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

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

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

New Pine Village Apartments, LLC

Pine 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 Pine Village Apartments, LLCProject Name:Pine Village ApartmentsProject Number:TCAA # 2011-534

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 Pine Village Apartments, LLC (the "Owner") for Pine Village Apartments ("the Project") as of December 6, 2013.

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 presents fairly, in all material respects, the actual costs of \$4,759,680 and eligible basis of \$4,272,554 of the Owner for the Project as of December 6, 2013, 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 16, 2013

PART FOUR - USES OF FUNDS - Pine Village Apartments - 2011-534

CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS

DEVELOPMENT COST SCHEDULE	TOTAL	COST	New Construction Basis	Acquisition Basis	Rehabilitation Basis	Amortizable or Non-Depreciable Basis
PRE-DEVELOPMENT COSTS				PRE-DEVE	LOPMENT COSTS	
Property Appraisal		7,144			6,739	405
Market Study		5,250			5,250	
Environmental Report(s)		4,115			4,115	
Soil Borings						
Boundary and Topographical Survey						
Zoning/Site Plan Fees						
Other: Alta Survey, Capital Needs Assessment		12,147			11,671	476
	Subtotal	28,656	-	-	27,775	881
ACQUISITION				AC	QUISITION	
Land		108,399				108,399
Demolition						
Acquisition Legal Fees (if existing structures)						
Existing Structures	1,	,804,529		1,804,529		
0		,912,928		1,804,529		108,399
SITE IMPROVEMENTS				SITE IM	PROVEMENTS	
Site Preparation (On-site)		128,745			128,745	
Site Preparation (Off-site)						
	Subtotal	128,745	-	-	128,745	-
UNIT/BUILDING CONSTRUCTION				UNIT/BUILDI	NG CONSTRUCTION	
Unit/Building Construction/New Construction						
Unit/Building Construction/Rehab	1,	,391,852			1,391,852	
Project Amenities / Accessory Buildings		, ,				
Other: Construction Costs Outside of Contract		9,058			9,058	
	Subtotal 1,	,400,910	-	-	1,400,910	-
CONTRACTOR SERVICES				CONTRA	CTOR SERVICES	
Builder's Overhead: 2.00%	30,412	30,411			30,411	
Builder Profit: 6.00%	91,236	91,236			91,236	
General Requirements 6.00%	91,236	91,236			91,236	
Payment/performance bond or						
letter-of-credit fee or premium	Subtotal	212,883	-	-	212,883	-
Total Construction Costs 26,402.09 per un 1,742,538 32.78 per sq						

PART FOUR - USES OF FUNDS - Pine Village Apartments - 2011-534

CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS

. DEVELOPMENT COST SCHEDULE	C	TOTAL COST	New Construction Basis	Acquisition Basis	Rehabilitation Basis	Amortizable or Non-Depreciable Basis
CONSTRUCTION PERIOD FINANCING				CONSTRUCTION	N PERIOD FINANCING	
Construction Loan Fee						
Construction Loan Interest		4,035			1,367	2,668
Construction Legal Fees						
Construction Period Real Estate Tax		4,792			4,792	
Construction Insurance		3,908			3,908	
Bridge Loan Fee and Bridge Loan Interest						
Other:						
	Subtotal	12,735	-	-	10,067	2,668
PROFESSIONAL SERVICES				PROFESSIO	ONAL SERVICES	
Architectural Fee - Design		31,451			31,451	
Architectural Fee - Supervision		16,935			16,935	
Engineering		6,000			6,000	
Real Estate Attorney		8,630		7,897		733
Accounting		10,000			10,000	
Other:						
	Subtotal	73,016	-	7,897	64,386	733
LOCAL GOVERNMENT FEES				LOCAL GOV	/ERNMENT FEES	
Building Permits						
Impact Fees						
Water Tap Fees waived?						
Sewer Tap Fees waived?						
Real Estate Taxes						
	Subtotal	-	-	-	-	-
PERMANENT FINANCING FEES				PERMANENT	FINANCING FEES	
Permanent Loan Fees		21,820				21,820
Permanent Loan Legal Fees		18,026				18,026
Title and Recording Fees		150				150
As-Built Survey						
Bond Issuance Premium						
Cost of Issuance / Underwriter's Discount		54,873				54,873
Other: Financial Advisor and Application Fees		4,534				4,534
	Subtotal	99,403	-	-	-	99,403

PART FOUR - USES OF FUNDS - Pine Village Apartments - 2011-534

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 COSTSDCA Loan Application FeeTax Credit Application FeeDCA Waiver FeesLIHTC Allocation Processing Fee9,476LIHTC Compliance Monitoring Fee46,200	3,000 9,316 9,900		DCA-RELAT	TED COSTS	3,000 9,316 9,900
DCA Front End Analysis Fee (when ID of Interest) DCA Final Inspection Fee Other: DCA Bond Allocation, DCA Bond Eligibility Option Subtotal	500 6,731 29,447				500 6,731 29,447
EQUITY COSTS Partnership Organization Fees Tax Credit Legal Opinion Other:	160		EQUITY	COSTS	160
Subtotal DEVELOPER'S FEE Developer's Overhead Consultant's Fee Developer's Fee Subtotal	160 303,389 303,389 606,778		- DEVELOP 136,059 136,059 272,118	- PER'S FEE 167,330 167,330 334,660	
START-UP AND RESERVES Marketing Rent -Up Reserves Operating Deficit Reserve: Replacement Reserve Furniture, Fixtures and Equipment	173,609 1,426		START-UP AN	<u>.</u>	173,609
Other: PRA Escrow Subtotal OTHER COSTS	<u>4,848</u> 179,883	-	OTHER		<u>4,848</u> 178,457
Relocation Other: Project Admin Expenses Other: Other Assets Purchased Subtotal TOTAL DEVELOPMENT COST	7,158 222 66,756 74,136 4,759,680		- 2.084.544	7,158 7,158 2,188,010	222 66,756 66,978 487,126
Per Unit Per Square Foot	72,116.36 89.53		2,007,077	2,100,010	407,120

PART FOUR - USES OF FUNDS - Pine Village Apartments - 2011-534

CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS

	CERTINOAT	ON OF ACTUAL O		AO TO LEIGIBLE BAOIO			_	
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 develop	ment 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					68,600		
	Total Subtractions From Basis:		0			68,600		
	Eligible Basis Calculation							
	Total Basis		0	2,084,544		2,188,010		
	Less Total Subtractions From Basis (see above)		0			68,600		
	Total Eligible Basis		0	2,084,544		2,119,410		
	Eligible Basis Adjustment for DDA/QCT Location					100.00%		
	Adjusted Eligible Basis		0	2,084,544		2,119,410		
	Multiply Adjusted Eligible Basis by Applicable Fraction	100.00%	100.00%		100.00%			
	Qualified Basis		0	2,084,544		2,119,410		
	Multiply Qualified Basis by Applicable Credit Percentage			3.20%		3.24%		
	Maximum Tax Credit Amount		0	66,705		68,669	i i	
	Total Basis Method Tax Credit Calculation			135,374			I	
Ш.	TAX CREDIT CALCULATION - GAP METHOD							
	Equity Gap Calculation							
	Total Development Cost			4,759,680				
	Subtract Non-LIHTC (excluding deferred fee) Source of Fund		3,081,210					
	Equity Gap		1,678,470					
	Divide Equity Gap by 10		/ 10					
	Annual Equity Required		167,847		Federal		State	
	Enter Final Federal and State Equity Factors (not including (GP contribution)		1.2399	=	0.9459	+	0.2940
	Total Gap Method Tax Credit Calculation			135,374				
IV.	TAX CREDIT CARRYOVER ALLOCATION	Allocation Year	2011					
۷.	FINAL TAX CREDIT ALLOCATION REQUEST			135,374				

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

Name - Please Type

Date

PART EIGHT - BUILDING BY BUILDING CREDIT ALLOCATION - Pine Village Apartments - 2011-534

Cost Certification Date:	12/6/2013		1	Carryover Allocation Date: N/A Project Addre					Address:	s: 434 Cherokee Street, Pine Mountain GA 31822						
Type of Activity:	Acquisition															
				Please de	D NOT	include c	ommon sp	ace er	nployee u	nits!						
			Total	Total	Nbr	Low						Date			FINAL Tax Cr	edit Allocation
		Building	Nbr of	Residential	of Low	Income	Building's	QCT/	Building's	Building's	Building's	Placed	Applic.	Tax	Req	uest
Identification		Residntl	Square	Income	Square	Eligible	DDA	Adjusted	Applicable	Qualified	In	Credit	Credit	Building's	Tax Credit	
Building Address Number		<u>Units</u>	Footage	<u>Units</u>	<u>Footage</u>	<u>Basis</u>	Boost	Basis	Fraction	<u>Basis</u>	Service	<u>%</u>	<u>Amount</u>	Qualified Basis	<u>Amount</u>	
165 Butts Mill Road Pine Mountai		GA-88-03201	6	4,988	6	4,988	198,452	100%	198,452	100.00%	198,452	7/25/2013	3.20%	6,350	198,452	6,350
173 Butts Mill Road Pine Mountai		GA-88-03202	6	4,988	6	4,988	198,452	100%	198,452	100.00%	198,452	7/25/2013	3.20%	6,350	198,452	6,350
181 Butts Mill Road Pine Mountai	1	GA-88-03203	6	4,988	6	4,988	198,452	100%	198,452	100.00%	198,452	7/25/2013	3.20%	6,350	198,452	6,350
410 Cherokee Street Pine Mounta	,	GA-88-03204	2	1,664	2	1,664	66,204	100%	66,204	100.00%	66,204	7/25/2013	3.20%	2,119	66,204	2,119
416 Cherokee Street Pine Mounta	,	GA-88-03205	6	4,240	6	4,240	168,692	100%	168,692	100.00%	168,692	7/25/2013	3.20%	5,398	168,692	5,398
434 Cherokee Street Pine Mounta	,	GA-88-03206	4	2,952	4	2,952	117,448	100%	117,448	100.00%	117,448	7/25/2013	3.20%	3,758	117,448	3,758
444 & 450 Cherokee Street Pine I	,	GA-88-03207	6	3,864	6	3,864	153,734	100%	153,734	100.00%	153,734	7/25/2013	3.20%	4,921	153,734	4,921
134 South Church Avenue Pine M		GA-11-53401	6	4,942	6	4,942	196,622	100%	196,622	100.00%	196,622	7/25/2013	3.20%	6,292	196,622	6,292
134 South Church Avenue Pine M	,	GA-11-53402	6	4,942	6	4,942	196,622	100%	196,622	100.00%	196,622	7/25/2013	3.20%	6,292	196,622	6,292
134 South Church Avenue Pine M		GA-11-53403	6	4,942	6	4,942	196,622	100%	196,622	100.00%	196,622	7/25/2013	3.20%	6,292	196,622	6,292
134 South Church Avenue Pine M	ountain, GA 31822	GA-11-53404	6	4,942	6	4,942	196,622	100%	196,622	100.00%	196,622	7/25/2013	3.20%	6,292	196,622	6,292
134 South Church Avenue Pine M	ountain, GA 31822	GA-11-53405	6	4,942	6	4,942	196,622	100%	196,622	100.00%	196,622	7/25/2013	3.20%	6,292	196,622	6,291
		•	66	52,394	66	52,394	2,084,544		2,084,544		2,084,544			66,707	2,084,544	66,705

PART EIGHT - BUILDING BY BUILDING CREDIT ALLOCATION - Pine Village Apartments - 2011-534

Cost Certification Date:	12/6/2013		1	Carryover	arryover Allocation Date:			N/A Project Add			ddress: 434 Cherokee Street, Pine Mountain GA 31822						
Type of Activity:	Rehabilitation								-								
				Please de	D NOT	include c	ommon sp	ace er	nployee u	nits!							
			Total	Total	Nbr	Low						Date			FINAL Tax Cr	edit Allocation	
		Building	Nbr of	Residential	of Low	Income	Building's	QCT/	Building's	Building's	Building's	Placed	Applic.	Tax	Req	uest	
Identification		Residntl	Square	Income	Square	Eligible	DDA	Adjusted	Applicable	Qualified	In	Credit	Credit	Building's	Tax Credit		
Building Address Number		<u>Units</u>	Footage	<u>Units</u>	<u>Footage</u>	<u>Basis</u>	Boost	<u>Basis</u>	Fraction	Basis	Service	<u>%</u>	<u>Amount</u>	Qualified Basis	<u>Amount</u>		
165 Butts Mill Road Pine Mountai		GA-88-03201	6	4,988	6	4,988	201,772	100%	201,772	100.00%	201,772	8/31/2013	3.24%	6,537	201,772	6,537	
173 Butts Mill Road Pine Mountai		GA-88-03202	6	4,988	6	4,988	201,772	100%	201,772	100.00%	201,772	8/31/2013	3.24%	6,537	201,772	6,537	
181 Butts Mill Road Pine Mountai		GA-88-03203	6	4,988	6	4,988	201,772	100%	201,772	100.00%	201,772	8/31/2013	3.24%	6,537	201,772	6,537	
410 Cherokee Street Pine Mounta	,	GA-88-03204	2	1,664	2	1,664	67,311	100%	67,311	100.00%	67,311	8/31/2013	3.24%	2,181	67,311	2,181	
416 Cherokee Street Pine Mounta	ain, GA 31822	GA-88-03205	6	4,240	6	4,240	171,514	100%	171,514	100.00%	171,514	8/31/2013	3.24%	5,557	171,514	5,557	
434 Cherokee Street Pine Mounta	ain, GA 31822	GA-88-03206	4	2,952	4	2,952	119,411	100%	119,411	100.00%	119,411	8/31/2013	3.24%	3,869	119,411	3,869	
444 & 450 Cherokee Street Pine	Mountain, GA 31822	GA-88-03207	6	3,864	6	3,864	156,303	100%	156,303	100.00%	156,303	8/31/2013	3.24%	5,067	156,303	5,067	
134 South Church Avenue Pine M	lountain, GA 31822	GA-11-53401	6	4,942	6	4,942	199,911	100%	199,911	100.00%	199,911	8/31/2013	3.24%	6,477	199,911	6,477	
134 South Church Avenue Pine M	Iountain, GA 31822	GA-11-53402	6	4,942	6	4,942	199,911	100%	199,911	100.00%	199,911	8/31/2013	3.24%	6,477	199,911	6,477	
134 South Church Avenue Pine M	Iountain, GA 31822	GA-11-53403	6	4,942	6	4,942	199,911	100%	199,911	100.00%	199,911	8/31/2013	3.24%	6,477	199,911	6,477	
134 South Church Avenue Pine M	lountain, GA 31822	GA-11-53404	6	4,942	6	4,942	199,911	100%	199,911	100.00%	199,911	8/31/2013	3.24%	6,477	199,911	6,477	
134 South Church Avenue Pine M	Iountain, GA 31822	GA-11-53405	6	4,942	6	4,942	199,911	100%	199,911	100.00%	199,911	8/31/2013	3.24%	6,477	199,911	6,476	
		_															
			66	52,394	66	52,394	2,119,410		2,119,410		2,119,410			68,672	2,119,410	68,669	