

**PART FOUR - USES OF FUNDS - Forest Ridge Apartments - 2014-512**

**CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS**

**II. TAX CREDIT CALCULATION - BASIS METHOD**

	New Construction Basis	4% Acquisition Basis	Rehabilitation Basis
<b>Subtractions From Eligible Basis</b>			
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>Total Subtractions From Basis:</b>	<b>0</b>		<b>0</b>
<b>Eligible Basis Calculation</b>			
Total Basis	0	541,769	954,746
Less Total Subtractions From Basis (see above)	0		0
Total Eligible Basis	0	541,769	954,746
Eligible Basis Adjustment for DDA/QCT Location			100.00%
Adjusted Eligible Basis	0	541,769	954,746
Multiply Adjusted Eligible Basis by Applicable Fraction	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
Qualified Basis	0	541,769	954,746
Multiply Qualified Basis by Applicable Credit Percentage		3.22%	3.22%
Maximum Tax Credit Amount	0	17,445	30,743
<b>Total Basis Method Tax Credit Calculation</b>		<b>48,188</b>	

**III. TAX CREDIT CALCULATION - GAP METHOD**

<b>Equity Gap Calculation</b>			
Total Development Cost	1,831,524		
Subtract Non-LIHTC (excluding deferred fee) Source of Funds	1,160,671		
Equity Gap	670,853		
Divide Equity Gap by 10	/ 10		
Annual Equity Required	67,085		
Enter Final Federal and State Equity Factors ( <b>not including GP contribution</b> )	1.3594	=	Federal
Total Gap Method Tax Credit Calculation	<b>49,349</b>		1.1366
		+	State
			0.2228

**IV. TAX CREDIT CARRYOVER ALLOCATION**

Allocation Year 2015

**V. FINAL TAX CREDIT ALLOCATION REQUEST**

**48,188**

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 \_\_\_\_\_

Date \_\_\_\_\_





**WAYNESBORO FOREST RIDGE, LP**

**INDEPENDENT AUDITORS' REPORT  
CERTIFICATION OF ACTUAL COST AND OPINION AS  
TO ELIGIBLE BASIS, OWNER'S CERTIFICATION OF FUNDING  
SOURCES AND PROJECT SUBSIDY  
AND  
BUILDING ALLOCATION OF QUALIFIED BASIS  
AND  
50% CALCULATION**

**DECEMBER 1, 2015**

## INDEPENDENT AUDITOR'S REPORT

Owner's Name: Waynesboro Forest Ridge, LP  
Project Name: Forest Ridge Apartments  
Project Number: TCAA # 2014-512

To the Partners  
Waynesboro Forest Ridge, LP

We have audited the costs included in the accompanying Tax Credit Allocation Agency ("TCAA") Final Cost Certification (the "Final Cost Certification") of Waynesboro Forest Ridge, LP (the "Owner") for Forest Ridge Apartments ("the Project") as of December 1, 2015.

### **Owner and Owner Management's Responsibility for the Schedule**

The Owner and the Owner's management are responsible for the preparation and fair presentation of the Final Cost Certification in accordance with contractual agreements with the TCAA; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Final Cost Certification that is free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Final Cost Certification based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Final Cost Certification is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Final Cost Certification. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Final Cost Certification, 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 Final Cost Certification 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 the Owner and Owner's management, as well as evaluating the overall presentation of the Final Cost Certification.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Opinion**

In our opinion, the Final Cost Certification presents fairly, in all material respects, the actual costs of \$1,831,524 and eligible basis of \$1,496,515, and that fifty-seven and four-tenths percent 57.4% of the aggregate basis of the building and the land of \$1,541,859 were financed with tax-exempt bond proceeds of \$884,665 by the Owner for the Project as of December 1, 2015, on the basis of accounting described below.

## **Basis of Accounting**

The Final Cost Certification is 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 TCAA, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the provisions of the contractual agreements with TCAA, referred to above. Our opinion is not modified with respect to that matter.

## **Restriction on Use**

This report is intended solely for the information and use of the Owner and the Owner's management and for filing with TCAA 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.

A handwritten signature in cursive script that reads "Stanley, Aronson & Wynn, LLP".

Atlanta, Georgia

March 10, 2016

**PART FOUR - USES OF FUNDS - Forest Ridge Apartments - 2014-512**

**CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS**

**I. DEVELOPMENT COST SCHEDULE**

		<b>TOTAL COST</b>	<b>New Construction Basis</b>	<b>Acquisition Basis</b>	<b>Rehabilitation Basis</b>	<b>Amortizable or Non-Depreciable Basis</b>
<b>PRE-DEVELOPMENT COSTS</b>				<b>PRE-DEVELOPMENT COSTS</b>		
Property Appraisal		3,781			3,781	
Market Study		3,500			3,500	
Environmental Report(s)		6,450			6,450	
Soil Borings						
Boundary and Topographical Survey		10,427			10,427	
Zoning/Site Plan Fees						
Other: Accessibility Review		5,250			5,250	
	<b>Subtotal</b>	29,408	-	-	29,408	-
<b>ACQUISITION</b>				<b>ACQUISITION</b>		
Land		45,344				45,344
Demolition						-
Acquisition Legal Fees (if existing structures)				-		
Existing Structures		471,104		471,104		
	<b>Subtotal</b>	516,448		471,104		45,344
<b>SITE IMPROVEMENTS</b>				<b>SITE IMPROVEMENTS</b>		
Site Preparation (On-site)		81,960			81,960	
Site Preparation (Off-site)						
	<b>Subtotal</b>	81,960	-	-	81,960	-
<b>UNIT/BUILDING CONSTRUCTION</b>				<b>UNIT/BUILDING CONSTRUCTION</b>		
Unit/Building Construction/New Construction						
Unit/Building Construction/Rehab		529,554			529,554	
Project Amenities / Accessory Buildings						
Other:						
	<b>Subtotal</b>	529,554	-	-	529,554	-
<b>CONTRACTOR SERVICES</b>				<b>CONTRACTOR SERVICES</b>		
Builder's Overhead: 2.00%	12,230	12,229			12,229	
Builder Profit: 6.00%	36,691	36,652			36,652	
General Requirements 6.00%	36,691	36,647			36,647	
Payment/performance bond or letter-of-credit fee or premium		6,178			6,178	
	<b>Subtotal</b>	91,706	-	-	91,706	-
<b>Total Construction Costs</b>		29,300.83 per unit				
	703,220	41.28 per sq ft				

**PART FOUR - USES OF FUNDS - Forest Ridge Apartments - 2014-512**

**CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS**

**I. DEVELOPMENT COST SCHEDULE**

	<b>TOTAL COST</b>	<b>New Construction Basis</b>	<b>Acquisition Basis</b>	<b>Rehabilitation Basis</b>	<b>Amortizable or Non-Depreciable Basis</b>
<b>CONSTRUCTION PERIOD FINANCING</b>					
Construction Loan Fee					
Construction Loan Interest					
Construction Legal Fees					
Construction Period Real Estate Tax					
Construction Insurance					
Bridge Loan Fee and Bridge Loan Interest	1,000			1,000	
Other: <u>Green Rebate Costs / Rehab inspection fee</u>	11,105			11,105	
<b>Subtotal</b>	<b>12,105</b>	<b>-</b>	<b>-</b>	<b>12,105</b>	<b>-</b>
<b>PROFESSIONAL SERVICES</b>					
Architectural Fee - Design	19,800			19,800	
Architectural Fee - Supervision					
Engineering					
Real Estate Attorney	18,500			18,500	
Accounting	15,000			15,000	
Other: _____	-			-	
<b>Subtotal</b>	<b>53,300</b>	<b>-</b>	<b>-</b>	<b>53,300</b>	<b>-</b>
<b>LOCAL GOVERNMENT FEES</b>					
Building Permits	515			515	
Impact Fees					
Water Tap Fees <i>waived?</i>					
Sewer Tap Fees <i>waived?</i>					
Real Estate Taxes					
<b>Subtotal</b>	<b>515</b>	<b>-</b>	<b>-</b>	<b>515</b>	<b>-</b>
<b>PERMANENT FINANCING FEES</b>					
Permanent Loan Fees	30,545				30,545
Permanent Loan Legal Fees	14,833				14,833
Title and Recording Fees	5,695			5,695	
As-Built Survey					
Bond Issuance Premium				-	
Cost of Issuance / Underwriter's Discount	32,391			-	32,391
Other: _____	-			-	
<b>Subtotal</b>	<b>83,464</b>	<b>-</b>	<b>-</b>	<b>5,695</b>	<b>77,769</b>

**PART FOUR - USES OF FUNDS - Forest Ridge Apartments - 2014-512**

**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>		
<b>DCA-RELATED COSTS</b>						
DCA Loan Application Fee						-
Tax Credit Application Fee		5,000				5,000
DCA Waiver Fees		3,000				3,000
LIHTC Allocation Processing Fee	3,373	4,054				4,054
LIHTC Compliance Monitoring Fee	16,800	9,600				9,600
DCA Front End Analysis Fee (when ID of Interest)						-
DCA Final Inspection Fee						-
Other:		-				-
	<b>Subtotal</b>	21,654				21,654
				<b>EQUITY COSTS</b>		
<b>EQUITY COSTS</b>						
Partnership Organization Fees						
Tax Credit Legal Opinion						
Other: Due Diligence Fee		15,000				15,000
	<b>Subtotal</b>	15,000	-	-	-	15,000
				<b>DEVELOPER'S FEE</b>		
<b>DEVELOPER'S FEE</b>						
Developer's Overhead						
Consultant's Fee		23,000			23,000	
Developer's Fee		179,240		70,665	108,575	
	<b>Subtotal</b>	202,240	-	70,665	131,575	-
				<b>START-UP AND RESERVES</b>		
<b>START-UP AND RESERVES</b>						
Marketing						-
Rent -Up Reserves						-
Operating Deficit Reserve:		79,191				79,191
Replacement Reserve		53,965				53,965
Furniture, Fixtures and Equipment		4,800			4,800	
Other: Rental assistance reserve/RD operating funds		42,085				42,085
	<b>Subtotal</b>	180,041	-	-	4,800	175,241
				<b>OTHER COSTS</b>		
<b>OTHER COSTS</b>						
Relocation		14,128			14,128	
Other:						
Other:						
	<b>Subtotal</b>	14,128	-	-	14,128	-
<b>TOTAL DEVELOPMENT COST</b>		<b>1,831,524</b>	-	<b>541,769</b>	<b>954,746</b>	<b>335,008</b>
<b>Per Unit</b>		76,313.48				
<b>Per Square Foot</b>		107.52				

**PART FOUR - USES OF FUNDS - Forest Ridge Apartments - 2014-512**

**CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS**

**II. TAX CREDIT CALCULATION - BASIS METHOD**

	New Construction Basis	4% Acquisition Basis	Rehabilitation Basis
<b>Subtractions From Eligible Basis</b>			
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>Total Subtractions From Basis:</b>	<b>0</b>		<b>0</b>
<b>Eligible Basis Calculation</b>			
Total Basis	0	541,769	954,746
Less Total Subtractions From Basis (see above)	0		0
Total Eligible Basis	0	541,769	954,746
Eligible Basis Adjustment for DDA/QCT Location			100.00%
Adjusted Eligible Basis	0	541,769	954,746
Multiply Adjusted Eligible Basis by Applicable Fraction	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
Qualified Basis	0	541,769	954,746
Multiply Qualified Basis by Applicable Credit Percentage		3.22%	3.22%
Maximum Tax Credit Amount	0	17,445	30,743
<b>Total Basis Method Tax Credit Calculation</b>		<b>48,188</b>	

**III. TAX CREDIT CALCULATION - GAP METHOD**

**Equity Gap Calculation**

See modified version

Total Development Cost	1,831,524		
Subtract Non-LIHTC (excluding deferred fee) Source of Funds	1,160,671		
Equity Gap	670,853		
Divide Equity Gap by 10	/ 10		
Annual Equity Required	67,085		
Enter Final Federal and State Equity Factors (not including GP contribution)	1.3490	=	Federal
Total Gap Method Tax Credit Calculation	<b>49,730</b>		1.1190
			+ State
			0.2300

**IV. TAX CREDIT CARRYOVER ALLOCATION**

Allocation Year 2015

**V. FINAL TAX CREDIT ALLOCATION REQUEST**

48,188

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 \_\_\_\_\_

Date \_\_\_\_\_

**PART THREE - SOURCES OF FUNDS - Forest Ridge Apartments - 2014-512**

**I. PERMANENT FINANCING**

Financing Type	Name of Financing Entity	Principal Amount	Interest Rate	Term (Years)	Amort. (Years)	Annual Debt Svc Per Terms Given	Loan Type	Balloon?
First Mortgage	538 Loan	532,800	4.800%	40	40	29,988	Amortizing	
Second Mortgage	515 USDA Loan	609,621	3.375%	30	50	25,258	Amortizing	
Third Mortgage								
Other Source (specify)								
Other Source (specify)								
Deferred Developer Fees	Rea Ventures Group, LLC	15,802						
Federal Grant								
State, Local, or Private Grant								
Federal Housing Credit Equity	CSG MT I, LLC	547,700						
State Housing Credit Equity	CSG SLP, LLC	107,351						
Historic Credit Equity								
Investment Earnings from Tax-Exempt Bonds								
Investment Earnings from Taxable Bonds								
Income from Operations								
Other Source (specify)	Ga.power rebate	18,250						
Other Source (specify)		0						
Other Source (specify)								
Total Permanent Financing:		<b>1,831,524</b>						
Total Development Costs from Development Cost Schedule:		<b>1,831,524</b>						
Surplus/(Shortage) of Permanent Funds to Development Costs:		<b>0</b>						

DCA HOME loan interest rate per Operating Year for Projects located in Rural Areas:

Year:	1-7	8	9	10	11	12	13	14	15
Rate:									

**VII. OWNER COMMENTS AND CLARIFICATIONS**

The equity calculation reported in the sources of funds above is based on the blended rate in article v of the partnership agreement.





**PART ELEVEN - 50% TEST - Forest Ridge Apartments - 2014-512**

Project Name: Forest Ridge Apartments DCA Project Nbr: 2014-512

1.) Tax-exempt bond proceeds:	884665
2.) Aggregate basis of building and land:	1541859
3.) Percentage of aggregate basis financed by tax-exempt bonds:	57.4%