

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

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

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

**New Pecan Village Apartments, LLC**

**Pecan 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 Pecan Village Apartments, LLC  
Project Name: Pecan Village Apartments  
Project Number: TCAA # 2011-523

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 Pecan Village Apartments, LLC (the "Owner") for Pecan 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 present fairly, in all material respects, the actual costs of \$2,082,669 and eligible basis of \$1,901,701 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  
January 20, 2014*

PART FOUR - USES OF FUNDS - Pecan Village Apartments - 2011-523

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>PRE-DEVELOPMENT COSTS</b>					
Property Appraisal	4,504			4,306	198
Market Study	3,000			3,000	
Environmental Report(s)	3,020			3,020	
Soil Borings					
Boundary and Topographical Survey					
Zoning/Site Plan Fees					
Other: <u>Alta Survey; Capital Needs Assessment</u>	<u>6,817</u>			<u>6,649</u>	<u>168</u>
<b>Subtotal</b>	<b>17,341</b>	<b>-</b>	<b>-</b>	<b>16,975</b>	<b>366</b>
<b>ACQUISITION</b>					
Land	34,665				34,665
Demolition					
Acquisition Legal Fees (if existing structures)					
Existing Structures	<u>753,779</u>		<u>753,779</u>		<u>34,665</u>
<b>Subtotal</b>	<b>788,444</b>	<b>-</b>	<b>753,779</b>	<b>-</b>	<b>34,665</b>
<b>SITE IMPROVEMENTS</b>					
Site Preparation (On-site)	75,580			75,580	
Site Preparation (Off-site)					
<b>Subtotal</b>	<b>75,580</b>	<b>-</b>	<b>-</b>	<b>75,580</b>	<b>-</b>
<b>UNIT/BUILDING CONSTRUCTION</b>					
Unit/Building Construction/New Construction					
Unit/Building Construction/Rehab	651,629			651,629	
Project Amenities / Accessory Buildings					
Other: <u>Construction Costs Outside of Contract</u>	<u>13,164</u>			<u>13,164</u>	
<b>Subtotal</b>	<b>664,793</b>	<b>-</b>	<b>-</b>	<b>664,793</b>	<b>-</b>
<b>CONTRACTOR SERVICES</b>					
Builder's Overhead:	2.00%	14,544		14,543	
Builder Profit:	6.00%	43,633		43,631	
General Requirements	6.00%	43,633		43,631	
Payment/performance bond or letter-of-credit fee or premium					
<b>Subtotal</b>		<b>101,805</b>		<b>101,805</b>	
<b>Total Construction Costs</b>	<b>842,178</b>	<b>28,072.60 per unit</b>		<b>101,805</b>	
		<b>39.25 per sq ft</b>			

PART FOUR - USES OF FUNDS - Pecan Village Apartments - 2011-523

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	1,043			1,020	823
Construction Loan Interest					
Construction Legal Fees	2,433			2,433	
Construction Period Real Estate Tax	2,728			2,428	
Construction Insurance					
Bridge Loan Fee and Bridge Loan Interest					
Other:				5,881	823
<b>Subtotal</b>	<b>6,704</b>	<b>-</b>	<b>-</b>	<b>5,881</b>	<b>823</b>
<b>PROFESSIONAL SERVICES</b>					
Architectural Fee - Design	15,674			15,674	
Architectural Fee - Supervision	8,740			8,740	
Engineering	2,100			2,100	
Real Estate Attorney	4,005		3,714		291
Accounting	10,000			10,000	
Other:			3,714		291
<b>Subtotal</b>	<b>40,219</b>	<b>-</b>	<b>3,714</b>	<b>36,214</b>	<b>291</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	7,980				7,980
Permanent Loan Legal Fees	8,194				8,194
Title and Recording Fees	150				150
As-Built Survey					
Bond Issuance Premium					
Cost of Issuance / Underwriter's Discount	25,147				25,147
Other: Financial Advisor and Application Fees	2,216				2,216
<b>Subtotal</b>	<b>43,687</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>43,687</b>

PART FOUR - USES OF FUNDS - Pecan Village Apartments - 2011-523

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	4,263				4,263
LIHTC Allocation Processing Fee	4,500				4,500
LIHTC Compliance Monitoring Fee	500				500
DCA Front End Analysis Fee (when ID of Interest)	5,519				5,519
DCA Final Inspection Fee					
Other: <del>DCA Bond Allocation</del> <del>DCA Bond Eligibility Option</del>	17,782				17,782
<b>Subtotal</b>					
<b>EQUITY COSTS</b>					
Partnership Organization Fees	160				160
Tax Credit Legal Opinion					
Other:					
<b>Subtotal</b>	160				160
<b>DEVELOPER'S FEE</b>					
Developer's Overhead	133,581		56,872	76,709	
Consultant's Fee	133,581		56,872	76,709	
Developer's Fee	267,162		113,744	153,418	
<b>Subtotal</b>					
<b>START-UP AND RESERVES</b>					
Marketing					
Rent -Up Reserves					
Operating Deficit Reserve:					
Replacement Reserve	26,524				26,524
Furniture, Fixtures and Equipment	3,540			3,540	
Other: <del>PRA Escrow</del>	2,376			3,540	
<b>Subtotal</b>	32,440			3,540	28,900
<b>OTHER COSTS</b>					
Relocation	708			708	
Other: <del>Project Admin Expenses</del>	192				192
Other: <del>Other Assets Purchased</del>	25,652				25,652
<b>Subtotal</b>	26,552			708	25,844
<b>TOTAL DEVELOPMENT COST</b>	<b>2,082,669</b>		<b>871,237</b>	<b>1,058,914</b>	<b>152,518</b>
Per Unit	69,422.30				
Per Square Foot	97.06				







