application
New Oak Village Apartments, LLC**

Tab 4 Independent Auditor's Report and Certification of Actual Costs

Auditor's Report and Certification of Actual Costs for New Oak Village Apartments, LLC prepared by Dixon Hughes Goodman LLP is attached. Also attached are work papers supporting the allocation of land cost and the calculations for the 50% test aggregate basis.

New Oak Village Apartments, LLC

Oak Village Apartments

Schedules of Certification of Actual Cost and Opinion as
to Eligible Basis and Building by Building Credit
Allocation
Together with Auditors' Report

INDEPENDENT AUDITORS' REPORT

Owner's Name: New Oak Village Apartments, LLC

Project Name: Oak Village Apartments

Project Number: TCAA # 2011-501

We have audited the costs included in the accompanying Georgia Department of Community Affairs ("DCA") Final Cost Certification Schedules of Certification of Actual Cost and Opinion as to Eligible Basis and the Building by Building Credit Allocation (the "Schedules") of New Oak Village Apartments, LLC (the "Owner") for Oak Village Apartments ("the Project") as of December 8, 2014.

Management's Responsibility for the Schedules

Management is responsible for the preparation and fair presentation of the Schedules in accordance with accounting principles 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. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Schedules that are free from material misstatement, whether due to error or fraud.

Auditors' Responsibility

Our responsibility is to express an opinion on the Schedules 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 Schedules are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts in the Schedules. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Schedules, 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 Schedules 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 Schedules.

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 Schedules present fairly, in all material respects, the actual costs of \$1,532,525 and eligible basis of \$1,356,888 of the Owner for the Project as of December 8, 2014, on the basis of accounting described below.

Basis of Accounting

The accompanying Schedules were 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.

Restrictions on Use

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.

Dixon Hughes Goodman LLP

*High Point, North Carolina
February 11, 2015*

PART FOUR - USES OF FUNDS - Oak Village Apartments - 2011-501

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			PRE-DEVELOPMENT COSTS		
Property Appraisal	5,368			4,972	396
Market Study	3,000			3,000	
Environmental Report(s)	6,939			6,939	
Soil Borings					
Boundary and Topographical Survey					
Zoning/Site Plan Fees					
Other: Alta Survey, Capital Needs Assessment	6,053			5,828	225
Subtotal	21,360	-	-	20,739	621
ACQUISITION			ACQUISITION		
Land	40,346				40,346
Demolition					
Acquisition Legal Fees (if existing structures)					
Existing Structures	506,204		506,204		
Subtotal	546,550	-	506,204	-	40,346
SITE IMPROVEMENTS			SITE IMPROVEMENTS		
Site Preparation (On-site)	60,684			60,684	
Site Preparation (Off-site)	60,684			60,684	
Subtotal	121,368	-	-	121,368	-
UNIT/BUILDING CONSTRUCTION			UNIT/BUILDING CONSTRUCTION		
Unit/Building Construction/New Construction					
Unit/Building Construction/Rehab	476,841			476,841	
Project Amenities / Accessory Buildings					
Other: Construction Costs Outside of Contract	3,694			3,694	
Subtotal	480,535	-	-	480,535	-
CONTRACTOR SERVICES			CONTRACTOR SERVICES		
Builder's Overhead:	10,751			10,723	
Builder Profit:	32,252			32,170	
General Requirements	32,252			32,170	
Payment/performance bond or letter-of-credit fee or premium					
Subtotal	75,255	-	-	75,063	-
Total Construction Costs	25,678.42 per unit				
	616,282				
	37.19 per sq ft				

PART FOUR - USES OF FUNDS - Oak Village Apartments - 2011-501

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	2,942				
Construction Loan Interest				2,777	165
Construction Legal Fees	6,358			6,358	
Construction Period Real Estate Tax	6,410			6,410	
Construction Insurance					
Bridge Loan Fee and Bridge Loan Interest					
Other:					
Subtotal	15,710	-	-	15,545	165
PROFESSIONAL SERVICES					
Architectural Fee - Design	11,905			11,905	
Architectural Fee - Supervision	6,410			6,410	
Engineering	4,500			4,500	
Real Estate Attorney	3,342		3,003		339
Accounting	10,000			10,000	
Other:					
Subtotal	36,157	-	3,003	32,815	339
LOCAL GOVERNMENT FEES					
Building Permits					
Impact Fees					
Water Tap Fees					
Sewer Tap Fees					
Real Estate Taxes					
Subtotal	-	-	-	-	-
PERMANENT FINANCING FEES					
Permanent Loan Fees	8,200				8,200
Permanent Loan Legal Fees	6,555				6,555
Title and Recording Fees	150				150
As-Built Survey					
Bond Issuance Premium					
Cost of Issuance / Underwriter's Discount	20,780				20,780
Other: Financial Advisor and Application Fees	1,743				1,743
Subtotal	37,428	-	-	-	37,428

PART FOUR - USES OF FUNDS - Oak Village Apartments - 2011-501

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					
Tax Credit Application Fee	3,000				3,000
DCA Waiver Fees	3,007				3,007
LIHTC Allocation Processing Fee	3,600				3,600
LIHTC Compliance Monitoring Fee	3,039				
DCA Front End Analysis Fee (when ID of Interest)	16,800				
DCA Final Inspection Fee	500				500
Other: DCA Bond Allocation, DCA Bond Eligibility Option	5,240				5,240
Subtotal	15,347				15,347
EQUITY COSTS					
Partnership Organization Fees	160				160
Tax Credit Legal Opinion					
Other:					
Subtotal	160				160
DEVELOPER'S FEE					
Developer's Overhead	97,336				
Consultant's Fee	97,388				
Developer's Fee	194,676				
Subtotal	194,676				
START-UP AND RESERVES					
Marketing					
Rent-Up Reserves					
Operating Deficit Reserve:					
Replacement Reserve	27,252				27,252
Furniture, Fixtures and Equipment	1,474				
Other:					
Subtotal	28,726				27,252
OTHER COSTS					
Relocation					
Other: Project Admin Expenses	241				241
Other: Other Assets Purchased	19,886				19,886
Subtotal	20,129				20,129
TOTAL DEVELOPMENT COST	1,532,525				141,787
Per Unit	63,855.21				805,007
Per Square Foot	92.49				

PART FOUR - USES OF FUNDS - Oak Village Apartments - 2011-501

CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS

II. TAX CREDIT CALCULATION - BASIS METHOD

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
GA Power Rebate

Table with columns: New Construction Basis, 4% Acquisition Basis, Rehabilitation Basis. Values: 0, 33,850, 33,850.

Total Subtractions From Basis:

Eligible Basis Calculation

Total Basis
Less Total Subtractions From Basis (see above)
Total Eligible Basis
Eligible Basis Adjustment for DDA/QOCT Location
Adjusted Eligible Basis
Multiply Adjusted Eligible Basis by Applicable Fraction
Qualified Basis
Multiply Qualified Basis by Applicable Credit Percentage
Maximum Tax Credit Amount
Total Basis Method Tax Credit Calculation

Table with columns: New Construction Basis, 4% Acquisition Basis, Rehabilitation Basis. Values: 0, 585,731, 805,007, 33,850, 771,157, 100.00%, 771,157, 100.00%, 771,157, 3.20%, 24,677, 43,420.

III. TAX CREDIT CALCULATION - GAP METHOD

Equity Gap Calculation

Total Development Cost
Subtract Non-LIHTC (excluding deferred fee) Source of Funds
Equity Gap

Table with values: 1,532,525, 973,982, 558,543

Divide Equity Gap by 10

Annual Equity Required

Enter Final Federal and State Equity Factors (not including GP contribution)

Total Gap Method Tax Credit Calculation

Table with columns: Federal, State. Values: 0.9610, 0.2990

IV. TAX CREDIT CARRYOVER ALLOCATION

Allocation Year

2013

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: [Signature]

Joseph P. Wilczewski

[Signature]

Name - Please Type

Joseph P. Wilczewski

Date

PART EIGHT - BUILDING BY BUILDING CREDIT ALLOCATION - Oak Village Apartments - 2011-501

Cost Certification Date: 12/8/2014
 Type of Activity: Acquisition
 Carryover Allocation Date: N/A
 Project Address: 225 Jackson Street, Zebulon GA 30295-3191

Please do NOT include common space employee units!

Building Address	Building Identification Number	Total Nbr of Resident 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	FINAL Tax Credit Allocation Request	
														Building's Qualified Basis	Tax Credit Amount
225 Jackson Street Zebulon, GA 30295	GA-11-50101	4	2,537	4	2,537	93,090	100%	93,090	100.00%	93,090	7/25/2013	3.20%	2,979	93,090	2,979
225 Jackson Street Zebulon, GA 30295	GA-11-50102	4	2,537	4	2,537	93,090	100%	93,090	100.00%	93,090	7/25/2013	3.20%	2,979	93,090	2,979
225 Jackson Street Zebulon, GA 30295	GA-11-50103	4	2,537	4	2,537	93,090	100%	93,090	100.00%	93,090	7/25/2013	3.20%	2,979	93,090	2,979
225 Jackson Street Zebulon, GA 30295	GA-11-50104	4	2,537	4	2,537	93,090	100%	93,090	100.00%	93,090	7/25/2013	3.20%	2,979	93,090	2,979
225 Jackson Street Zebulon, GA 30295	GA-11-50105	2	1,639	2	1,639	60,140	100%	60,140	100.00%	60,140	7/25/2013	3.20%	1,924	60,140	1,924
225 Jackson Street Zebulon, GA 30295	GA-11-50106	2	1,639	2	1,639	60,140	100%	60,140	100.00%	60,140	7/25/2013	3.20%	1,924	60,140	1,924
225 Jackson Street Zebulon, GA 30295	GA-11-50107	4	2,537	4	2,537	93,091	100%	93,091	100.00%	93,091	7/25/2013	3.20%	2,979	93,091	2,979
		24	15,963	24	15,963	585,731		585,731		585,731			18,743	585,731	18,743

New Oak Village Apartments, LLC
 Cost Allocation of Purchase Price

Sales Price	5101	589,006.04	✓
Reallocation	Draw #13	(72.00)	
Add'l Recording Costs	Draw #13	332.66	
Settlement Charges	5101	4,422.99	
		593,689.69	

	Acq Costs	Title/Rec	Total			
Other Purchased Assets	5102 ✗	47,139.72 ✓	0	47,139.72	(27,252.10) ✗	19,887.62 1410 ineligible
Land	①	40,000.00	345.74	40,345.74	1410	ineligible
Building	①	501,866.32	4,337.91	506,204.23	1410	eligible
		589,006.04	4,683.65	593,689.69		

Σ ① 541,866.32 Total land and building agrees to WP 5102 analysis

Title/Recording	4,683.65
Allocation:	
Land	345.74
Building	4,337.91

Assigned Values:	
Land Appraised Value	40,000.00 See appraisal report at PF-1408
Building Value	501,866.32
	541,866.32

Allocation %	
Land	7.38%
Building	92.62%

**New Oak Village Apartments, LLC
Calculation of the Fifty Percent (50%) Test
Aggregate Approach**

Description	Residential Costs	Amortizable Costs	Depreciable Costs	Land	Other Costs/ Expense	Eligible Basis	(A) Land & Building Basis	(B) Costs Financed By Tax-Exempt Bonds
Land Acquisition (cell 19)	\$ 40,346	\$ -	\$ -	\$ 40,346	\$ -	\$ -	\$ 40,346	\$ -
Building Acquisition/Other Assets Purchased (cells 22 & 127)	526,092	-	472,354	-	53,738	472,354	472,354	49,282
Rehab/New Construction (cells 26, 32, 34, 38-40)	616,282	-	616,282	-	-	616,282	616,282	616,282
Soft Costs (cells 9-15, 51-57, 61-66, 78-80, 120, 125)	89,606	14,905	73,576	860	265	73,576	74,436	74,436
Financing Fees & Expenses (cells 83 & 84)	22,523	22,523	-	-	-	-	-	-
Other Costs (cells 93-100, 104, 126)	15,748	15,347	-	-	401	-	-	-
Developer Costs (cells 111 & 112)	194,676	-	194,676	-	-	194,676	194,676	-
Development Reserves (cells 119 & 121)	27,252	-	-	-	27,252	-	-	-
	<u>\$ 1,532,525</u>	<u>\$ 52,775</u>	<u>\$ 1,356,888</u>	<u>\$ 41,206</u>	<u>\$ 81,656</u>	<u>\$ 1,356,888</u>	<u>\$ 1,398,094</u>	<u>\$ 740,000</u>

50% Test Percentage Calculation

(B/A)

52.93%