MODEL FINAL COST CERTIFICATION LETTER

Independent Accountants’ Report

To the Partners
Limited Partnership
City, State  ZIP

We have audited the costs included in the accompanying Arkansas Development Finance Authority (“ADFA”) Form ______. Development Costs (the “Final Cost Certification”) of ______________________________________ [NAME OF LIMITED PARTNERSHIP] (“Owner”) as of ______________________ [DATE]. The Final Cost Certification is the responsibility of the Owner and the Owner’s Management. 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 schedule of development costs and eligible basis are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the schedule of development costs and eligible basis. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the schedules. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Final Cost Certification has been 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 ADFA, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the Final Cost Certification presents fairly, in all material respects, the actual costs of $____________ [TOTAL DEVELOPMENT COST] and eligible basis of $______________ [TOTAL ELIGIBLE BASIS] of the Owner for the development as of ___________________ [DATE], including costs attributable to the categories of General Requirements, Contractor Overhead, Contractor Profit and Developer’s Fee and the eligible basis, applicable fraction and qualified basis for each building in the development, on the basis of accounting described above. The accompanying supplemental information on the Schedule of Credit Calculation is presented for purposes of additional analysis and is not a required part of the auditor’s report.

In addition to auditing the Final Cost Certification, we have calculated the “per unit costs” as defined in ADFA’s qualified allocation plan rules and determined the development meets the per unit cost cap as set forth therein.

This report is intended solely for the information and use of the partners and ADFA and is not intended to be and should not be used by anyone other than those specified parties.

DATE
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