

**PART FOUR - USES OF FUNDS - Meadow Wood Apartments - 2014-517**

**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	625,344	1,039,788
Less Total Subtractions From Basis (see above)	0		0
Total Eligible Basis	0	625,344	1,039,788
Eligible Basis Adjustment for DDA/QCT Location			130.00%
Adjusted Eligible Basis	0	625,344	1,351,724
Multiply Adjusted Eligible Basis by Applicable Fraction	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
Qualified Basis	0	625,344	1,351,724
Multiply Qualified Basis by Applicable Credit Percentage		3.22%	3.22%
Maximum Tax Credit Amount	0	20,136	43,526
Total Basis Method Tax Credit Calculation		<b>63,662</b>	

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

**Equity Gap Calculation**

Total Development Cost	1,940,233		
Subtract Non-LIHTC (excluding deferred fee) Source of Funds	1,299,383		
Equity Gap	640,850		
Divide Equity Gap by 10	/ 10		
Annual Equity Required	64,085		
Enter Final Federal and State Equity Factors (not including GP contribution)	0.9884	=	Federal
Total Gap Method Tax Credit Calculation	<b>64,837</b>		State
			0.5585 + 0.4299

**IV. TAX CREDIT CARRYOVER ALLOCATION**

Allocation Year 2015

**V. FINAL TAX CREDIT ALLOCATION REQUEST**

**63,662**

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





**SARDIS MEADOW WOODS, 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: Sardis Meadow Woods, LP  
Project Name: Meadow Wood Apartments  
Project Number: TCAA # 2014-517

To the Partners  
Sardis Meadow Woods, LP

We have audited the costs included in the accompanying Tax Credit Allocation Agency ("TCAA") Final Cost Certification (the "Final Cost Certification") of Sardis Meadow Woods, LP (the "Owner") for Meadow Wood 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 \$1,940,233 and eligible basis of \$1,665,132, and that fifty-six and eight-tenths percent 56.8% of the aggregate basis of the building and the land of \$1,697,390 were financed with tax-exempt bond proceeds of \$964,820 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 "Halaj, Aronoff & Partners, LLP".

Atlanta, Georgia

March 10, 2016

**PART FOUR - USES OF FUNDS - Meadow Wood Apartments - 2014-517**

**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	4,214			4,214	
Market Study	3,750			3,750	
Environmental Report(s)	6,600			6,600	
Soil Borings					
Boundary and Topographical Survey	10,600			10,600	
Zoning/Site Plan Fees					
Other: Accessibility Review	5,250			5,250	
<b>Subtotal</b>	<b>30,414</b>	<b>-</b>	<b>-</b>	<b>30,414</b>	<b>-</b>
<b>ACQUISITION</b>					
Land	32,258				32,258
Demolition					-
Acquisition Legal Fees (if existing structures)			-		
Existing Structures	543,778		543,778		
<b>Subtotal</b>	<b>576,036</b>	<b>-</b>	<b>543,778</b>	<b>-</b>	<b>32,258</b>
<b>SITE IMPROVEMENTS</b>					
Site Preparation (On-site)	81,835			81,835	
Site Preparation (Off-site)					
<b>Subtotal</b>	<b>81,835</b>	<b>-</b>	<b>-</b>	<b>81,835</b>	<b>-</b>
<b>UNIT/BUILDING CONSTRUCTION</b>					
Unit/Building Construction/New Construction					
Unit/Building Construction/Rehab	613,745			613,745	
Project Amenities / Accessory Buildings					
Other:					
<b>Subtotal</b>	<b>613,745</b>	<b>-</b>	<b>-</b>	<b>613,745</b>	<b>-</b>
<b>CONTRACTOR SERVICES</b>					
Builder's Overhead: 2.00%	13,912			13,912	
Builder Profit: 6.00%	41,735			41,577	
General Requirements 6.00%	41,735			41,398	
Payment/performance bond or letter-of-credit fee or premium	6,977			6,977	
<b>Subtotal</b>	<b>103,864</b>	<b>-</b>	<b>-</b>	<b>103,864</b>	<b>-</b>
<b>Total Construction Costs</b>	<b>33,310.17 per unit</b>				
<b>799,444</b>	<b>34.46 per sq ft</b>				

**PART FOUR - USES OF FUNDS - Meadow Wood Apartments - 2014-517**

**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>				<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>	16,287			16,287	
<b>Subtotal</b>	17,287	-	-	17,287	-
<b>PROFESSIONAL SERVICES</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>	53,300	-	-	53,300	-
<b>LOCAL GOVERNMENT FEES</b>				<b>LOCAL GOVERNMENT FEES</b>	
Building Permits				-	
Impact Fees					
Water Tap Fees <i>waived?</i>					
Sewer Tap Fees <i>waived?</i>					
Real Estate Taxes					
<b>Subtotal</b>	-	-	-	-	-
<b>PERMANENT FINANCING FEES</b>				<b>PERMANENT FINANCING FEES</b>	
Permanent Loan Fees	32,215				32,215
Permanent Loan Legal Fees	14,833				14,833
Title and Recording Fees	6,541			6,541	
As-Built Survey					
Bond Issuance Premium				-	
Cost of Issuance / Underwriter's Discount	33,576			-	33,576
Other: _____				-	
<b>Subtotal</b>	87,165	-	-	6,541	80,624

**PART FOUR - USES OF FUNDS - Meadow Wood Apartments - 2014-517**

**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	4,456 5,333				5,333
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>	<b>22,933</b>				<b>22,933</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			23,000	
Developer's Fee	173,772		81,566	92,206	
<b>Subtotal</b>	<b>196,772</b>	<b>-</b>	<b>81,566</b>	<b>115,206</b>	<b>-</b>
<b>START-UP AND RESERVES</b>		<b>START-UP AND RESERVES</b>			
Marketing					-
Rent -Up Reserves					-
Operating Deficit Reserve:	77,939				77,939
Replacement Reserve	28,059				28,059
Furniture, Fixtures and Equipment	4,800			4,800	
Other: Rd required reserve	18,288				18,288
<b>Subtotal</b>	<b>129,086</b>	<b>-</b>	<b>-</b>	<b>4,800</b>	<b>124,286</b>
<b>OTHER COSTS</b>		<b>OTHER COSTS</b>			
Relocation	12,796			12,796	
Other:					
Other:					
<b>Subtotal</b>	<b>12,796</b>	<b>-</b>	<b>-</b>	<b>12,796</b>	<b>-</b>
<b>TOTAL DEVELOPMENT COST</b>	<b>1,940,233</b>	<b>-</b>	<b>625,344</b>	<b>1,039,788</b>	<b>275,101</b>
<b>Per Unit</b>	<b>80,843.03</b>				
<b>Per Square Foot</b>	<b>83.63</b>				

**PART FOUR - USES OF FUNDS - Meadow Wood Apartments - 2014-517**

**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	625,344	1,039,788
Less Total Subtractions From Basis (see above)	0		0
Total Eligible Basis	0	625,344	1,039,788
Eligible Basis Adjustment for DDA/QCT Location			130.00%
Adjusted Eligible Basis	0	625,344	1,351,724
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Qualified Basis	0	625,344	1,351,724
Multiply Qualified Basis by Applicable Credit Percentage		3.22%	3.22%
Maximum Tax Credit Amount	0	20,136	43,526
<b>Total Basis Method Tax Credit Calculation</b>		<b>63,662</b>	

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

See modified version

<b>Equity Gap Calculation</b>			
Total Development Cost	1,940,233		
Subtract Non-LIHTC (excluding deferred fee) Source of Funds	1,299,383		
Equity Gap	640,850		
Divide Equity Gap by 10	/ 10		
Annual Equity Required	64,085		
Enter Final Federal and State Equity Factors (not including GP contribution)	0.9990	=	Federal
Total Gap Method Tax Credit Calculation	<b>64,149</b>		0.5720
		+	State
			0.4270

**IV. TAX CREDIT CARRYOVER ALLOCATION**

Allocation Year 2015

**V. FINAL TAX CREDIT ALLOCATION REQUEST**

63,662

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 - Meadow Wood Apartments - 2014-517**

**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	718,300	4.800%	40	40	40,428	Amortizing	
Second Mortgage	515 USDA Loan	562,383	3.375%	30	50	23,301	Amortizing	
Third Mortgage								
Other Source (specify)								
Other Source (specify)								
Deferred Developer Fees	Rea Ventures Group, LLC	11,592						
Federal Grant								
State, Local, or Private Grant								
Federal Housing Credit Equity	CSG MT I, LLC	355,572						
State Housing Credit Equity	CSG SLP, LLC	273,686						
Historic Credit Equity								
Investment Earnings from Tax-Exempt Bonds								
Investment Earnings from Taxable Bonds								
Income from Operations								
Other Source (specify)	Ga. Power rebate	18,700						
Other Source (specify)								
Other Source (specify)								
Total Permanent Financing:		<b>1,940,233</b>						
Total Development Costs from Development Cost Schedule:		<b>1,940,233</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 - Meadow Wood Apartments - 2014-517**

Project Name: Meadow Wood Apartments DCA Project Nbr: 2014-517

- 1.) Tax-exempt bond proceeds: 964820
  
- 2.) Aggregate basis of building and land: 1697390
  
- 3.) Percentage of aggregate basis financed by tax-exempt bonds: 56.8%