

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

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

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

**New Doyle Village Apartments, LLC**

Doyle 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<sup>LLP</sup>**  
Certified Public Accountants and Advisors



**DIXON HUGHES GOODMAN** LLP  
Certified Public Accountants and Advisors

***INDEPENDENT AUDITORS' REPORT***

Owner's Name: New Doyle Village Apartments, LLC  
Project Name: Doyle Village Apartments  
Project Number: TCAA # 2011-520

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 Doyle Village Apartments, LLC (the "Owner") for Doyle 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 presents fairly, in all material respects, the actual costs of \$2,657,330 and eligible basis of \$2,218,660 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 12, 2014*

CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS

I. DEVELOPMENT COST SCHEDULE

	TOTAL COST	New Construction Basis	Acquisition Basis	REHABILITATION COSTS	Rehabilitation Basis	Amountable or Non-Depreciable Basis
<b>PRE-DEVELOPMENT COSTS</b>						
Property Appraisal	5,368			4,508		860
Market Study	3,000			3,000		
Environmental Report(s)	2,770			2,770		
Soil Borings						
Boundary and Topographical Survey						
Zoning/Site Plan Fees						
Other: <u>Alfa Survey/Capital Needs Assessment</u>	7,834			7,060		774
<b>Subtotal</b>	18,972	-	-	17,338		1,634
<b>ACQUISITION</b>						
Land	174,136					174,136
Demolition						
Acquisition Legal Fees (if existing structures)			912,987			
Existing Structures			912,987			
<b>Subtotal</b>	1,087,123	-	912,987			174,136
<b>SITE IMPROVEMENTS</b>						
Site Preparation (On-site)	65,957			65,957		
Site Preparation (Off-site)						
<b>Subtotal</b>	65,957	-		65,957		
<b>UNIT/BUILDING CONSTRUCTION</b>						
Unit/Building Construction/New Construction						
Unit/Building Construction/Rehab	745,423			745,423		
Project Amenities / Accessory Buildings						
Other: <u>Construction Costs Outside of Contract</u>	13,348			13,348		
<b>Subtotal</b>	758,771	-		758,771		
<b>CONTRACTOR SERVICES</b>						
Builder's Overhead:	16,228			16,167		
Builder Profit:	48,683			48,502		
General Requirements	48,683			48,502		
Payment/performance bond or letter-of-credit fee or premium						
<b>Subtotal</b>	113,171	-		113,171		
<b>Total Construction Costs</b>	937,899					
			24,681.55			
			35.22			
			per unit			
			per sq ft			

PART FOUR - USES OF FUNDS - Doyle Village Apartments - 2011-520

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
<b>CONSTRUCTION PERIOD FINANCING</b>					
Construction Loan Fee	2,656			1,954	702
Construction Loan Interest					
Construction Legal Fees	3,156			3,156	
Construction Period Real Estate Tax	5,991			5,991	
Construction Insurance					
Bridge Loan Fee and Bridge Loan Interest					
Other:					
<b>Subtotal</b>	<b>11,803</b>	<b>-</b>	<b>-</b>	<b>11,101</b>	<b>702</b>
<b>PROFESSIONAL SERVICES</b>					
Architectural Fee - Design	17,687			17,687	
Architectural Fee - Supervision	9,524			9,524	
Engineering	2,100			2,100	
Real Estate Attorney	5,141		4,188		953
Accounting	10,000			10,000	
Other:					
<b>Subtotal</b>	<b>44,452</b>	<b>-</b>	<b>4,188</b>	<b>39,311</b>	<b>953</b>
<b>LOCAL GOVERNMENT FEES</b>					
Building Permits					
Impact Fees					
Water Tap Fees	waived?				
Sewer Tap Fees	waived?				
Real Estate Taxes					
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>PERMANENT FINANCING FEES</b>					
Permanent Loan Fees	19,600				19,600
Permanent Loan Legal Fees	10,379				10,379
Title and Recording Fees	150				150
As-Built Survey					
Bond Issuance Premium					
Cost of Issuance / Underwriter's Discount	31,419				31,419
Other: Financial Advisor and Application Fees	2,706				2,706
<b>Subtotal</b>	<b>64,254</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>64,254</b>

PART FOUR - USES OF FUNDS - Doyle Village Apartments - 2011-520

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
<b>DCA-RELATED COSTS</b>					
DCA Loan Application Fee					
Tax Credit Application Fee	3,000				3,000
DCA Waiver Fees	4,919				4,919
LIHTC Allocation Processing Fee	5,700				5,700
LIHTC Compliance Monitoring Fee	5,011				
DCA Front End Analysis Fee (when ID of Interest)	26,600				
DCA Final Inspection Fee	500				500
Other: <u>DCA Bond Allocation, DCA Bond Eligibility Option</u>	5,765				5,765
<b>Subtotal</b>	<b>19,884</b>				<b>19,884</b>
<b>EQUITY COSTS</b>					
Partnership Organization Fees	160				160
Tax Credit Legal Opinion					
Other:	160				160
<b>Subtotal</b>	<b>160</b>				<b>160</b>
<b>DEVELOPER'S FEE</b>					
Developer's Overhead	162,033		68,979	93,054	
Consultant's Fee	162,035		68,979	93,054	
Developer's Fee	324,066		137,958	186,108	
<b>Subtotal</b>	<b>324,066</b>		<b>137,958</b>	<b>186,108</b>	
<b>START-UP AND RESERVES</b>					
Marketing					
Rent -Up Reserves					
Operating Deficit Reserve:					
Replacement Reserve	108,878				108,878
Furniture, Fixtures and Equipment	3,648				3,648
Other: <u>PRAE-screw</u>	2,100				2,100
<b>Subtotal</b>	<b>114,626</b>			<b>3,648</b>	<b>110,978</b>
<b>OTHER COSTS</b>					
Relocation	1,172			1,172	
Other: <u>Project Admin Expenses</u>	241				241
Other: <u>Other Assets Purchased</u>	32,676				32,676
<b>Subtotal</b>	<b>34,091</b>			<b>1,172</b>	<b>32,919</b>
<b>TOTAL DEVELOPMENT COST</b>	<b>2,657,330</b>		<b>1,055,133</b>	<b>1,196,577</b>	<b>405,620</b>
Per Unit	69,929.74				
Per Square Foot	99.79				

PART FOUR - USES OF FUNDS - Doyle Village Apartments - 2011-520

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	4% Acquisition Basis	Rehabilitation Basis
0	33,050	33,050

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	1,055,133	1,196,577
0		33,050
0	1,055,133	1,163,527
		100.00%
0	1,055,133	1,163,527
100.00%	1,055,133	100.00%
0	320%	1,163,527
0	33,764	325%
	37,815	
	<b>71,579</b>	

III. TAX CREDIT CALCULATION - GAP METHOD

Equity Gap Calculation

Total Development Cost  
 Subtract Non-LIHTC (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

2,657,330	
2,162,994	
494,336	
/ 10	
49,434	
0.6850	
<b>72,166</b>	

Federal + State = 0.5220 + 0.1630

IV. TAX CREDIT CARRYOVER ALLOCATION

Allocation Year

2011	71,579
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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]* Date 2/20/14

J. Wilczewski, Member WVD, LLC  
 Name - Please Type  
 Member Collect, LLC, Main Doyle Village Apartments, LLC  
 Date



PART EIGHT - BUILDING BY BUILDING CREDIT ALLOCATION - Doyle Village Apartments - 2011-520

Cost Certification Date: 1/22/2014

Type of Activity: Acquisition

Carryover Allocation Date: N/A

Project Address: 1030 North Daren Street SW, Daren, GA 31305

Please do NOT include common space employee units!

Building Address	Building Identification Number	Total Nbr of Residentl 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			
1030 North Daren Street SW, Daren, GA 31305	GA-93-02401	6	4,101	6	4,101	166,928	100%	166,928	100.00%	166,928	7/25/2013	3.20%	5,342	166,928	5,342			
1030 North Daren Street SW, Daren, GA 31305	GA-93-02402	6	4,101	6	4,101	166,928	100%	166,928	100.00%	166,928	7/25/2013	3.20%	5,342	166,928	5,342			
1030 North Daren Street SW, Daren, GA 31305	GA-93-02403	6	4,255	6	4,255	173,196	100%	173,196	100.00%	173,196	7/25/2013	3.20%	5,542	173,196	5,542			
1030 North Daren Street SW, Daren, GA 31305	GA-93-02404	6	3,947	6	3,947	160,659	100%	160,659	100.00%	160,659	7/25/2013	3.20%	5,141	160,659	5,141			
1030 North Daren Street SW, Daren, GA 31305	GA-93-02405	6	3,947	6	3,947	160,659	100%	160,659	100.00%	160,659	7/25/2013	3.20%	5,141	160,659	5,141			
1030 North Daren Street SW, Daren, GA 31305	GA-93-02406	6	3,947	6	3,947	160,659	100%	160,659	100.00%	160,659	7/25/2013	3.20%	5,141	160,659	5,141			
1030 North Daren Street SW, Daren, GA 31305	GA-93-02407	2	1,624	2	1,624	66,104	100%	66,104	100.00%	66,104	7/25/2013	3.20%	2,115	66,104	2,115			
												38	25,922	1,055,133	1,055,133	33,764	1,055,133	33,764

**PART EIGHT - BUILDING BY BUILDING CREDIT ALLOCATION - Doyle Village Apartments - 2011-520**

Cost Certification Date: 1/22/2014  
 Type of Activity: Rehabilitation

Carryover Allocation Date: N/A

Project Address: 1030 North Danen Street, SW, Darien, GA 31305

**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		
1030 North Danen Street SW, Darien, GA 31305	GA-93-02401	6	4,101	6	4,101	184,076	100%	184,076	100.00%	184,076	12/30/2013	3.25%	5,982	184,076	5,982		
1030 North Danen Street SW, Darien, GA 31305	GA-93-02402	6	4,101	6	4,101	184,076	100%	184,076	100.00%	184,076	12/30/2013	3.25%	5,982	184,076	5,982		
1030 North Danen Street SW, Darien, GA 31305	GA-93-02403	6	4,255	6	4,255	190,989	100%	190,989	100.00%	190,989	12/30/2013	3.25%	6,207	190,989	6,207		
1030 North Danen Street SW, Darien, GA 31305	GA-93-02404	6	3,947	6	3,947	177,164	100%	177,164	100.00%	177,164	12/30/2013	3.25%	5,758	177,164	5,758		
1030 North Danen Street SW, Darien, GA 31305	GA-93-02405	6	3,947	6	3,947	177,164	100%	177,164	100.00%	177,164	12/30/2013	3.25%	5,758	177,164	5,758		
1030 North Danen Street SW, Darien, GA 31305	GA-93-02406	6	3,947	6	3,947	177,164	100%	177,164	100.00%	177,164	12/30/2013	3.25%	5,758	177,164	5,758		
1030 North Danen Street SW, Darien, GA 31305	GA-93-02407	2	1,624	2	1,624	72,894	100%	72,894	100.00%	72,894	12/30/2013	3.25%	2,370	72,894	2,370		
														1,163,527	37,816	1,163,527	37,815