

Georgia Department of Community Affairs
Low Income Housing Tax Credits Final Allocation Application
New Forest Glen Apartments, LLC

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

Auditor's Report and Certification of Actual Costs for New Forest Glen 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 Forest Glen Apartments, LLC

Forest Glen Village

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



DIXON HUGHES GOODMAN^{LLP}
Certified Public Accountants and Advisors



DIXON HUGHES GOODMAN LLP
Certified Public Accountants and Advisors

INDEPENDENT AUDITORS' REPORT

Owner's Name: New Forest Glen Apartments, LLC
Project Name: Forest Glen Village
Project Number: TCAA # 2011-511

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 Forest Glen Apartments, LLC (the "Owner") for Forest Glen Village ("the Project") as of October 10, 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 \$3,269,276 and eligible basis of \$2,872,018 of the Owner for the Project as of October 10, 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
December 3, 2014*

PART FOUR - USES OF FUNDS - Forest Glen Village - 2011-511

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	5,368			5,014	354
Market Study	3,000			3,000	
Environmental Report(s)	15,792			15,792	
Soil Borings					
Boundary and Topographical Survey					
Zoning/Site Plan Fees					
Other: <u>Alta Survey, Capital Needs Assessment</u>	8,852			8,466	386
Subtotal	33,012	-	-	32,272	740
ACQUISITION					
Land	82,614				82,614
Demolition					
Acquisition Legal Fees (if existing structures)					
Existing Structures	1,171,331		1,171,331		
Subtotal	1,253,945	-	1,171,331	-	82,614
SITE IMPROVEMENTS					
Site Preparation (On-site)	146,735			146,735	
Site Preparation (Off-site)					
Subtotal	146,735	-	-	146,735	-
UNIT/BUILDING CONSTRUCTION					
Unit/Building Construction/New Construction					
Unit/Building Construction/Rehab	998,221			998,221	
Project Amenities / Accessory Buildings					
Other: <u>Construction Costs Outside of Contract</u>	14,467			14,467	
Subtotal	1,012,688	-	-	1,012,688	-
CONTRACTOR SERVICES					
Builder's Overhead: 2.00%	22,899			21,316	
Builder Profit: 6.00%	68,697			63,952	
General Requirements 6.00%	68,697			63,952	
Payment/performance bond or letter-of-credit fee or premium					
Subtotal	149,220	-	-	149,220	-
Total Construction Costs	28,448.76 per unit				
	1,308,643				
					42.18 per sq ft

PART FOUR - USES OF FUNDS - Forest Glen Village - 2011-511

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					
Construction Loan Interest	5,587			4,289	1,299
Construction Legal Fees					
Construction Period Real Estate Tax	11,787			11,787	
Construction Insurance	9,250			9,250	
Bridge Loan Fee and Bridge Loan Interest					
Other:					
Subtotal	26,624	-	-	25,326	1,299
PROFESSIONAL SERVICES					
Architectural Fee - Design	23,311			23,311	
Architectural Fee - Supervision	12,552			12,552	
Engineering	2,700			2,700	
Real Estate Attorney	6,168		5,589		579
Accounting	10,000			10,000	
Other:					
Subtotal	54,731	-	5,589	48,563	579
LOCAL GOVERNMENT FEES					
Building Permits					
Impact Fees					
Water Tap Fees <i>waived?</i>					
Sewer Tap Fees <i>waived?</i>					
Real Estate Taxes					
Subtotal	-	-	-	-	-
PERMANENT FINANCING FEES					
Permanent Loan Fees	19,600				19,600
Permanent Loan Legal Fees	12,564				12,564
Title and Recording Fees	150				150
As-Built Survey					
Bond Issuance Premium					
Cost of Issuance / Underwriter's Discount	38,290				38,290
Other: Financial Advisor and Application Fees	3,259				3,259
Subtotal	73,863	-	-	-	73,863

PART FOUR - USES OF FUNDS - Forest Glen Village - 2011-511

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					
Tax Credit Application Fee					
DCA Waiver Fees	3,000				3,000
LIHTC Allocation Processing Fee	6,433 6,494				6,494
LIHTC Compliance Monitoring Fee	32,200 6,900				6,900
DCA Front End Analysis Fee (when ID of Interest)					
DCA Final Inspection Fee	500				500
Other: <u>DCA Bond Allocation, DCA Bond Eligibility Option</u>	6,070				6,070
Subtotal	22,964				22,964
EQUITY COSTS		EQUITY COSTS			
Partnership Organization Fees	160				160
Tax Credit Legal Opinion					
Other:					
Subtotal	160				160
DEVELOPER'S FEE		DEVELOPER'S FEE			
Developer's Overhead					
Consultant's Fee	159,170		32,379	126,791	
Developer's Fee	159,170		32,379	126,791	
Subtotal	318,340		64,758	253,582	
START-UP AND RESERVES		START-UP AND RESERVES			
Marketing					
Rent -Up Reserves					
Operating Deficit Reserve:	5,500				5,500
Replacement Reserve	138,774				138,774
Furniture, Fixtures and Equipment	3,624			3,624	
Other: <u>PRA Escrow</u>	1,920				1,920
Subtotal	149,818			3,624	146,194
OTHER COSTS		OTHER COSTS			
Relocation	580			580	
Other: <u>Project Admin Expenses</u>	241				241
Other: <u>Other Assets Purchased</u>	26,355				26,355
Subtotal	27,176			580	26,596
TOTAL DEVELOPMENT COST	3,269,276		1,241,678	1,672,590	355,009
Per Unit	71,071.22				
Per Square Foot	105.39				

PART FOUR - USES OF FUNDS - Forest Glen Village - 2011-511

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 <u>GA Power Rebate</u>			42,250
Total Subtractions From Basis:	0		42,250
Eligible Basis Calculation			
Total Basis	0	1,241,678	1,672,590
Less Total Subtractions From Basis (see above)	0		42,250
Total Eligible Basis	0	1,241,678	1,630,340
Eligible Basis Adjustment for DDA/QCT Location			100.00%
Adjusted Eligible Basis	0	1,241,678	1,630,340
Multiply Adjusted Eligible Basis by Applicable Fraction	100.00%	100.00%	100.00%
Qualified Basis	0	1,241,678	1,630,340
Multiply Qualified Basis by Applicable Credit Percentage		3.20%	3.20%
Maximum Tax Credit Amount	0	39,734	52,171
Total Basis Method Tax Credit Calculation		91,905	

III. TAX CREDIT CALCULATION - GAP METHOD

Equity Gap Calculation			
Total Development Cost		3,269,276	
Subtract Non-LIHTC (excluding deferred fee) Source of Funds		2,330,555	
Equity Gap		938,721	
Divide Equity Gap by 10		/ 10	
Annual Equity Required		93,872	
Enter Final Federal and State Equity Factors (not including GP contribution)		0.9600	
Total Gap Method Tax Credit Calculation		97,783	
		=	Federal 0.7320 + State 0.2280

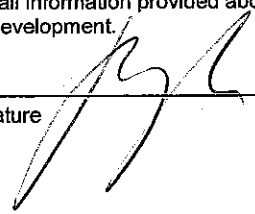
IV. TAX CREDIT CARRYOVER ALLOCATION

Allocation Year

V. FINAL TAX CREDIT ALLOCATION REQUEST

91,905

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 

Joseph P. Wilczewski
Name - Please Type

12/12/19
Date

New Forest Glen Apartments, LLC
 Cost Allocation of Purchase Price

Sales Price	5101	1,409,752.97	✓
Reallocation	Draw #8	(161.00)	
Add'l Recording Costs	Draw #8	182.66	
Settlement Charges	5101	9,298.82	
		1,419,073.45	

	5102	Acq Costs	Title/Rec	Total			
Other Purchased Assets	✗	165,127.73	0	165,127.73	(138,773.45)	26,354.28	1410 ineligible
Land	ⓘ	82,000.00	614.06	82,614.06	1410		ineligible
Building	ⓘ	1,162,625.24	8,706.42	1,171,331.66	1410		eligible
		1,409,752.97	9,320.48	1,419,073.45			

Σ ⓘ 1,244,625.24 Total land and building agrees to WP 5102 analysis

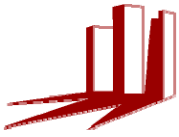
Title/Recording	9,320.48
Allocation:	
Land	614.06
Building	8,706.42

Assigned Values:	
Land Appraised Value	✓ 82,000.00 See appraisal report at PF-1408
Building Value	1,162,625.24
	1,244,625.24

Allocation %	
Land	6.59%
Building	93.41% ✓

Cells to enter data

✗ Reserves of \$138,773.45 were purchased at acquisition and are included in the other purchased assets. An AJE has been made to break out the required reserve amount on a separate line. Per Kyle Harrelson at Boyd Management, entire reserves purchased at closing were replacement reserves.



Crown Appraisal Group

Corporate Office

355 E. Campus View Blvd.

Suite 150

Columbus, OH 43235

tel 614.431.3332

fax 614.431.3376

www.crownappraisal.com

April 15, 2013

Greystone Servicing Corporation, Inc.

Attn: Jane Sadler

1715 Aaron Brenner Drive, Suite 500

Memphis, TN 38120

Re: Forest Glen Village Apartments

1805 Edwina Drive

Vidalia, Georgia

Dear Jane Sadler:

At your request, we have completed an inspection and analysis of the referenced property for the purpose of developing and reporting an opinion of value for the property. The specific real property interest, real estate, type of report, and type of value are detailed within the body of the accompanying report. The accompanying report has been prepared in conformance with the requirements established by the Appraisal Institute. The appraisal is in conformance with USPAP requirements. The liability of Crown Appraisal Group, Inc. and its employees is limited to the fee collected for the preparation of the appraisal report. There is no accountability or liability to any third party. Based on discussions with market participants, the marketing period and exposure period for the property is estimated at 12 months. The following summarizes the interest being appraised, types of values, effective dates of values, and value opinions.

Competitive Rent Comparable Unit Conclusions (CRCU)

	<u>1 Bedroom</u>	<u>2 Bedroom</u>
Prospective (Renovated) CRCU	510	550

Value Opinions

	<u>Date of Value</u>	<u>Value</u>
As-is Market Value, unrestricted rents	April 1, 2013	\$2,140,000
Prospective Market Value, restricted rents (FNMA)	June 30, 2013	\$1,780,000
Prospective Market Value, restricted rents (RD)	April 1, 2015	\$2,080,000
Prospective Market Value subject to unrestricted rents	April 1, 2015	\$2,500,000
Land Value	April 1, 2013	\$82,000
Interest Credit Subsidy Value (Existing 515 Loan)	April 1, 2013	\$663,100
LIHTC Value	April 1, 2015	\$890,660
Insurable Value	April 1, 2015	\$1,670,000

**New Forest Glen 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)	\$ 82,614	\$ -	\$ -	\$ 82,614	\$ -	\$ -	\$ 82,614	\$ -
Building Acquisition/Other Assets Purchased (cells 22 & 127)	1,197,686	-	1,129,081	-	68,605	1,129,081	1,129,081	144,269
Rehab/New Construction (cells 26, 32, 34, 38-40)	1,308,643	-	1,308,643	-	-	1,308,643	1,308,643	1,308,643
Soft Costs (cells 9-15, 51-57, 61-66, 78-80, 120, 125)	150,885	32,499	115,954	1,134	1,298	115,954	117,088	117,088
Financing Fees & Expenses (cells 83 & 84)	41,549	41,549	-	-	-	-	-	-
Other Costs (cells 93-100, 104, 126)	23,365	22,964	-	-	401	-	-	-
Developer Costs (cells 111 & 112)	318,340	-	318,340	-	-	318,340	318,340	-
Development Reserves (cells 118, 119 & 121)	146,194	-	-	-	146,194	-	-	-
	<u>\$ 3,269,276</u>	<u>\$ 97,012</u>	<u>\$ 2,872,018</u>	<u>\$ 83,748</u>	<u>\$ 216,498</u>	<u>\$ 2,872,018</u>	<u>\$ 2,955,766</u>	<u>\$ 1,570,000</u>

50% Test Percentage Calculation

(B/A)

53.12%