

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

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

Auditor's Report and Certification of Actual Costs for New Willowpeg Village Apartments, LLC prepared by Dixon Hughes Goodman LLP is attached.

New Willowpeg Village Apartments, LLC

Willowpeg Village Apartments

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 Willowpeg Village Apartments, LLC
Project Name: Willowpeg Village Apartments
Project Number: TCAA # 2011-529

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 Willowpeg Village Apartments, LLC (the "Owner") for Willowpeg Village Apartments ("the Project") as of January 22, 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 \$5,987,995 and eligible basis of \$5,258,557 of the Owner for the Project as of January 22, 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 19, 2014*

PART FOUR - USES OF FUNDS - Willowpeg Village Apartments - 2011-529

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	7,744			6,572	572
Market Study	5,250			5,250	
Environmental Report(s)	4,165			4,165	
Soil Borings					
Boundary and Topographical Survey					
Zoning/Site Plan Fees					
Other: <u>At-At Survey, Capital Needs Assessment</u>	14,057			13,232	825
Subtotal	30,616	-	-	29,219	1,397
ACQUISITION					
Land	166,945				166,945
Demolition					
Acquisition Legal Fees (if existing structures)			1,919,024		
Existing Structures	1,919,024		1,919,024		
Subtotal	2,085,969	-	1,919,024	-	166,945
SITE IMPROVEMENTS					
Site Preparation (On-site)	267,309			267,309	
Site Preparation (Off-site)					
Subtotal	267,309	-	-	267,309	-
UNIT/BUILDING CONSTRUCTION					
Unit/Building Construction/New Construction					
Unit/Building Construction/Rehab	1,917,385			1,917,385	
Project Amenities / Accessory Buildings					
Other: <u>Construction Costs Outside of Contract</u>	8,195			8,195	
Subtotal	1,925,580	-	-	1,925,580	-
CONTRACTOR SERVICES					
Builder's Overhead:	43,694			43,694	
Builder Profit:	131,082			131,081	
General Requirements	131,082			131,081	
Payment/performance bond or letter-of-credit fee or premium					
Subtotal	305,856	-	-	305,856	-
Total Construction Costs	30,848.70 per unit				
	2,498,745				
	42.06 per sq ft				

PART FOUR - USES OF FUNDS - Willowpeg Village Apartments - 2011-529

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	6,917				6,917
Construction Loan Interest				5,018	
Construction Legal Fees	6,386			6,386	
Construction Period Real Estate Tax	16,945			16,945	
Construction Insurance					
Bridge Loan Fee and Bridge Loan Interest					
Other:					
Subtotal	30,148	-	-	28,349	1,799
PROFESSIONAL SERVICES					
Architectural Fee - Design	46,732			46,732	
Architectural Fee - Supervision	25,164			25,164	
Engineering	16,600			16,600	
Real Estate Attorney	10,681		9,532		1,149
Accounting	10,000			10,000	
Other:					
Subtotal	99,177	-	9,532	88,496	1,149
LOCAL GOVERNMENT FEES					
Building Permits					
Impact Fees					
Water Tap Fees	waived?				
Sewer Tap Fees	waived?				
Real Estate Taxes					
Subtotal	-	-	-	-	-
PERMANENT FINANCING FEES					
Permanent Loan Fees	64,920				64,920
Permanent Loan Legal Fees	22,123				22,123
Title and Recording Fees	150				150
As-Built Survey					
Bond Issuance Premium					
Cost of Issuance / Underwriter's Discount	69,668				69,668
Other: Financial Advisor and Application Fees	6,066				6,066
Subtotal	162,927	-	-	-	162,927

PART FOUR - USES OF FUNDS - Willowpeg Village Apartments - 2011-529

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					
DCA Waiver Fees	3,000				3,000
LIHTC Allocation Processing Fee	11,391				11,391
LIHTC Compliance Monitoring Fee	12,150				12,150
DCA Front End Analysis Fee (when ID of Interest)	500				500
DCA Final Inspection Fee	17,746				17,746
Other: <u>DCA Bond Allocation, DCA Bond Eligibility Option</u>					
Subtotal	34,787				34,787
EQUITY COSTS					
Partnership Organization Fees	210				210
Tax Credit Legal Opinion					
Other:	210				210
Subtotal	210				210
DEVELOPER'S FEE					
Developer's Overhead	379,742				
Consultant's Fee	379,742				
Developer's Fee	759,484				
Subtotal	1,518,968				
START-UP AND RESERVES					
Marketing					
Rent -Up Reserves					
Operating Deficit Reserve:					
Replacement Reserve	183,608				
Furniture, Fixtures and Equipment	1,293				
Other: <u>PRA Escrow</u>	30,432				
Subtotal	215,333				
OTHER COSTS					
Relocation	2,015				
Other: <u>Project Admin Expenses</u>	256				
Other: <u>Other Assets Purchased</u>	68,328				
Subtotal	70,599				
TOTAL DEVELOPMENT COST					
	5,987,995		2,218,302		651,838
Per Unit	73,925.86		2,015		68,328
Per Square Foot	100.80		2,015		68,584
			3,117,855		214,040

PART FOUR - USES OF FUNDS - Willowpeg Village Apartments - 2011-529

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

New Construction Basis	0
------------------------	---

4% Acquisition Basis	
----------------------	--

Rehabilitation Basis	77,600
----------------------	--------

Total Subtractions From Basis:

Eligible Basis Calculation

- Total Basis
- Less Total Subtractions From Basis (see above)
- Total Eligible Basis
- Eligible Basis Adjustment for DDA/QCT 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

0	2,218,302
0	2,218,302
0	2,218,302
100.00%	100.00%
0	2,218,302
0	320%
0	70,986
	170,402

3,117,855	
77,600	
3,040,255	
100.00%	
3,040,255	
100.00%	
3,040,255	
327%	
99,416	

III. TAX CREDIT CALCULATION - GAP METHOD

Equity Gap Calculation

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

5,987,995
5,301,743
686,252
/ 10
68,625
0.3800
180,593

Federal	0.2900	+	State	0.0900
---------	--------	---	-------	--------

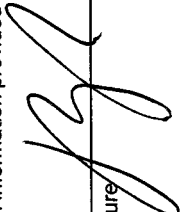
IV. TAX CREDIT CARRYOVER ALLOCATION

Allocation Year

2011	170,402
------	---------

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 

J.W. Iczewski, Monkey Land, LLC
 Name: Please Type Monkey Land, LLC
 Date 2/25/14

PART EIGHT - BUILDING BY BUILDING CREDIT ALLOCATION - Willowpege Village Apartments - 2011-529

Cost Certification Date: **1/22/2014**

Type of Activity: **Acquisition**

Carryover Allocation Date: **N/A**

Project Address: **111 Willowpege Way, Rincon, GA 31326**

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
111 Willowpege Way, Rincon, GA 31326	GA-88-02101	4	2,554	4	2,554	97,341	100%	97,341	100.00%	97,341	7/25/2013	3.20%	3,115	97,341	3,115
111 Willowpege Way, Rincon, GA 31326	GA-88-02102	6	3,831	6	3,831	146,012	100%	146,012	100.00%	146,012	7/25/2013	3.20%	4,672	146,012	4,672
111 Willowpege Way, Rincon, GA 31326	GA-88-02103	6	4,202	6	4,202	160,152	100%	160,152	100.00%	160,152	7/25/2013	3.20%	5,125	160,152	5,125
111 Willowpege Way, Rincon, GA 31326	GA-88-02104	6	4,202	6	4,202	160,152	100%	160,152	100.00%	160,152	7/25/2013	3.20%	5,125	160,152	5,125
111 Willowpege Way, Rincon, GA 31326	GA-88-02105	6	3,831	6	3,831	146,012	100%	146,012	100.00%	146,012	7/25/2013	3.20%	4,672	146,012	4,672
111 Willowpege Way, Rincon, GA 31326	GA-88-02106	6	3,831	6	3,831	146,012	100%	146,012	100.00%	146,012	7/25/2013	3.20%	4,672	146,012	4,672
111 Willowpege Way, Rincon, GA 31326	GA-88-02107	6	3,831	6	3,831	146,012	100%	146,012	100.00%	146,012	7/25/2013	3.20%	4,672	146,012	4,672
111 Willowpege Way, Rincon, GA 31326	GA-88-02108	4	2,554	4	2,554	97,341	100%	97,341	100.00%	97,341	7/25/2013	3.20%	3,115	97,341	3,115
111 Willowpege Way, Rincon, GA 31326	GA-88-02109	4	2,758	4	2,758	105,116	100%	105,116	100.00%	105,116	7/25/2013	3.20%	3,364	105,116	3,364
111 Willowpege Way, Rincon, GA 31326	GA-88-02110	4	2,758	4	2,758	105,116	100%	105,116	100.00%	105,116	7/25/2013	3.20%	3,364	105,116	3,364
111 Willowpege Way, Rincon, GA 31326	GA-88-02111	4	2,758	4	2,758	105,116	100%	105,116	100.00%	105,116	7/25/2013	3.20%	3,364	105,116	3,364
111 Willowpege Way, Rincon, GA 31326	GA-88-02112	1	824	1	824	31,405	100%	31,405	100.00%	31,405	7/25/2013	3.20%	1,005	31,405	1,004
511 West 9th Street, Rincon, GA 31326	GA-11-52901	4	3,747	4	3,747	142,810	100%	142,810	100.00%	142,810	7/25/2013	3.20%	4,570	142,810	4,570
511 West 9th Street, Rincon, GA 31326	GA-11-52902	4	2,641	4	2,641	100,657	100%	100,657	100.00%	100,657	7/25/2013	3.20%	3,221	100,657	3,221
511 West 9th Street, Rincon, GA 31326	GA-11-52903	6	5,067	6	5,067	193,119	100%	193,119	100.00%	193,119	7/25/2013	3.20%	6,180	193,119	6,180
511 West 9th Street, Rincon, GA 31326	GA-11-52904	6	5,067	6	5,067	193,119	100%	193,119	100.00%	193,119	7/25/2013	3.20%	6,180	193,119	6,180
511 West 9th Street, Rincon, GA 31326	GA-11-52905	4	3,747	4	3,747	142,810	100%	142,810	100.00%	142,810	7/25/2013	3.20%	4,570	142,810	4,570
		81	58,203	81	58,203	2,218,302		2,218,302		2,218,302			70,987	2,218,302	70,986

PART EIGHT - BUILDING BY BUILDING CREDIT ALLOCATION - Willowpeg Village Apartments - 2011-529

Cost Certification Date: 1/22/2014

Carryover Allocation Date: N/A

Project Address: 1111 Willowpeg Way, Rincon, GA 31326

Type of Activity: Rehabilitation

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
1111 Willowpeg Way, Rincon, GA 31326	GA-88-02101	4	2,554	4	2,554	133,409	100%	133,409	100.00%	133,409	10/31/2013	32.7%	4,362	133,409	4,362
1111 Willowpeg Way, Rincon, GA 31326	GA-88-02102	6	3,831	6	3,831	200,114	100%	200,114	100.00%	200,114	10/31/2013	32.7%	6,544	200,114	6,544
1111 Willowpeg Way, Rincon, GA 31326	GA-88-02103	6	4,202	6	4,202	219,493	100%	219,493	100.00%	219,493	10/31/2013	32.7%	7,177	219,493	7,177
1111 Willowpeg Way, Rincon, GA 31326	GA-88-02104	6	4,202	6	4,202	219,493	100%	219,493	100.00%	219,493	10/31/2013	32.7%	7,177	219,493	7,177
1111 Willowpeg Way, Rincon, GA 31326	GA-88-02105	6	3,831	6	3,831	200,114	100%	200,114	100.00%	200,114	10/31/2013	32.7%	6,544	200,114	6,544
1111 Willowpeg Way, Rincon, GA 31326	GA-88-02106	6	3,831	6	3,831	200,114	100%	200,114	100.00%	200,114	10/31/2013	32.7%	6,544	200,114	6,544
1111 Willowpeg Way, Rincon, GA 31326	GA-88-02107	6	3,831	6	3,831	200,114	100%	200,114	100.00%	200,114	10/31/2013	32.7%	6,546	200,114	6,546
1111 Willowpeg Way, Rincon, GA 31326	GA-88-02108	4	2,554	4	2,554	133,409	100%	133,409	100.00%	133,409	10/31/2013	32.7%	4,362	133,409	4,362
1111 Willowpeg Way, Rincon, GA 31326	GA-88-02109	4	2,758	4	2,758	144,065	100%	144,065	100.00%	144,065	10/31/2013	32.7%	4,711	144,065	4,711
1111 Willowpeg Way, Rincon, GA 31326	GA-88-02110	4	2,758	4	2,758	144,065	100%	144,065	100.00%	144,065	10/31/2013	32.7%	4,711	144,065	4,711
1111 Willowpeg Way, Rincon, GA 31326	GA-88-02111	4	2,758	4	2,758	144,065	100%	144,065	100.00%	144,065	10/31/2013	32.7%	4,711	144,065	4,711
1111 Willowpeg Way, Rincon, GA 31326	GA-88-02112	1	824	1	824	43,042	100%	43,042	100.00%	43,042	10/31/2013	32.7%	1,407	43,042	1,406
5111 West 9th Street, Rincon, GA 31326	GA-11-52901	4	3,747	4	3,747	195,726	100%	195,726	100.00%	195,726	10/31/2013	32.7%	6,400	195,726	6,400
5111 West 9th Street, Rincon, GA 31326	GA-11-52902	4	2,641	4	2,641	137,954	100%	137,954	100.00%	137,954	10/31/2013	32.7%	4,511	137,954	4,511
5111 West 9th Street, Rincon, GA 31326	GA-11-52903	6	5,067	6	5,067	264,676	100%	264,676	100.00%	264,676	10/31/2013	32.7%	8,655	264,676	8,655
5111 West 9th Street, Rincon, GA 31326	GA-11-52904	6	5,067	6	5,067	264,676	100%	264,676	100.00%	264,676	10/31/2013	32.7%	8,655	264,676	8,655
5111 West 9th Street, Rincon, GA 31326	GA-11-52905	4	3,747	4	3,747	195,726	100%	195,726	100.00%	195,726	10/31/2013	32.7%	6,400	195,726	6,400
		81	58,203	81	58,203	3,040,255		3,040,255		3,040,255			99,418	3,040,255	99,416