

**PART FOUR - USES OF FUNDS - Lafayette Gardens Apartments - 2014-516**

**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	441,656	842,802
Less Total Subtractions From Basis (see above)	0		0
Total Eligible Basis	0	441,656	842,802
Eligible Basis Adjustment for DDA/QCT Location			130.00%
Adjusted Eligible Basis	0	441,656	1,095,643
Multiply Adjusted Eligible Basis by Applicable Fraction	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
Qualified Basis	0	441,656	1,095,643
Multiply Qualified Basis by Applicable Credit Percentage		3.22%	3.22%
Maximum Tax Credit Amount	0	14,221	35,280
Total Basis Method Tax Credit Calculation		<b>49,501</b>	

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

**Equity Gap Calculation**

Total Development Cost	1,565,598		
Subtract Non-LIHTC (excluding deferred fee) Source of Funds	1,159,399		
Equity Gap	406,199		
Divide Equity Gap by 10	/ 10		
Annual Equity Required	40,620		
Enter Final Federal and State Equity Factors (not including GP contribution)	0.7780	=	Federal
Total Gap Method Tax Credit Calculation	<b>52,211</b>		State
			0.4982 + 0.2798

**IV. TAX CREDIT CARRYOVER ALLOCATION**

Allocation Year

**V. FINAL TAX CREDIT ALLOCATION REQUEST**

**49,501**

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





**WALKER LAFAYETTE GARDENS, 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 31, 2015**



Certified Public Accountants and Business Advisors

## INDEPENDENT AUDITOR'S REPORT

Owner's Name: Walker Lafayette Gardens, LP  
Project Name: Lafayette Gardens Apartments  
Project Number: TCAA # 2014-516

To the Partners  
Walker Lafayette Gardens, LP

We have audited the costs included in the accompanying Tax Credit Allocation Agency ("TCAA") Final Cost Certification (the "Final Cost Certification") of Walker Lafayette Gardens, LP (the "Owner") for Lafayette Gardens Apartments ("the Project") as of December 31, 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 \$1,565,598 and eligible basis of \$1,284,458, and that fifty-nine and three-tenths percent 59.3% of the aggregate basis of the building and the land of \$1,305,439 were financed with tax-exempt bond proceeds of \$773,977 by the Owner for the Project as of December 31, 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 "Halij, Aroneta & Wynn, LLP".

Atlanta, Georgia

March 10, 2016

**PART FOUR - USES OF FUNDS - Lafayette Gardens Apartments - 2014-516**

**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>					
Property Appraisal	4,557			4,557	-
Market Study	4,400			4,400	-
Environmental Report(s)	6,400			6,400	-
Soil Borings				-	-
Boundary and Topographical Survey	12,219			12,219	-
Zoning/Site Plan Fees				-	-
Other: Accessibility Inspection	5,250			5,250	-
<b>Subtotal</b>	<b>32,826</b>	<b>-</b>	<b>-</b>	<b>32,826</b>	<b>-</b>
<b>ACQUISITION</b>					
Land	20,981				20,981
Demolition					
Acquisition Legal Fees (if existing structures)					
Existing Structures	384,049		384,049		
<b>Subtotal</b>	<b>405,030</b>	<b>-</b>	<b>384,049</b>	<b>-</b>	<b>20,981</b>
<b>SITE IMPROVEMENTS</b>					
Site Preparation (On-site)	101,209			101,209	
Site Preparation (Off-site)					
<b>Subtotal</b>	<b>101,209</b>	<b>-</b>	<b>-</b>	<b>101,209</b>	<b>-</b>
<b>UNIT/BUILDING CONSTRUCTION</b>					
Unit/Building Construction/New Construction					
Unit/Building Construction/Rehab	507,486			507,486	
Project Amenities / Accessory Buildings					
Other:					
<b>Subtotal</b>	<b>507,486</b>	<b>-</b>	<b>-</b>	<b>507,486</b>	<b>-</b>
<b>CONTRACTOR SERVICES</b>					
Builder's Overhead: 2.00%	12,174			11,767	
Builder Profit: 6.00%	36,522			35,301	
General Requirements 6.00%	36,522			19,730	
Payment/performance bond or letter-of-credit fee or premium				6,195	
<b>Subtotal</b>	<b>72,993</b>	<b>-</b>	<b>-</b>	<b>72,993</b>	<b>-</b>
<i>Total Construction Costs</i>	<i>34,084.40 per unit</i>				
	<i>681,688</i>				
	<i>46.06 per sq ft</i>				

**PART FOUR - USES OF FUNDS - Lafayette Gardens Apartments - 2014-516**

**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 fees</u>	6,000			6,000	-
<b>Subtotal</b>	<b>7,000</b>	<b>-</b>	<b>-</b>	<b>7,000</b>	<b>-</b>
<b>PROFESSIONAL SERVICES</b>					
Architectural Fee - Design	19,000			19,000	-
Architectural Fee - Supervision				-	-
Engineering				-	-
Real Estate Attorney	18,500			18,500	-
Accounting	15,000			15,000	-
Other: _____				-	-
<b>Subtotal</b>	<b>52,500</b>	<b>-</b>	<b>-</b>	<b>52,500</b>	<b>-</b>
<b>LOCAL GOVERNMENT FEES</b>					
Building Permits	2,320			2,320	-
Impact Fees					-
Water Tap Fees <i>waived?</i>					-
Sewer Tap Fees <i>waived?</i>					-
Real Estate Taxes					-
<b>Subtotal</b>	<b>2,320</b>	<b>-</b>	<b>-</b>	<b>2,320</b>	<b>-</b>
<b>PERMANENT FINANCING FEES</b>					
Permanent Loan Fees	32,680				32,680
Permanent Loan Legal Fees	14,833				14,833
Title and Recording Fees	6,057			6,057	
As-Built Survey					
Bond Issuance Premium					
Cost of Issuance / Underwriter's Discount	30,755				30,755
Other: _____					-
<b>Subtotal</b>	<b>84,326</b>	<b>-</b>	<b>-</b>	<b>6,057</b>	<b>78,269</b>

**PART FOUR - USES OF FUNDS - Lafayette Gardens Apartments - 2014-516**

**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>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	3,465 4,298				4,298
LIHTC Compliance Monitoring Fee	14,000 8,000				8,000
DCA Front End Analysis Fee (when ID of Interest)					
DCA Final Inspection Fee					
Other:					
<b>Subtotal</b>	<b>20,298</b>				<b>20,298</b>
<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>	<b>15,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,000</b>
<b>DEVELOPER'S FEE</b>		<b>DEVELOPER'S FEE</b>			
Developer's Overhead	-				
Consultant's Fee	23,000				
Developer's Fee	79,572		57,607	21,965	
<b>Subtotal</b>	<b>102,572</b>	<b>-</b>	<b>57,607</b>	<b>44,965</b>	<b>-</b>
<b>START-UP AND RESERVES</b>		<b>START-UP AND RESERVES</b>			
Marketing					-
Rent -Up Reserves					-
Operating Deficit Reserve:	72,222				72,222
Replacement Reserve	37,829				37,829
Furniture, Fixtures and Equipment	4,000			4,000	-
Other: RD operating funds	36,541				36,541
<b>Subtotal</b>	<b>150,592</b>	<b>-</b>	<b>-</b>	<b>4,000</b>	<b>146,592</b>
<b>OTHER COSTS</b>		<b>OTHER COSTS</b>			
Relocation	11,446			11,446	
Other:					
Other:					
<b>Subtotal</b>	<b>11,446</b>	<b>-</b>	<b>-</b>	<b>11,446</b>	<b>-</b>
<b>TOTAL DEVELOPMENT COST</b>	<b>1,565,598</b>	<b>-</b>	<b>441,656</b>	<b>842,802</b>	<b>281,140</b>
<b>Per Unit</b>	<b>78,279.88</b>				
<b>Per Square Foot</b>	<b>105.78</b>				

**PART FOUR - USES OF FUNDS - Lafayette Gardens Apartments - 2014-516**

**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	441,656	842,802
Less Total Subtractions From Basis (see above)	0		0
Total Eligible Basis	0	441,656	842,802
Eligible Basis Adjustment for DDA/QCT Location			130.00%
Adjusted Eligible Basis	0	441,656	1,095,643
Multiply Adjusted Eligible Basis by Applicable Fraction	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
Qualified Basis	0	441,656	1,095,643
Multiply Qualified Basis by Applicable Credit Percentage		3.22%	3.22%
Maximum Tax Credit Amount	0	14,221	35,280
Total Basis Method Tax Credit Calculation		<b>49,501</b>	

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

See modified version

<b>Equity Gap Calculation</b>			
Total Development Cost	1,565,598		
Subtract Non-LIHTC (excluding deferred fee) Source of Funds	1,159,399		
Equity Gap	406,199		
Divide Equity Gap by 10	/ 10		
Annual Equity Required	40,620		
Enter Final Federal and State Equity Factors (not including GP contribution)	0.8100	=	Federal
Total Gap Method Tax Credit Calculation	<b>50,148</b>		0.5230
			+ State
			0.2870

**IV. TAX CREDIT CARRYOVER ALLOCATION**

Allocation Year

**V. FINAL TAX CREDIT ALLOCATION REQUEST**

**49,501**

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 - Lafayette Gardens Apartments - 2014-516**

**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	770,000	4.800%	40	40	43,338		
Second Mortgage	515 USDA Loan	389,399	3.375%	30	50	16,134		
Third Mortgage								
Other Source (specify)								
Other Source (specify)								
Deferred Developer Fees	Rea Ventures Group, LLC	21,059						
Federal Grant								
State, Local, or Private Grant								
Federal Housing Credit Equity	CSG MT I, LLC	246,612						
State Housing Credit Equity	CSG SLP, LLC	138,528						
Historic Credit Equity								
Investment Earnings from Tax-Exempt Bonds								
Investment Earnings from Taxable Bonds								
Income from Operations								
Other Source (specify)								
Other Source (specify)								
Other Source (specify)								
Total Permanent Financing:		<b>1,565,598</b>						
Total Development Costs from Development Cost Schedule:		<b>1,565,598</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 - Lafayette Gardens Apartments - 2014-516**

Project Name: Lafayette Gardens Apartments DCA Project Nbr: 2014-516

1.) Tax-exempt bond proceeds:	773977
2.) Aggregate basis of building and land:	1305439
3.) Percentage of aggregate basis financed by tax-exempt bonds:	59.3%