

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

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

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

New Edison Village Apartments, LLC

Edison 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



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Certified Public Accountants and Advisors

INDEPENDENT AUDITORS' REPORT

Owner's Name: New Edison Village Apartments, LLC
Project Name: Edison Village Apartments
Project Number: TCAA # 2011-533

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 Edison Village Apartments, LLC (the "Owner") for Edison 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 \$4,554,572 and eligible basis of \$4,766,920 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.

We have no financial interest in the Project other than in the practice of our profession.

Dixon Hughes Goodman LLP

*High Point, North Carolina
January 31, 2014*

PART FOUR - USES OF FUNDS - Edison Village Apartments - 2011-533

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	8,008			7,812	196
Market Study	52,250			52,250	
Environmental Report(s)	39,970			39,970	
Soil Borings					
Boundary and Topographical Survey					
Zoning/Site Plan Fees					
Other: Alta Survey, Capital Needs Assessment	117,477			115,411	2,066
Subtotal	28,975	-	-	28,573	402
ACQUISITION					
Land	45,320				45,320
Demolition					
Acquisition Legal Fees (if existing structures)					
Existing Structures	1,802,003		1,802,003		
Subtotal	1,847,323	-	1,802,003	-	45,320
SITE IMPROVEMENTS					
Site Preparation (On-site)	212,639			212,639	
Site Preparation (Off-site)					
Subtotal	212,639	-	-	212,639	-
UNIT/BUILDING CONSTRUCTION					
Unit/Building Construction/New Construction					
Unit/Building Construction/Rehab	1,268,941			1,268,941	
Project Amenities / Accessory Buildings					
Other: Construction Costs Outside of Contract	52,533			52,533	
Subtotal	1,274,194	-	-	1,274,194	-
CONTRACTOR SERVICES					
Builder's Overhead:	29,632			29,632	
Builder Profit:	88,895			88,895	
General Requirements	88,895			88,895	
Payment/performance bond or letter-of-credit fee or premium					
Subtotal	206,633	-	-	206,633	-
Total Construction Costs	25,658.58 per unit				
	31.43 per sq ft				
	1,693,466				

PART FOUR - USES OF FUNDS - Edison Village Apartments - 2011-533

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	3,968			2,856	1,110
Construction Loan Interest					
Construction Legal Fees	9,876			9,876	
Construction Period Real Estate Tax	7,924			7,924	
Construction Insurance					
Bridge Loan Fee and Bridge Loan Interest					
Other:					
Subtotal	21,768	-	-	20,658	1,110
PROFESSIONAL SERVICES					
Architectural Fee - Design	31,174			31,174	
Architectural Fee - Supervision	16,786			16,786	
Engineering	4,500			4,500	
Real Estate Attorney	8,368		8,368		475
Accounting	10,000			10,000	
Other:					
Subtotal	71,303	-	8,368	62,460	475
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	16,280				16,280
Permanent Loan Legal Fees	18,026				18,026
Title and Recording Fees	150				150
As-Built Survey					
Bond Issuance Premium					
Cost of Issuance / Underwriter's Discount	54,532				54,532
Other: Financial Advisor and Application Fees	4,493				4,493
Subtotal	93,481	-	-	-	93,481

PART FOUR - USES OF FUNDS - Edison Village Apartments - 2011-533

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	3,000				3,000
DCA Waiver Fees	10,809				10,809
LIHTC Allocation Processing Fee	10,668				10,668
LIHTC Compliance Monitoring Fee	9,900				9,900
DCA Front End Analysis Fee (when ID of Interest)	500				500
DCA Final Inspection Fee	6,694				6,694
Other: <u>DCA Bond Allocation, DCA Bond Eligibility Option</u>					
Subtotal	30,762				30,762
EQUITY COSTS					
Partnership Organization Fees	160				160
Tax Credit Legal Opinion					
Other:	160				160
Subtotal	160				160
DEVELOPER'S FEE					
Developer's Overhead	294,099		135,854	156,245	
Consultant's Fee	294,099		135,854	156,245	
Developer's Fee	588,198		271,708	316,490	
Subtotal	588,198		271,708	316,490	
START-UP AND RESERVES					
Marketing					
Rent -Up Reserves					
Operating Deficit Reserve:					
Replacement Reserve	77,271				77,271
Furniture, Fixtures and Equipment	2,294				2,294
Other:					
Subtotal	79,565				77,271
OTHER COSTS					
Relocation	471			471	
Other: <u>Project Admin Expenses</u>	192				192
Other: <u>Other Assets Purchased</u>	98,908				98,908
Subtotal	99,571			471	
TOTAL DEVELOPMENT COST	4,554,572		2,082,079	2,124,412	3,488,081
Per Unit	69,008.67				
Per Square Foot	84.54				

PART FOUR - USES OF FUNDS - Edison Village Apartments - 2011-533

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	59,150
	59,150

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
- Multiply Qualified Basis by Applicable Credit Percentage
- Maximum Tax Credit Amount
- Total Basis Method Tax Credit Calculation

0	2,082,079
0	2,082,079
0	2,082,079
100.00%	100.00%
0	2,082,079
0	2,684,841
0	3,279
0	66,627
	154,421

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

4,554,572	
2,670,477	
1,884,095	
/ 10	
188,410	
1,2200	
154,434	

IV. TAX CREDIT CARRYOVER ALLOCATION

Allocation Year

2011

Federal	0.9300	+	State	0.2900
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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.

[Signature]

J. W. Legros, New Edison Village Apartments, LLC 2-5-14

Owner Signature

Name - Please Type

Date

PART EIGHT - BUILDING BY BUILDING CREDIT ALLOCATION - Edison Village Apartments - 2011-533

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

Carryover Allocation Date: N/A

Project Address: 19264 Harford Street Edison, GA 39846

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
19264 Harford Street Edison, GA 39846	GA-91-00401	8	5,176	8	5,176	204,362	100%	204,362	100.00%	204,362	7/25/2013	3.20%	6,540	204,362	6,540
19264 Harford Street Edison, GA 39846	GA-91-00402	4	2,588	4	2,588	102,181	100%	102,181	100.00%	102,181	7/25/2013	3.20%	3,270	102,181	3,270
19264 Harford Street Edison, GA 39846	GA-91-00403	4	3,194	4	3,194	126,108	100%	126,108	100.00%	126,108	7/25/2013	3.20%	4,035	126,108	4,035
19264 Harford Street Edison, GA 39846	GA-91-00404	4	2,840	4	2,840	112,131	100%	112,131	100.00%	112,131	7/25/2013	3.20%	3,588	112,131	3,588
19264 Harford Street Edison, GA 39846	GA-91-00405	4	2,840	4	2,840	112,131	100%	112,131	100.00%	112,131	7/25/2013	3.20%	3,588	112,131	3,588
19264 Harford Street Edison, GA 39846	GA-91-00406	6	5,202	6	5,202	205,389	100%	205,389	100.00%	205,389	7/25/2013	3.20%	6,572	205,389	6,572
19264 Harford Street Edison, GA 39846	GA-91-00407	6	5,921	6	5,921	233,777	100%	233,777	100.00%	233,777	7/25/2013	3.20%	7,481	233,777	7,481
19264 Harford Street Edison, GA 39846	GA-91-00408	6	5,202	6	5,202	205,389	100%	205,389	100.00%	205,389	7/25/2013	3.20%	6,572	205,389	6,572
19264 Harford Street Edison, GA 39846	GA-91-00409	8	7,186	8	7,186	283,722	100%	283,722	100.00%	283,722	7/25/2013	3.20%	9,079	283,722	9,079
19264 Harford Street Edison, GA 39846	GA-91-00410	8	6,605	8	6,605	260,783	100%	260,783	100.00%	260,783	7/25/2013	3.20%	8,346	260,783	8,346
19264 Harford Street Edison, GA 39846	GA-91-00411	8	5,980	8	5,980	236,106	100%	236,106	100.00%	236,106	7/25/2013	3.20%	7,556	236,106	7,556
		66	52,734	66	52,734	2,082,079		2,082,079		2,082,079			66,629	2,082,079	66,627

