

FORMAT OF ACCOUNTANT'S LETTER
And must include Certificate of Actual Cost and Schedule of Actual Cost in THOMAS.

INDEPENDENT AUDITOR'S REPORT
(Submit on Accountant's letterhead)

TO: Attention: Multifamily Development
Tennessee Housing Development Agency
502 Deaderick Street, 3rd Floor
Nashville, TN 37243

RE: Owner's Name: _____
Development Name: _____ TN ____ - ____
Development Address: _____

We have audited the costs included in the accompanying Tennessee Housing Development Agency (THDA) Final Cost Certification Schedule of Actual Costs and Eligible Basis (the "Final Cost Certification") of _____ (the "Owner") for _____ (the "Project") as of _____ (Date).

Owner Responsibility for the Final Cost Certification

Owner is responsible for the preparation and fair presentation of the Final Cost Certification in accordance with accounting practices prescribed by the Internal Revenue Service, under the accrual method of accounting, and in accordance with the format and qualified allocation plan rules set by THDA, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America; 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 includes performing procedures to obtain audit evidence supporting 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 management, as well as evaluating the overall presentation of the Final Cost Certification.

In preparing the accompanying Final Cost Certification, we discussed with the Owner all relevant Internal Revenue Service guidance including, but not limited to, relevant Technical Advice Memoranda and Private Letter Rulings. The accompanying Final Cost Certification has been prepared with knowledge of all relevant Internal Revenue Service guidance including, but not limited to, relevant Technical Advice Memoranda and Private Letter Rulings.

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

Opinion

(Auditor, insert opinion here.)

Restriction on Use

This report is intended solely for the information and use of management of the Owner and for filing with THDA and should not be used for any other purpose.

Other

We have no financial interest in the Project other than in the practice of our profession.

Certified Public Accountant(s)

Date

CERTIFICATE OF ACTUAL COST

Name of Development: _____

Address of
Development: _____

Owner of Development: _____

THDA Development: TN ___ -- ___

Contractor: _____

As owner and managing general partner of _____ (development), I (we) certify that the actual costs as listed in the Total Development Costs screen in THOMAS for labor, materials, and necessary services for the construction of the physical improvements in connection with the development referenced on this certificate, after deduction of all kick-backs, rebates, adjustments, or discounts made or to be made to the owner, or any corporation, trust, partnership, joint venture, or other legal or business entity in which the owner, or any of its members, stockholders, officers, directors, beneficiaries, or partners hold any interest, is as represented herein.

In preparing the Total Development Costs screen in THOMAS I (we) and the Certified Public Accountant performing the audit have discussed all relevant Internal Revenue Service guidance including, but not limited to, relevant Technical Advice Memoranda and Private Letter Rulings. The accompanying Final Cost Certification has been prepared with knowledge of all relevant Internal Revenue Service guidance including, but not limited to, relevant Technical Advice Memoranda and Private Letter Rulings.

This Certificate of Actual Cost must be supported by an opinion in the form attached by an independent Certified Public Accountant.

All Rural Housing Development 515 developments must submit the Rural Housing Estimate and Certificate of Actual Cost Form No. 1924-13 along with this Certificate of Actual Cost.

BY: _____ DATE: _____