

**SOUTH DAKOTA HOUSING DEVELOPMENT AUTHORITY
TEN PERCENT COST CERTIFICATION**

Independent Auditor's Report

Owner's Name: _____
Project Name: _____
Project Address: _____

We have audited the accompanying Certification of Costs Incurred Form HTC0511 (HTC Form) of the Owner for _____ (the "Project") as of _____, 20____. HTC Form is the responsibility of the Owner and the Owner's management. Our responsibility is to express an opinion on HTC Form based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether HTC Form is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in HTC Form. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of HTC Form. We believe that our audit provides a reasonable basis for our opinion.

The accompanying HTC Form was 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 SDHDA (South Dakota Housing Development Authority), which is a comprehensive basis of accounting other than generally accepted accounting principles. Also, we have reviewed technical advice memorandums 200043015, 200043016, 200043017, 20004404 and 20004405 released by the Internal Revenue Service which address the ineligible basis of certain project costs.

In our opinion the HTC Form referred to above presents fairly, in all material respects, costs incurred for the Project as of _____ 20____, on the basis of accounting described above.

In addition to auditing HTC Form, we have, at your request, performed certain agreed upon procedures, as enumerated below, with respect to the Project. These procedures, which ere agreed to by the Owner and SDHDA, were performed to assist you in determining whether the Project has met the 10% test in accordance with Internal Revenue Code Section 42(h)(1)(E) and Treasury Regulation Section 1.42-6. These agreed-upon procedures were performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representations regarding the sufficiency of the procedures below either for the purpose for which this report has been requested or for any other purpose.

We performed the following procedures:

- We calculated, based on estimates of total development costs provided by the Owner, the Project's total reasonably expected basis, as defined in Treasury Regulation Section 1.42-6, to be \$ _____ as of _____, 20____.
- We calculated the reasonably expected basis incurred by the Owner as of _____20____.
- We calculated the percentage of the development fee incurred by the Owner as of _____, 20____, to be _____% of the total development fee.
- We compared the reasonably expected basis incurred as of _____,20____, to the reasonably expected basis of the Project, and calculated that _____% had been incurred as of _____, 20____.
- We determined that the Owner uses the accrual method of accounting, and has not included any construction costs in carryover allocation basis that have not been property accrued.
- Based on the amount of total reasonably expected basis listed above, for the Owner to met the 10% test in accordance with Internal Revenue Code Section 42(h)(1)(E) and Treasury Regulation Section 1.42-6, we calculated that the Project needed to incur at least \$ _____ of costs prior to December 31, 20____. As of _____, 20____, costs of at least \$ _____ had been incurred, which is approximately _____% of the total reasonably expected basis of the Project.

We were not engaged to, and did not perform an audit of the Owner's financial statement or of the project's total reasonably expected basis. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Owner and the Owner's management and for filing with SDHDA and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

I declare and affirm under the penalties of perjury that the claim (petition, application, information) has been examined by me, and to the best of my knowledge and belief, is in all things true and correct.

CPA Company: _____
Signature: _____
Title _____
City, State _____
Date _____

**SOUTH DAKOTA HOUSING DEVELOPMENT AUTHORITY
CPA's CERTIFICATION OF COSTS INCURRED**

OWNER NAME:			
PROJECT NAME:			
PROJECT ADDRESS:			
		ANTICIPATED	ACCUMULATED
LINE	ITEM	BASIS	BASIS
1	Concrete	\$	\$
2	Masonry	\$	\$
3	Metals	\$	\$
4	Rough Carpentry	\$	\$
5	Exterior Doors, Windows, Glass	\$	\$
6	Waterproofing	\$	\$
7	Insulation	\$	\$
8	Roofing & Sheetmetal	\$	\$
9	Siding	\$	\$
10	TOTAL ROUGHING STRUCTURE (lines 1-9)	\$	\$
11	Finish Carpentry	\$	\$
12	Cabinets, Vanities and Countertops	\$	\$
13	Interior Doors and Frames	\$	\$
14	Lath and Plaster	\$	\$
15	Drywall	\$	\$
16	Tilework	\$	\$
17	Acoustical	\$	\$
18	Carpeting	\$	\$
19	Resilient Flooring	\$	\$
20	Painting & Decorating	\$	\$
21	Specialties and Furnishings	\$	\$
22	Special Equipment	\$	\$
23	Appliances	\$	\$
24	Special Construction	\$	\$
25	Elevators	\$	\$
26	TOTAL FINISH STRUCTURE (lines 11-25)	\$	\$
27	Plumbing	\$	\$
28	Heat and Ventilation	\$	\$
29	Air Conditioning	\$	\$
30	Fire Protection	\$	\$
31	TOTAL MECHANICAL (lines 27-30)	\$	\$
32	Electrical	\$	\$
33	TOTAL ELECTRICAL (line 32)	\$	\$
34	TOTAL STRUCTURE (lines 10, 26, 31 & 33)	\$	\$
35	Accessory Buildings and Garages	\$	\$
36	Earth Work	\$	\$
37	Site Utilities	\$	\$
38	Roads & Walks	\$	\$
39	Site Improvements	\$	\$
40	Building Acquisition	\$	\$
41	Land	\$	\$
42	TOTAL LAND IMPROVEMENTS (lines 35-41)	\$	\$
43	General Requirements	\$	\$
44	Builder's Overhead	\$	\$
45	Builder's Profit	\$	\$
46	Excise Taxes	\$	\$
47	Architect Fee - Design	\$	\$
48	Architects Fee - Supervision	\$	\$
49	Real Estate Attorney	\$	\$
50	Consultant/Processing Agent	\$	\$
51	Title and Recording	\$	\$
52	Property Appraisal	\$	\$
53	Market Study	\$	\$
54	Environmental Report	\$	\$
55	Tax Credit Fees	\$	\$
56	Developer's Fee	\$	\$
57	TOTAL INTERMEDIARY	\$	\$
58	TOTAL BREAKDOWN		
	(lines 10, 26, 31, 33, 42 & 56)	\$	\$

Anticipated basis: _____

Accumulated basis: _____

Percentage: _____ (Must be over 10% to qualify.)

I declare and affirm under the penalties of perjury that the claim (petition, application, information) has been examined by me, and to the best of my knowledge and belief, is in all things true and correct.

CPA: _____

By: _____

Date: _____

KEY: Anticipated Basis means reasonably expected basis of the project.

Accumulated Basis means expenditure that has been incurred by:

Percentage means Accumulated Basis divided by Anticipated Basis.

**SOUTH DAKOTA HOUSING DEVELOPMENT AUTHORITY
OWNER'S TEN PERCENT COST CERTIFICATION**

Project Name: _____

Project Address: _____

Under penalties of perjury, I certify that I am the owner of the above referenced project. The supporting documentation attached by this reference will provide evidence of ownership (must be a written attorney's opinion).

Under penalties of perjury, I further certify that by _____ 20____, I had incurred costs of more than 10% of the anticipated basis for the above named project. The supporting documentation (LIHTC Form 13) attached by this reference will indicate those costs.

Under penalties of perjury, I further certify that the above named building(s) qualified for and is entitled to, based on the representations herein, the Housing Tax Credit received.

I declare and affirm under the penalties of perjury that the claim (petition, application, information) has been examined by me, and to the best of my knowledge and belief, is in all things true and correct.

OWNER: _____

BY: _____

DATE: _____

**SOUTH DAKOTA HOUSING DEVELOPMENT AUTHORITY
OWNER'S CERTIFICATION OF COSTS INCURRED**

OWNER NAME:			
PROJECT NAME:			
PROJECT ADDRESS:			
		ANTICIPATED	ACCUMULATED
LINE	ITEM	BASIS	BASIS
1	Concrete	\$	\$
2	Masonry	\$	\$
3	Metals	\$	\$
4	Rough Carpentry	\$	\$
5	Exterior Doors, Windows, Glass	\$	\$
6	Waterproofing	\$	\$
7	Insulation	\$	\$
8	Roofing & Sheetmetal	\$	\$
9	Siding	\$	\$
10	TOTAL ROUGHING STRUCTURE (lines 1-9)	\$	\$
11	Finish Carpentry	\$	\$
12	Cabinets, Vanities and Countertops	\$	\$
13	Interior Doors and Frames	\$	\$
14	Lath and Plaster	\$	\$
15	Drywall	\$	\$
16	Tilework	\$	\$
17	Acoustical	\$	\$
18	Carpeting	\$	\$
19	Resilient Flooring	\$	\$
20	Painting & Decorating	\$	\$
21	Specialties and Furnishings	\$	\$
22	Special Equipment	\$	\$
23	Appliances	\$	\$
24	Special Construction	\$	\$
25	Elevators	\$	\$
26	TOTAL FINISH STRUCTURE (lines 11-25)	\$	\$
27	Plumbing	\$	\$
28	Heat and Ventilation	\$	\$
29	Air Conditioning	\$	\$
30	Fire Protection	\$	\$
31	TOTAL MECHANICAL (lines 27-30)	\$	\$
32	Electrical	\$	\$
33	TOTAL ELECTRICAL (line 32)	\$	\$
34	TOTAL STRUCTURE (lines 10, 26, 31 & 33)	\$	\$
35	Accessory Buildings and Garages	\$	\$
36	Earth Work	\$	\$
37	Site Utilities	\$	\$
38	Roads & Walks	\$	\$
39	Site Improvements	\$	\$
40	Building Acquisition	\$	\$
41	Land	\$	\$
42	TOTAL LAND IMPROVEMENTS (lines 35-41)	\$	\$
43	General Requirements	\$	\$
44	Builder's Overhead	\$	\$
45	Builder's Profit	\$	\$
46	Excise Taxes	\$	\$
47	Architect Fee - Design	\$	\$
48	Architects Fee - Supervision	\$	\$
49	Real Estate Attorney	\$	\$
50	Consultant/Processing Agent	\$	\$
51	Title and Recording	\$	\$
52	Property Appraisal	\$	\$
53	Market Study	\$	\$
54	Environmental Report	\$	\$
55	Tax Credit Fees	\$	\$
56	Developer's Fee	\$	\$
57	TOTAL INTERMEDIARY	\$	\$
58	TOTAL BREAKDOWN (lines 10, 26, 31, 33, 42 & 57)	\$	\$

Anticipated basis: _____

Accumulated basis: _____

Percentage: _____ (Must be over 10% to qualify.)

I declare and affirm under the penalties of perjury that the claim (petition, application, information) has been examined by me, and to the best of my knowledge and belief, is in all things true and correct.

Owner: _____

By: _____

Date: _____

KEY: Anticipated Basis means reasonably expected basis of the project.

Accumulated Basis means expenditure that has been incurred by:

Percentage means Accumulated Basis divided by Anticipated Basis.