

PART FOUR - USES OF FUNDS - Woodland Terrace Apartments - 2014-525

CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS

II. TAX CREDIT CALCULATION - BASIS METHOD

	New Construction Basis	4% Acquisition Basis	Rehabilitation Basis
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			
Total Subtractions From Basis:	0		0
Eligible Basis Calculation			
Total Basis	0	816,809	1,261,481
Less Total Subtractions From Basis (see above)	0		0
Total Eligible Basis	0	816,809	1,261,481
Eligible Basis Adjustment for DDA/QCT Location			100.00%
Adjusted Eligible Basis	0	816,809	1,261,481
Multiply Adjusted Eligible Basis by Applicable Fraction	100.00%	100.00%	100.00%
Qualified Basis	0	816,809	1,261,481
Multiply Qualified Basis by Applicable Credit Percentage		3.22%	3.22%
Maximum Tax Credit Amount	0	26,301	40,620
Total Basis Method Tax Credit Calculation		66,921	

III. TAX CREDIT CALCULATION - GAP METHOD

Equity Gap Calculation

Total Development Cost	2,421,533		
Subtract Non-LIHTC (excluding deferred fee) Source of Funds	1,320,014		
Equity Gap	1,101,519		
Divide Equity Gap by 10	/ 10		
Annual Equity Required	110,152		
Enter Final Federal and State Equity Factors (not including GP contribution)	1.6386	=	Federal
Total Gap Method Tax Credit Calculation	67,223		1.3235
			+ State
			0.3151

IV. TAX CREDIT CARRYOVER ALLOCATION

Allocation Year 2015

V. FINAL TAX CREDIT ALLOCATION REQUEST

66,921

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 WOODLAND TERRACE, 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 Woodland Terrace, LP
Project Name: Woodland Terrace Apartments
Project Number: TCAA # 2014-525

To the Partners
Waynesboro Woodland Terrace, LP

We have audited the costs included in the accompanying Tax Credit Allocation Agency ("TCAA") Final Cost Certification (the "Final Cost Certification") of Waynesboro Woodland Terrace, LP (the "Owner") for Woodland Terrace 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 \$2,421,533 and eligible basis of \$2,078,290, and that fifty-seven and five-tenths percent 57.5% of the aggregate basis of the building and the land of \$2,121,782 were financed with tax-exempt bond proceeds of \$1,220,171 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.



Atlanta, Georgia

March 10, 2016

PART FOUR - USES OF FUNDS - Woodland Terrace Apartments - 2014-525

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	3,871			3,871	
Market Study	3,500			3,500	
Environmental Report(s)	6,550			6,550	
Soil Borings					
Boundary and Topographical Survey	11,870			11,870	
Zoning/Site Plan Fees					
Other: Accessibility Review	5,250			5,250	
Subtotal	31,041	-	-	31,041	-
ACQUISITION					
Land	43,492				43,492
Demolition					-
Acquisition Legal Fees (if existing structures)			-		
Existing Structures	710,269		710,269		
Subtotal	753,761	-	710,269	-	43,492
SITE IMPROVEMENTS					
Site Preparation (On-site)	147,070			147,070	
Site Preparation (Off-site)					
Subtotal	147,070	-	-	147,070	-
UNIT/BUILDING CONSTRUCTION					
Unit/Building Construction/New Construction					
Unit/Building Construction/Rehab	675,564			675,564	
Project Amenities / Accessory Buildings					
Other:					
Subtotal	675,564	-	-	675,564	-
CONTRACTOR SERVICES					
Builder's Overhead: 2.00%	16,453			16,422	
Builder Profit: 6.00%	49,358			49,267	
General Requirements 6.00%	49,358			47,745	
Payment/performance bond or letter-of-credit fee or premium	8,147			8,147	
Subtotal	121,581	-	-	121,581	-
Total Construction Costs	31,473.83 per unit				
944,215	31.90 per sq ft				

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I. DEVELOPMENT COST SCHEDULE

	TOTAL COST	New Construction Basis	Acquisition Basis	Rehabilitation Basis	Amortizable or Non-Depreciable Basis
CONSTRUCTION PERIOD FINANCING			CONSTRUCTION PERIOD FINANCING		
Construction Loan Fee					
Construction Loan Interest					
Construction Legal Fees					
Construction Period Real Estate Tax					
Construction Insurance					
Bridge Loan Fee and Bridge Loan Interest	1,311			1,311	
Other: <u>Green Rebate Costs/Rehab inspection</u>	12,105			12,105	
Subtotal	13,416	-	-	13,416	-
PROFESSIONAL SERVICES			PROFESSIONAL SERVICES		
Architectural Fee - Design	21,000			21,000	
Architectural Fee - Supervision					
Engineering					
Real Estate Attorney	18,500			18,500	
Accounting	15,000			15,000	
Other: _____					
Subtotal	54,500	-	-	54,500	-
LOCAL GOVERNMENT FEES			LOCAL GOVERNMENT FEES		
Building Permits	1,005			1,005	
Impact Fees					
Water Tap Fees <i>waived?</i>					
Sewer Tap Fees <i>waived?</i>					
Real Estate Taxes					
Subtotal	1,005	-	-	1,005	-
PERMANENT FINANCING FEES			PERMANENT FINANCING FEES		
Permanent Loan Fees	30,021				30,021
Permanent Loan Legal Fees	14,833				14,833
Title and Recording Fees	6,772			6,772	
As-Built Survey					
Bond Issuance Premium				-	
Cost of Issuance / Underwriter's Discount	37,350				37,350
Other: _____				-	
Subtotal	88,976	-	-	6,772	82,204

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I. DEVELOPMENT COST SCHEDULE

	TOTAL COST	New Construction Basis	Acquisition Basis	Rehabilitation Basis	Amortizable or Non-Depreciable Basis
DCA-RELATED COSTS		DCA-RELATED COSTS			
DCA Loan Application Fee					-
Tax Credit Application Fee	5,000				5,000
DCA Waiver Fees	3,000				3,000
LIHTC Allocation Processing Fee	4,684 5,651				5,651
LIHTC Compliance Monitoring Fee	21,000 12,000				12,000
DCA Front End Analysis Fee (when ID of Interest)					-
DCA Final Inspection Fee					-
Other:					-
Subtotal	25,651				25,651
EQUITY COSTS		EQUITY COSTS			
Partnership Organization Fees					
Tax Credit Legal Opinion					
Other: Due diligence fee	15,000				15,000
Subtotal	15,000	-	-	-	15,000
DEVELOPER'S FEE		DEVELOPER'S FEE			
Developer's Overhead					
Consultant's Fee	23,000			23,000	
Developer's Fee	279,593		106,540	173,053	
Subtotal	302,593	-	106,540	196,053	-
START-UP AND RESERVES		START-UP AND RESERVES			
Marketing					-
Rent -Up Reserves					-
Operating Deficit Reserve:	79,228				79,228
Replacement Reserve	47,301				47,301
Furniture, Fixtures and Equipment	6,000			6,000	
Other: RD operating funds / rental assistance	50,367				50,367
Subtotal	182,896	-	-	6,000	176,896
OTHER COSTS		OTHER COSTS			
Relocation	8,479			8,479	
Other:					
Other:					
Subtotal	8,479	-	-	8,479	-
TOTAL DEVELOPMENT COST	2,421,533	-	816,809	1,261,481	343,243
Per Unit	80,717.77				
Per Square Foot	81.81				

PART FOUR - USES OF FUNDS - Woodland Terrace Apartments - 2014-525

CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS

II. TAX CREDIT CALCULATION - BASIS METHOD

	New Construction Basis	4% Acquisition Basis	Rehabilitation Basis
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			
Total Subtractions From Basis:	0		0
Eligible Basis Calculation			
Total Basis	0	816,809	1,261,481
Less Total Subtractions From Basis (see above)	0		0
Total Eligible Basis	0	816,809	1,261,481
Eligible Basis Adjustment for DDA/QCT Location			100.00%
Adjusted Eligible Basis	0	816,809	1,261,481
Multiply Adjusted Eligible Basis by Applicable Fraction	100.00%	100.00%	100.00%
Qualified Basis	0	816,809	1,261,481
Multiply Qualified Basis by Applicable Credit Percentage		3.22%	3.22%
Maximum Tax Credit Amount	0	26,301	40,620
Total Basis Method Tax Credit Calculation		66,921	

III. TAX CREDIT CALCULATION - GAP METHOD

Equity Gap Calculation			
Total Development Cost	2,421,533		
Subtract Non-LIHTC (excluding deferred fee) Source of Funds	1,320,014		
Equity Gap	1,101,519		
Divide Equity Gap by 10	/ 10		
Annual Equity Required	110,152		
Enter Final Federal and State Equity Factors (not including GP contribution)	1.6160	=	Federal 1.2980 + State 0.3180
Total Gap Method Tax Credit Calculation	68,163		

See modified version

IV. TAX CREDIT CARRYOVER ALLOCATION

Allocation Year

V. FINAL TAX CREDIT ALLOCATION REQUEST

66,921

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 - Woodland Terrace Apartments - 2014-525

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	474,600	4.800%	40	40	26,712	Amortizing	
Second Mortgage	515 USDA Loan	820,764	3.375%	30	50	34,006	Amortizing	
Third Mortgage								
Other Source (specify)								
Other Source (specify)								
Deferred Developer Fees	Rea Ventures Group, LLC	4,997						
Federal Grant								
State, Local, or Private Grant								
Federal Housing Credit Equity	CSG MT I, LLC	885,672						
State Housing Credit Equity	CSG SLP, LLC	210,850						
Historic Credit Equity								
Investment Earnings from Tax-Exempt Bonds								
Investment Earnings from Taxable Bonds								
Income from Operations								
Other Source (specify)	Georgia power rebate	24,650						
Other Source (specify)								
Other Source (specify)								
Total Permanent Financing:		2,421,533						
Total Development Costs from Development Cost Schedule:		2,421,533						
Surplus/(Shortage) of Permanent Funds to Development Costs:		0						

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 - Woodland Terrace Apartments - 2014-525

Project Name: Woodland Terrace Apartments DCA Project Nbr: 2014-525

- 1.) Tax-exempt bond proceeds: 1220171

- 2.) Aggregate basis of building and land: 2121782

- 3.) Percentage of aggregate basis financed by tax-exempt bonds: 57.5%