

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

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

Auditor's Report and Certification of Actual Costs for New Autumnwood Village Apartments of Georgia, 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 Autumnwood Village Apartments of
Georgia, LLC**

Autumnwood 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 Autumnwood Village Apartments of Georgia, LLC
Project Name: Autumnwood Village Apartments
Project Number: TCAA # 2011-517

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 Autumnwood Village Apartments of Georgia, LLC (the "Owner") for Autumnwood Village Apartments ("the Project") as of July 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 \$2,538,720 and eligible basis of \$2,338,709 of the Owner for the Project as of July 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
November 2, 2014*

PART FOUR - USES OF FUNDS - Autumnwood Village Apartments - 2011-517

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			5,333	35
Market Study	3,000			3,000	
Environmental Report(s)	3,720			3,720	
Soil Borings					
Boundary and Topographical Survey					
Zoning/Site Plan Fees					
Other: <u>Alta Survey, Capital Needs Assessment</u>	7,080			7,050	30
Subtotal	19,168	-	-	19,103	65
ACQUISITION					
Land	6,491				6,491
Demolition					
Acquisition Legal Fees (if existing structures)			982,308		
Existing Structures	982,308		982,308		6,491
Subtotal	988,799	-	982,308	-	-
SITE IMPROVEMENTS					
Site Preparation (On-site)	100,277			100,277	
Site Preparation (Off-site)					
Subtotal	100,277	-	-	100,277	-
UNIT/BUILDING CONSTRUCTION					
Unit/Building Construction/New Construction					
Unit/Building Construction/Rehab	749,780			749,780	
Project Amenities / Accessory Buildings					
Other: <u>Construction Costs Outside of Contract</u>	3,073			3,073	
Subtotal	752,853	-	-	752,853	-
CONTRACTOR SERVICES					
Builder's Overhead: 2.00%	17,001			16,998	
Builder Profit: 6.00%	51,003			51,001	
General Requirements 6.00%	51,003			51,001	
Payment/performance bond or letter-of-credit fee or premium					
Subtotal	119,000	-	-	119,000	-
Total Construction Costs	27,003.61 per unit				
972,130	35.18 per sq ft				

PART FOUR - USES OF FUNDS - Autumnwood Village Apartments - 2011-517

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	3,303			2,932	371
Construction Legal Fees					
Construction Period Real Estate Tax	7,728			7,728	
Construction Insurance	7,899			7,899	
Bridge Loan Fee and Bridge Loan Interest					
Other:					
Subtotal	18,930	-	-	18,559	371
PROFESSIONAL SERVICES					
Architectural Fee - Design	18,315			18,315	
Architectural Fee - Supervision	9,862			9,862	
Engineering	2,400			2,400	
Real Estate Attorney	4,885		4,707		178
Accounting	10,000			10,000	
Other:					
Subtotal	45,462	-	4,707	40,577	178
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	8,320				8,320
Permanent Loan Legal Fees	9,833				9,833
Title and Recording Fees	150				150
As-Built Survey					
Bond Issuance Premium					
Cost of Issuance / Underwriter's Discount	29,947				29,947
Other: Financial Advisor and Application Fees	2,612				2,612
Subtotal	50,862	-	-	-	50,862

PART FOUR - USES OF FUNDS - Autumnwood Village Apartments - 2011-517

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	5,239 5,219				5,219
LIHTC Compliance Monitoring Fee	25,200 5,400				5,400
DCA Front End Analysis Fee (when ID of Interest)					
DCA Final Inspection Fee	500				500
Other: DCA Bond Allocation, DCA Bond Eligibility Option	5,731				5,731
Subtotal	19,850				19,850
EQUITY COSTS					
Partnership Organization Fees	160				160
Tax Credit Legal Opinion					
Other:					
Subtotal	160				160
DEVELOPER'S FEE					
Developer's Overhead					
Consultant's Fee	165,148		74,063	91,085	
Developer's Fee	165,148		74,063	91,085	
Subtotal	330,296		148,126	182,170	
START-UP AND RESERVES					
Marketing					
Rent-Up Reserves					
Operating Deficit Reserve:					
Replacement Reserve	46,520				46,520
Furniture, Fixtures and Equipment	2,393			2,393	
Other:					
Subtotal	48,913			2,393	46,520
OTHER COSTS					
Relocation	336			336	
Other: Project Admin Expenses	241				241
Other: Other Assets Purchased	43,573				43,573
Subtotal	44,150			336	43,814
TOTAL DEVELOPMENT COST	2,538,720		1,135,141	1,235,268	168,311
Per Unit	70,520.00				
Per Square Foot	91.87				

PART FOUR - USES OF FUNDS - Autumnwood Village Apartments - 2011-517

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>			31,700
Total Subtractions From Basis:	0		31,700
Eligible Basis Calculation			
Total Basis	0	1,135,141	1,235,268
Less Total Subtractions From Basis (see above)	0		31,700
Total Eligible Basis	0	1,135,141	1,203,568
Eligible Basis Adjustment for DDA/QCT Location			100.00%
Adjusted Eligible Basis	0	1,135,141	1,203,568
Multiply Adjusted Eligible Basis by Applicable Fraction	100.00%	100.00%	100.00%
Qualified Basis	0	1,135,141	1,203,568
Multiply Qualified Basis by Applicable Credit Percentage		3.20%	3.20%
Maximum Tax Credit Amount	0	36,325	38,514
Total Basis Method Tax Credit Calculation		74,839	

III. TAX CREDIT CALCULATION - GAP METHOD

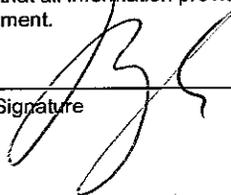
Equity Gap Calculation			
Total Development Cost	2,538,720		
Subtract Non-LIHTC (excluding deferred fee) Source of Funds	1,409,988		
Equity Gap	1,128,732		
Divide Equity Gap by 10	/ 10		
Annual Equity Required	112,873		
Enter Final Federal and State Equity Factors (not including GP contribution)	1.4600	=	Federal 1.1130 + State 0.3470
Total Gap Method Tax Credit Calculation	77,310		

IV. TAX CREDIT CARRYOVER ALLOCATION

Allocation Year

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 

Name - Please Type J. Witarowski, Member WUS LLC Date 11-10-2014
Autumnwood Village Apartments LLC

PART EIGHT - BUILDING BY BUILDING CREDIT ALLOCATION - Autumnwood Village Apartments - 2011-517

Cost Certification Date: **7/10/2014** Carryover Allocation Date: **N/A** Project Address: **237 Irwinville Road, Abbeville GA 31001**
 Type of Activity: **Rehabilitation**

Please do NOT include common space employee units!

Building Address	Building Identification Number	Total Nbr of Residential 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
237 Irwinville Road Abbeville, GA 31001	GA-91-00301	8	5,471	8	5,471	246,526	100%	246,526	100.00%	246,526	1/31/2014	3.20%	7,889	246,526	7,889
237 Irwinville Road Abbeville, GA 31001	GA-91-00302	8	5,168	8	5,168	232,873	100%	232,873	100.00%	232,873	1/31/2014	3.20%	7,452	232,873	7,452
237 Irwinville Road Abbeville, GA 31001	GA-91-00303	8	5,471	8	5,471	246,526	100%	246,526	100.00%	246,526	1/31/2014	3.20%	7,889	246,526	7,889
237 Irwinville Road Abbeville, GA 31001	GA-91-00304	6	5,433	6	5,433	244,814	100%	244,814	100.00%	244,814	1/31/2014	3.20%	7,834	244,814	7,834
237 Irwinville Road Abbeville, GA 31001	GA-91-00305	6	5,167	6	5,167	232,829	100%	232,829	100.00%	232,829	1/31/2014	3.20%	7,450	232,827	7,450
		36	26,710	36	26,710	1,203,568		1,203,568		1,203,568			38,513	1,203,566	38,514

New Autumnwood Village Apartments of Georgia, LLC
 Cost Allocation of Purchase Price

Sales Price	5101	1,072,574.75	✓
Reallocation	Draw #7	(126.00)	
Add'l Recording Costs	Draw #7	182.66	
Settlement Charges	5101	6,261.69	
		1,078,893.10	✓

	5102	Acq Costs	Title/Rec	Total				
Other Purchased Assets	✗	90,093.25	✓	0	90,093.25	(46,519.77)	43,573.48	1410
Land	ⓘ	6,450.00	41.48	6,491.48	1410	ineligible		
Building	ⓘ	976,031.50	6,276.87	982,308.37	1410	eligible		
		1,072,574.75	6,318.35	1,078,893.10				

Σ ⓘ 982,481.50 Total land and building agrees to WP 5102 analysis

Title/Recording	6,318.35
Allocation:	
Land	41.48
Building	6,276.87

Assigned Values:	
Land Appraised Value	✓ 6,450.00 See appraisal report at PF-1408
Building Value	✓ 976,031.50
	982,481.50

Allocation %	
Land	0.66%
Building	99.34%

Cells to enter data

✗ Reserves of \$46,519.77 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.



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April 15, 2013

Greystone Servicing Corporation, Inc.

Attn: Jane Sadler

1715 Aaron Brenner Drive, Suite 500

Memphis, TN 38120

Re: Autumnwood Village Apartments

237 Irwinville Highway

Abbeville, 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.

<i>Competitive Rent Comparable Unit Conclusions (CRCU)</i>			
	<u>1 Bedroom</u>	<u>2 Bedroom</u>	<u>2 Bedroom TH</u>
Prospective (Renovated) CRCU	\$460	\$515	\$560
<i>Value Opinions</i>			
	<u>Date of Value</u>	<u>Value</u>	
As-is Market Value, unrestricted rents	April 1, 2013	\$1,400,000	
Prospective Market Value, restricted rents (FNMA)	June 30, 2013	\$1,180,000	
Prospective Market Value, restricted rents (RD)	April 1, 2015	\$1,410,000	
Prospective Market Value subject to unrestricted rents	April 1, 2015	\$1,690,000	
Land Value	April 1, 2013	\$6,450	
Interest Credit Subsidy Value (Existing 515 Loan)	April 1, 2013	\$502,700	
LIHTC Value	April 1, 2015	\$1,058,610	
Insurable Value	April 1, 2015	\$1,476,475	

**New Autumnwood Village Apartments of Georgia, 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)	\$ 6,491	\$ -	\$ -	\$ 6,491	\$ -	\$ -	\$ 6,491	\$ -
Building Acquisition/Other Assets Purchased (cells 22 & 127)	1,025,881	-	950,608	-	75,273	950,608	950,608	173,099
Rehab/New Construction (cells 26, 32, 34, 38-40)	972,130	-	972,130	-	-	972,130	972,130	972,130
Soft Costs (cells 9-15, 51-57, 61-66, 78-80, 120, 125)	104,592	18,334	85,675	96	487	85,675	85,771	85,771
Financing Fees & Expenses (cells 83 & 84)	32,559	32,559	-	-	-	-	-	-
Other Costs (cells 93-100, 104, 126)	20,251	19,850	-	-	401	-	-	-
Developer Costs (cells 111 & 112)	330,296	-	330,296	-	-	330,296	330,296	-
Development Reserves (cells 119 & 121)	46,520	-	-	-	46,520	-	-	-
	<u>\$ 2,538,720</u>	<u>\$ 70,743</u>	<u>\$ 2,338,709</u>	<u>\$ 6,587</u>	<u>\$ 122,681</u>	<u>\$ 2,338,709</u>	<u>\$ 2,345,296</u>	<u>\$ 1,231,000</u>

50% Test Percentage Calculation

(B/A)

52.49%