

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

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

Auditor's Report and Certification of Actual Costs for New Apple Village 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 Apple Village Apartments, LLC

Apple 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 Apple Village Apartments, LLC

Project Name: Apple Village Apartments

Project Number: TCAA # 2011-521

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 Apple Village Apartments, LLC (the "Owner") for Apple 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 \$1,664,938 and eligible basis of \$1,734,660 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 - Apple Village Apartments - 2011-521

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	4,504			4,234	270
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>	5,553			5,370	183
Subtotal	16,777	-	-	16,324	453
ACQUISITION					
Land	35,256				35,256
Demolition					
Acquisition Legal Fees (if existing structures)			553,503		
Existing Structures	553,503		553,503		35,256
Subtotal	588,759	-	553,503	-	-
SITE IMPROVEMENTS					
Site Preparation (On-site)	69,303			69,303	
Site Preparation (Off-site)					
Subtotal	69,303	-	-	69,303	-
UNIT/BUILDING CONSTRUCTION					
Unit/Building Construction/New Construction					
Unit/Building Construction/Rehab	512,404			512,404	
Project Amenities / Accessory Buildings					
Other: <u>Construction Costs Outside of Contract</u>	8,756			8,756	
Subtotal	521,160	-	-	521,160	-
CONTRACTOR SERVICES					
Builder's Overhead: 2.00%	11,634			11,574	
Builder Profit: 6.00%	34,902			34,725	
General Requirements 6.00%	34,902			34,725	
Payment/performance bond or letter-of-credit fee or premium					
Subtotal	81,024	-	-	81,024	-
Total Construction Costs	27,978.63 per unit				
671,487	37.85 per sq ft				

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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	2,836			2,170	666
Construction Legal Fees					
Construction Period Real Estate Tax	5,863			5,863	
Construction Insurance	5,336			5,336	
Bridge Loan Fee and Bridge Loan Interest					
Other:					
Subtotal	14,035	-	-	13,369	666
PROFESSIONAL SERVICES					
Architectural Fee - Design	12,527			12,527	
Architectural Fee - Supervision	6,745			6,745	
Engineering	1,500			1,500	
Real Estate Attorney	3,342		3,048		294
Accounting	10,000			10,000	
Other:					
Subtotal	34,114	-	3,048	30,772	294
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	4,840				4,840
Permanent Loan Legal Fees	6,555				6,555
Title and Recording Fees	150				150
As-Built Survey					
Bond Issuance Premium					
Cost of Issuance / Underwriter's Discount	20,032				20,032
Other: Financial Advisor and Application Fees	1,807				1,807
Subtotal	33,384	-	-	-	33,384

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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	3,886				3,886
LIHTC Compliance Monitoring Fee	16,800				3,600
DCA Front End Analysis Fee (when ID of Interest)					
DCA Final Inspection Fee	500				500
Other: DCA Bond Allocation, DCA Bond Eligibility Option	5,297				5,297
Subtotal	16,283				16,283
EQUITY COSTS					
Partnership Organization Fees	160				160
Tax Credit Legal Opinion					
Other:					
Subtotal	160				160
DEVELOPER'S FEE					
Developer's Overhead					
Consultant's Fee	106,300		41,803	64,497	
Developer's Fee	106,300		41,803	64,497	
Subtotal	212,600		83,606	128,994	
START-UP AND RESERVES					
Marketing					
Rent -Up Reserves					
Operating Deficit Reserve:					
Replacement Reserve	42,623				42,623
Furniture, Fixtures and Equipment	1,965			1,965	
Other:					
Subtotal	44,588			1,965	42,623
OTHER COSTS					
Relocation	914			914	
Other: Project Admin Expenses	241				241
Other: Other Assets Purchased	31,596				31,596
Subtotal	32,751			914	31,837
TOTAL DEVELOPMENT COST	1,664,938		640,157	863,825	160,956
Per Unit	69,372.42				
Per Square Foot	93.86				

PART FOUR - USES OF FUNDS - Apple Village Apartments - 2011-521

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 GA Power Rebate

Total Subtractions From Basis:

New Construction Basis	4% Acquisition Basis	Rehabilitation Basis
		21,900
0		21,900

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	640,157	863,825
0		21,900
0	640,157	841,925
		130.00%
0	640,157	1,094,503
100.00%	100.00%	100.00%
0	640,157	1,094,503
	3.20%	3.20%
0	20,485	35,024
55,509		

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

1,664,938
829,376
835,562
/ 10
83,556
1.4700
56,841

= Federal 1.1210 + State 0.3490

IV. TAX CREDIT CARRYOVER ALLOCATION

Allocation Year 2011

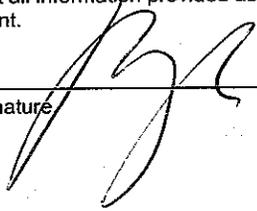
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V. FINAL TAX CREDIT ALLOCATION REQUEST

55,509

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. Wilczewski, Member WLD LLC
 Member, New Apple Village Apts, LLC

Date

10-11-2014

PART EIGHT - BUILDING BY BUILDING CREDIT ALLOCATION - Apple Village Apartments - 2011-521

Cost Certification Date: **7/10/2014** Carryover Allocation Date: **N/A** Project Address: **116 North 5th Street, Glenwood, GA 30428**
 Type of Activity: **Rehabilitation**

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
116 North 5th Street, Glenwood, GA 30428	GA-11-52101	6	4,142	6	4,142	203,516	130%	264,571	100.00%	264,571	2/28/2014	3.20%	8,466	264,571	8,466
116 North 5th Street, Glenwood, GA 30428	GA-11-52102	4	2,761	4	2,761	135,661	130%	176,359	100.00%	176,359	2/28/2014	3.20%	5,643	176,359	5,643
116 North 5th Street, Glenwood, GA 30428	GA-11-52103	4	3,329	4	3,329	163,571	130%	212,642	100.00%	212,642	2/28/2014	3.20%	6,806	212,642	6,806
116 North 5th Street, Glenwood, GA 30428	GA-11-52104	4	2,761	4	2,761	135,661	130%	176,359	100.00%	176,359	2/28/2014	3.20%	5,643	176,359	5,643
116 North 5th Street, Glenwood, GA 30428	GA-11-52105	6	4,142	6	4,142	203,516	130%	264,571	100.00%	264,571	2/28/2014	3.20%	8,466	264,571	8,466
		24	17,135	24	17,135	841,925		1,094,503		1,094,503			35,025	1,094,502	35,024

Cost Allocation of Purchase Price

Sales Price	5101	658,710.82	✓
Reallocation	Draw #7	(108.00)	
Add'l Recording Costs	Draw #7	182.66	
Settlement Charges	5101	4,192.87	
		662,978.35	

	5102	Acq Costs	Title/Rec	Total				
Other Purchased Assets	✘	74,219.21	✓	0	74,219.21	(42,622.85)	✘	31,596.36 1410
Land	①	35,000.00	255.54	35,255.54	1410		ineligible	
Building	①	549,491.61	4,011.99	553,503.60	1410		eligible	
		658,710.82	4,267.53	662,978.35				

Σ ① 584,491.61 Total land and building agrees to WP 5102 analysis

Title/Recording	4,267.53
Allocation:	
Land	255.54
Building	4,011.99

Assigned Values:	
Land Appraised Value	✓ 35,000.00 See appraisal report at PF-1408
Building Value	✓ 549,491.61
	584,491.61

Allocation %	
Land	5.99%
Building	94.01% ✓

Cells to enter data

✘ Reserves of \$42,622.85 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: Apple Village Apartments
116 North 5th Street
Glenwood, 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>
Prospective (Renovated) CRCU	425	450
<i>Value Opinions</i>	<u>Date of Value</u>	<u>Value</u>
As-is Market Value, unrestricted rents	April 1, 2013	\$790,000
Prospective Market Value, restricted rents (FNMA)	June 30, 2013	\$650,000
Prospective Market Value, restricted rents (RD)	April 1, 2015	\$770,000
Prospective Market Value subject to unrestricted rents	April 1, 2015	\$990,000
Land Value	April 1, 2013	\$35,000
Interest Credit Subsidy Value (Existing 515 Loan)	April 1, 2013	\$293,800
LIHTC Value	April 1, 2015	\$827,219
Insurable Value	April 1, 2015	\$956,522

**New Apple Village 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)	\$ 35,256	\$ -	\$ -	\$ 35,256	\$ -	\$ -	\$ 35,256	\$ -
Building Acquisition/Other Assets Purchased (cells 22 & 127)	585,099	-	531,603	-	53,496	531,603	531,603	58,474
Rehab/New Construction (cells 26, 32, 34, 38-40)	671,487	-	671,487	-	-	671,487	671,487	671,487
Soft Costs (cells 9-15, 51-57, 61-66, 78-80, 120, 125)	79,350	11,645	66,392	647	666	66,392	67,039	67,039
Financing Fees & Expenses (cells 83 & 84)	21,839	21,839	-	-	-	-	-	-
Other Costs (cells 93-100, 104, 126)	16,684	16,283	-	-	401	-	-	-
Developer Costs (cells 111 & 112)	212,600	-	212,600	-	-	212,600	212,600	-
Development Reserves (cells 119 & 121)	42,623	-	-	-	42,623	-	-	-
	<u>\$ 1,664,938</u>	<u>\$ 49,767</u>	<u>\$ 1,482,082</u>	<u>\$ 35,903</u>	<u>\$ 97,186</u>	<u>\$ 1,482,082</u>	<u>\$ 1,517,985</u>	<u>\$ 797,000</u>

50% Test Percentage Calculation

(B/A)

52.50%