

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

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

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

New Hamilton Village Apartments, LLC

Hamilton 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 Hamilton Village Apartments,
LLC

Project Name: Hamilton Village Apartments

Project Number: TCAA # 2011-526

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 Hamilton Village Apartments, LLC (the "Owner") for Hamilton 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 \$1,465,041 and eligible basis of \$1,276,847 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 - Hamilton Village Apartments - 2011-526

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	4,930			4,930	304
Market Study	3,000			3,000	
Environmental Report(s)	21,570			21,570	
Soil Borings					
Boundary and Topographical Survey					
Zoning/Site Plan Fees	5,544			5,544	157
Other: <u>Alpha Survey, Capital Needs Assessment</u>					461
Subtotal	16,050	-	-	15,589	461
ACQUISITION					
Land	31,439				31,439
Demolition					
Acquisition Legal Fees (if existing structures)					
Existing Structures	479,292		479,292		
Subtotal	510,731	-	479,292	-	31,439
SITE IMPROVEMENTS					
Site Preparation (On-site)	50,787			50,787	
Site Preparation (Off-site)	50,787			50,787	
Subtotal	101,574	-	-	101,574	-
UNIT/BUILDING CONSTRUCTION					
Unit/Building Construction/New Construction					
Unit/Building Construction/Rehab	473,509			473,509	
Project Amenities / Accessory Buildings					
Other: <u>Construction Costs Outside of Contract</u>	4,275			4,275	
Subtotal	477,784	-	-	477,784	-
CONTRACTOR SERVICES					
Builder's Overhead:	10,486			10,486	
Builder Profit:	31,458			31,457	
General Requirements	31,458			31,457	
Payment/performance bond or letter-of-credit fee or premium					
Subtotal	73,399	-	-	73,399	-
Total Construction Costs	30,098.50 per unit				
601,970	38.42 per sq ft				

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I. DEVELOPMENT COST SCHEDULE

	TOTAL COST	New Construction Basis	Acquisition Basis	Rehabilitation Basis	Amortizable or Non-Depreciable Basis
CONSTRUCTION PERIOD FINANCING					
Construction Loan Fee	12,410			676	534
Construction Loan Interest					
Construction Legal Fees	12,386			1,236	
Construction Period Real Estate Tax					
Construction Insurance	15,322			1,532	
Bridge Loan Fee and Bridge Loan Interest					
Other:					
Subtotal	3,978	-	-	3,444	534
PROFESSIONAL SERVICES					
Architectural Fee - Design	11,050			11,050	
Architectural Fee - Supervision	5,950			5,950	
Engineering	1,500			1,500	
Real Estate Attorney	2,720		2,476		244
Accounting	10,000			10,000	
Other:					
Subtotal	31,220	-	2,476	28,500	244
LOCAL GOVERNMENT FEES					
Building Permits					
Impact Fees					
Water Tap Fees	waived?				
Sewer Tap Fees	waived?				
Real Estate Taxes					
Subtotal	-	-	-	-	-
PERMANENT FINANCING FEES					
Permanent Loan Fees	5,080				5,080
Permanent Loan Legal Fees	5,463				5,463
Title and Recording Fees	150				150
As-Built Survey					
Bond Issuance Premium					
Cost of Issuance / Underwriter's Discount	16,616				16,616
Other: Financial Advisor and Application Fees	1,557				1,557
Subtotal	28,866	-	-	-	28,866

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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	2,897				2,897
LIHTC Compliance Monitoring Fee	14,000				14,000
DCA Front End Analysis Fee (when ID of Interest)					
DCA Final Inspection Fee	500				500
Other: DCA Bond Allocation DCA Bond Eligibility Option	5,169				5,169
Subtotal	14,462				14,462
EQUITY COSTS					
Partnership Organization Fees					
Tax Credit Legal Opinion	160				160
Other:					
Subtotal	160				160
DEVELOPER'S FEE					
Developer's Overhead	79,163		19,689	59,474	
Consultant's Fee	79,163		19,689	59,474	
Developer's Fee	158,326		39,378	118,948	
Subtotal	158,326		39,378	118,948	
START-UP AND RESERVES					
Marketing					
Rent -Up Reserves					
Operating Deficit Reserve:					
Replacement Reserve	57,134				57,134
Furniture, Fixtures and Equipment	2,792			2,792	
Other:					
Subtotal	59,926			2,792	57,134
OTHER COSTS					
Relocation	1,758			1,758	
Other: Project Admin Expenses	192				192
Other: Other Assets Purchased	37,402				37,402
Subtotal	39,352			1,758	37,594
TOTAL DEVELOPMENT COST	1,465,041		521,146	773,001	170,894
Per Unit	73,252.05				
Per Square Foot	93.51				

PART FOUR - USES OF FUNDS - Hamilton Village Apartments - 2011-526

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	0
4% Acquisition Basis	
Rehabilitation Basis	17,300
	17,300

GAI Power Rebate
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	521,146
0	
0	521,146
0	521,146
100.00%	100.00%
0	521,146
	32.0%
0	16,677
	41,388

773,001	
17,300	
755,701	
100.00%	
755,701	
100.00%	
755,701	
32.0%	
24,711	

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

1,465,041	
806,051	
658,990	
/ 10	
65,899	
1.5198	
43,359	

Federal	1,588	+	State	0,361.0
		=		

IV. TAX CREDIT CARRYOVER ALLOCATION

Allocation Year 2011

V. FINAL TAX CREDIT ALLOCATION REQUEST

41,388

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.

[Signature]

J. W. Kozlowski, New Home for Village Apartments LLC 2-5-14
 Name - Please Type Date

