

INDEPENDENT AUDITOR'S REPORT FOR CARRYOVER ALLOCATION

(Must be submitted with Carryover Allocation Application on Accounting Firm's letterhead)

Owner Name: _____

Project Name: _____ Owner's TIN: _____

We have examined the Actual Costs Incurred on the accompanying Colorado Housing and Finance Authority ("CHFA") Schedule of Expected Basis and Itemized Expenditures ("Schedule") as of _____, 20__ for the above-referenced project ("Project") for the above-referenced owner ("Owner") as set forth in the 10% Test for Carryover Allocation to the Owner's 20__ Low-Income Housing Tax Credit Carryover Allocation Application to CHFA dated _____, 20__ (the "Application"). The Schedule is the responsibility of the Owner and Owner's management. Our responsibility is to express an opinion on the Schedule based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining on a test basis, evidence supporting the Schedule and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

The accompanying Schedule was prepared in conformity with accounting practices prescribed by the Internal Revenue Service under the accrual method of accounting and by CHFA, which is a comprehensive basis of accounting other than generally accepted accounting principles.

The 10% Test includes an estimate prepared by the Owner of total development costs and reasonably expected basis, as defined in Treasury Regulation Section 1.42-6. We have not examined or performed any procedures in connection with such estimated total development costs and reasonably expected basis and, accordingly, we do not express any opinion or any other form of assurance on such estimates. Furthermore, even if the Project is developed and completed there will usually be differences between the projected and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

In our opinion, the Schedule 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 examining the Schedule, we have, at your request, performed certain agreed-upon procedures, as enumerated below, with respect to the Project. These procedures, which were agreed to by the Owner and CHFA, 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 have read the Owner's reasonably expected basis in the Project as of December 31, 20__ (enter year projected out two years from Carryover), shown as Total Expected Project Basis on the Schedule which is the responsibility of the Owner.
- We read Internal Revenue Code (IRC) Section 42(h)(1)(E) and Treasury Regulation 1.42-6;
- 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 December 31, 20__ (enter year projected out two years from Carryover).
- We calculated the Actual Costs Incurred by the Owner as of _____, 20__ to be \$_____.
- We compared the Actual Costs Incurred as of _____, 20__ to the total reasonably expected basis of the Project, and calculated that XX.XX% had been incurred as of _____, 20__.
- Based on the amount of total reasonably expected basis listed above, for the Owner to meet 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 \$X,XXX,XXX of costs prior to _____, 20__. Based on the above computation, as of _____, 20__, costs of at least \$X,XXX,XXX had been incurred, which is approximately XX.XX% 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 statements nor an examination of the Project's total reasonably expected basis. Furthermore, even if the Project is developed and completed there will usually be differences between the projected and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. 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 CHFA 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.

Name of Professional's Firm

Date

Signature of Professional

Title of Signatory

Printed Name of Signatory