

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

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

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

**New Westview Apartments, LLC**

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

**INDEPENDENT AUDITORS' REPORT**

Owner's Name: New Westview Apartments, LLC  
Project Name: Westview Apartments  
Project Number: TCAA # 2011-535

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 Westview Apartments, LLC (the "Owner") for Westview 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 present fairly, in all material respects, the actual costs of \$5,424,675 and eligible basis of \$4,694,937 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*

PART FOUR - USES OF FUNDS - Westview Apartments - 2011-535

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	7,144			6,179	965
Market Study	47,500			47,500	
Environmental Report(s)	45,120			45,120	
Soil Borings					
Boundary and Topographical Survey					
Zoning/Site Plan Fees					
Other: <u>Alta Survey, Capital Needs Assessment</u>	13,928			12,553	1,375
<b>Subtotal</b>	29,942	-	-	27,602	2,340
<b>ACQUISITION</b>					
Land	260,649				260,649
Demolition					
Acquisition Legal Fees (if existing structures)			1,668,443		
Existing Structures			1,668,443		260,649
<b>Subtotal</b>	1,929,092		1,668,443		260,649
<b>SITE IMPROVEMENTS</b>					
Site Preparation (On-site)	78,387			78,387	
Site Preparation (Off-site)					
<b>Subtotal</b>	78,387			78,387	
<b>UNIT/BUILDING CONSTRUCTION</b>					
Unit/Building Construction/New Construction					
Unit/Building Construction/Rehab					
Project Amenities / Accessory Buildings					
Other: <u>Construction Costs Outside of Contract</u>					
<b>Subtotal</b>	1,864,140			1,854,212	
<b>CONTRACTOR SERVICES</b>					
Builder's Overhead:	38,652			38,651	
Builder Profit:	115,956			115,956	
General Requirements	115,956			115,956	
Payment/performance bond or letter-of-credit fee or premium					
<b>Subtotal</b>	270,563			270,563	
<b>Total Construction Costs</b>	2,213,090			2,213,090	
	27,663.63 per unit			27,663.63 per unit	
	32.79 per sq ft			32.79 per sq ft	

PART FOUR - USES OF FUNDS - Westview Apartments - 2011-535

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	5,513			4,058	1,455
Construction Loan Interest					
Construction Legal Fees	9,680			9,680	
Construction Period Real Estate Tax	9,896			9,896	
Construction Insurance					
Bridge Loan Fee and Bridge Loan Interest					
Other:					
<b>Subtotal</b>	<b>25,089</b>	<b>-</b>	<b>-</b>	<b>23,634</b>	<b>1,455</b>
<b>PROFESSIONAL SERVICES</b>					
Architectural Fee - Design	42,954			42,954	
Architectural Fee - Supervision	23,129			23,129	
Engineering					
Real Estate Attorney	10,545		8,847		1,698
Accounting	10,000			10,000	
Other:					
<b>Subtotal</b>	<b>86,628</b>	<b>-</b>	<b>8,847</b>	<b>76,083</b>	<b>1,698</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	42,400				42,400
Permanent Loan Legal Fees	21,850				21,850
Title and Recording Fees	150				150
As-Built Survey					
Bond Issuance Premium					
Cost of Issuance / Underwriter's Discount	65,790				65,790
Other: Financial Advisor, Bond Costs, Application Fees	5,349				5,349
<b>Subtotal</b>	<b>135,539</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>135,539</b>

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	10,643				10,643
LIHTC Allocation Processing Fee	12,000				12,000
LIHTC Compliance Monitoring Fee	500				500
DCA Front End Analysis Fee (when ID of Interest)	7,125				7,125
Other: <del>DCA Bond Allocation</del> <del>DCA Bond Eligibility Option</del>					
<b>Subtotal</b>	<b>33,268</b>				<b>33,268</b>
<b>EQUITY COSTS</b>					
Partnership Organization Fees	160				160
Tax Credit Legal Opinion					
Other:	160				160
<b>Subtotal</b>					
<b>DEVELOPER'S FEE</b>					
Developer's Overhead	336,931				
Consultant's Fee	336,931				
Developer's Fee	673,862				
<b>Subtotal</b>					
<b>START-UP AND RESERVES</b>					
Marketing					
Rent -Up Reserves					
Operating Deficit Reserve:					
Replacement Reserve	244,201				244,201
Furniture, Fixtures and Equipment	1,959				1,959
Other:	246,160				
<b>Subtotal</b>					
<b>OTHER COSTS</b>					
Relocation	1,417				1,417
Other: <del>Project Admin Expenses</del>	241				241
Other: <del>Other Assets Purchased</del>	50,187				50,187
<b>Subtotal</b>	<b>51,845</b>				<b>51,845</b>
<b>TOTAL DEVELOPMENT COST</b>	<b>5,424,675</b>				<b>5,424,675</b>
<b>Per Unit</b>	<b>67,808.43</b>				<b>67,808.43</b>
<b>Per Square Foot</b>	<b>80.36</b>				<b>80.36</b>
<b>START-UP AND RESERVES</b>					
<b>DEVELOPER'S FEE</b>					
<b>EQUITY COSTS</b>					
<b>DCA-RELATED COSTS</b>					
<b>OTHER COSTS</b>					
<b>TOTAL DEVELOPMENT COST</b>					
<b>Per Unit</b>					
<b>Per Square Foot</b>					

PART FOUR - USES OF FUNDS - Westview Apartments - 2011-535

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

<b>New Construction Basis</b>	0
<b>4% Acquisition Basis</b>	0
<b>Rehabilitation Basis</b>	0

**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	1,929,517	2,765,420
0	1,929,517	0
0	1,929,517	2,765,420
100.00%	100.00%	100.00%
0	1,929,517	2,765,420
0	320%	2,765,420
0	61,745	90,429
0	152,174	90,429

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

5,424,675	
3,986,410	
1,438,265	
/ 10	
143,826	
0.9200	
156,333	
=	
152,174	

<b>Federal</b>	+	<b>State</b>
0.7020	+	0.2100

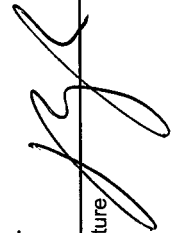
IV. TAX CREDIT CARRYOVER ALLOCATION

Allocation Year

2011
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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: 

J. Wilczewski, Member West, LLC  
 Name - Please Type  
 Member, New Westview Apts, LLC

2-25-14  
 Date



**PART EIGHT - BUILDING BY BUILDING CREDIT ALLOCATION - Westview Apartments - 2011-535**

Cost Certification Date: 7/22/2014

Carryover Allocation Date: N/A

Project Address: 150 Westview Drive, Sylvania, GA 30467

Type of Activity: Acquisition

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
101-106 Westview Drive, Sylvania, GA 30467	GA-11-53501	6	4,026	6	4,026	116,595	100%	116,595	100.00%	116,595	7/25/2013	3.20%	3,731	116,595	3,731
107-110 Westview Drive, Sylvania, GA 30467	GA-11-53502	4	2,684	4	2,684	77,730	100%	77,730	100.00%	77,730	7/25/2013	3.20%	2,487	77,730	2,487
111-116 Westview Drive, Sylvania, GA 30467	GA-11-53503	6	4,050	6	4,050	117,290	100%	117,290	100.00%	117,290	7/25/2013	3.20%	3,753	117,290	3,753
117-120 Westview Drive, Sylvania, GA 30467	GA-11-53504	4	3,221	4	3,221	93,281	100%	93,281	100.00%	93,281	7/25/2013	3.20%	2,985	93,281	2,985
121-124 Westview Drive, Sylvania, GA 30467	GA-11-53505	4	3,221	4	3,221	93,281	100%	93,281	100.00%	93,281	7/25/2013	3.20%	2,985	93,281	2,985
125-128 Westview Drive, Sylvania, GA 30467	GA-11-53506	4	3,221	4	3,221	93,281	100%	93,281	100.00%	93,281	7/25/2013	3.20%	2,985	93,281	2,985
129-132 Westview Drive, Sylvania, GA 30467	GA-11-53507	4	3,221	4	3,221	93,281	100%	93,281	100.00%	93,281	7/25/2013	3.20%	2,985	93,281	2,985
133-136 Westview Drive, Sylvania, GA 30467	GA-11-53508	4	3,221	4	3,221	93,281	100%	93,281	100.00%	93,281	7/25/2013	3.20%	2,985	93,281	2,985
137-140 Westview Drive, Sylvania, GA 30467	GA-11-53509	4	3,221	4	3,221	93,281	100%	93,281	100.00%	93,281	7/25/2013	3.20%	2,985	93,281	2,985
141-144 Westview Drive, Sylvania, GA 30467	GA-11-53510	4	4,382	4	4,382	126,905	100%	126,905	100.00%	126,905	7/25/2013	3.20%	4,061	126,905	4,061
145-148 Westview Drive, Sylvania, GA 30467	GA-11-53511	4	4,382	4	4,382	126,905	100%	126,905	100.00%	126,905	7/25/2013	3.20%	4,061	126,905	4,061
1 Westview Drive, Apt A-D, Sylvania, GA 30467	GA-11-53512	4	2,680	4	2,680	77,615	100%	77,615	100.00%	77,615	7/25/2013	3.20%	2,484	77,615	2,484
2 Westview Drive, Apt A-D, Sylvania, GA 30467	GA-11-53513	4	3,736	4	3,736	108,196	100%	108,196	100.00%	108,196	7/25/2013	3.20%	3,462	108,196	3,462
3 Westview Drive, Apt A-D, Sylvania, GA 30467	GA-11-53514	4	3,736	4	3,736	108,196	100%	108,196	100.00%	108,196	7/25/2013	3.20%	3,462	108,196	3,462
4 Westview Drive, Apt A-D, Sylvania, GA 30467	GA-11-53515	4	3,736	4	3,736	108,196	100%	108,196	100.00%	108,196	7/25/2013	3.20%	3,462	108,196	3,462
5 Westview Drive, Apt A-D, Sylvania, GA 30467	GA-11-53516	4	2,680	4	2,680	77,615	100%	77,615	100.00%	77,615	7/25/2013	3.20%	2,484	77,615	2,484
6 Westview Drive, Apt A-D, Sylvania, GA 30467	GA-11-53517	4	3,736	4	3,736	108,196	100%	108,196	100.00%	108,196	7/25/2013	3.20%	3,462	108,196	3,462
7 Westview Drive, Apt A-D, Sylvania, GA 30467	GA-11-53518	4	3,736	4	3,736	108,196	100%	108,196	100.00%	108,196	7/25/2013	3.20%	3,462	108,196	3,462
8 Westview Drive, Apt A-D, Sylvania, GA 30467	GA-11-53519	4	3,736	4	3,736	108,196	100%	108,196	100.00%	108,196	7/25/2013	3.20%	3,462	108,196	3,462
		80	66,626	80	66,626	1,929,517		1,929,517		1,929,517			61,745	1,929,517	61,745

**PART EIGHT - BUILDING BY BUILDING CREDIT ALLOCATION - Westview Apartments - 2011-535**

Cost Certification Date: 1/22/2014

Carryover Allocation Date: N/A

Project Address: 150 Westview Drive, Symania, GA 30467

Type of Activity: Rehabilitation

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
101-106 Westview Drive, Symania, GA 30467	GA-11-53501	6	4,026	6	4,026	167,105	100%	167,105	100.00%	167,105	10/31/2013	3.27%	5,464	167,105	5,464
107-110 Westview Drive, Symania, GA 30467	GA-11-53502	4	2,684	4	2,684	111,403	100%	111,403	100.00%	111,403	10/31/2013	3.27%	3,643	111,403	3,643
111-116 Westview Drive, Symania, GA 30467	GA-11-53503	6	4,050	6	4,050	168,102	100%	168,102	100.00%	168,102	10/31/2013	3.27%	5,497	168,102	5,497
117-120 Westview Drive, Symania, GA 30467	GA-11-53504	4	3,221	4	3,221	133,693	100%	133,693	100.00%	133,693	10/31/2013	3.27%	4,372	133,693	4,372
121-124 Westview Drive, Symania, GA 30467	GA-11-53505	4	3,221	4	3,221	133,693	100%	133,693	100.00%	133,693	10/31/2013	3.27%	4,372	133,693	4,372
125-128 Westview Drive, Symania, GA 30467	GA-11-53506	4	3,221	4	3,221	133,693	100%	133,693	100.00%	133,693	10/31/2013	3.27%	4,372	133,693	4,372
129-132 Westview Drive, Symania, GA 30467	GA-11-53507	4	3,221	4	3,221	133,693	100%	133,693	100.00%	133,693	10/31/2013	3.27%	4,372	133,693	4,372
133-136 Westview Drive, Symania, GA 30467	GA-11-53508	4	3,221	4	3,221	133,693	100%	133,693	100.00%	133,693	10/31/2013	3.27%	4,372	133,693	4,372
137-140 Westview Drive, Symania, GA 30467	GA-11-53509	4	3,221	4	3,221	133,693	100%	133,693	100.00%	133,693	10/31/2013	3.27%	4,372	133,693	4,372
141-144 Westview Drive, Symania, GA 30467	GA-11-53510	4	4,382	4	4,382	181,882	100%	181,882	100.00%	181,882	10/31/2013	3.27%	5,948	181,882	5,948
145-148 Westview Drive, Symania, GA 30467	GA-11-53511	4	4,382	4	4,382	181,882	100%	181,882	100.00%	181,882	10/31/2013	3.27%	5,948	181,882	5,948
1 Westview Drive Apt A-D, Symania, GA 30467	GA-11-53512	4	2,680	4	2,680	111,237	100%	111,237	100.00%	111,237	10/31/2013	3.27%	3,637	111,237	3,637
2 Westview Drive Apt A-D, Symania, GA 30467	GA-11-53513	4	3,736	4	3,736	155,069	100%	155,069	100.00%	155,069	10/31/2013	3.27%	5,071	155,069	5,071
3 Westview Drive Apt A-D, Symania, GA 30467	GA-11-53514	4	3,736	4	3,736	155,069	100%	155,069	100.00%	155,069	10/31/2013	3.27%	5,071	155,069	5,071
4 Westview Drive Apt A-D, Symania, GA 30467	GA-11-53515	4	3,736	4	3,736	155,069	100%	155,069	100.00%	155,069	10/31/2013	3.27%	5,071	155,069	5,071
5 Westview Drive Apt A-D, Symania, GA 30467	GA-11-53516	4	2,680	4	2,680	111,237	100%	111,237	100.00%	111,237	10/31/2013	3.27%	3,637	111,237	3,637
6 Westview Drive Apt A-D, Symania, GA 30467	GA-11-53517	4	3,736	4	3,736	155,069	100%	155,069	100.00%	155,069	10/31/2013	3.27%	5,071	155,069	5,071
7 Westview Drive Apt A-D, Symania, GA 30467	GA-11-53518	4	3,736	4	3,736	155,069	100%	155,069	100.00%	155,069	10/31/2013	3.27%	5,071	155,069	5,071
8 Westview Drive Apt A-D, Symania, GA 30467	GA-11-53519	4	3,736	4	3,736	155,069	100%	155,069	100.00%	155,069	10/31/2013	3.27%	5,071	155,069	5,071
		80	66,626	80	66,626	2,765,420		2,765,420		2,765,420			90,429	2,765,420	90,429