

FORM B

INDEPENDENT AUDITOR'S REPORT FOR FINAL ALLOCATION

(must be submitted with Final Allocation Application on Accounting Firm's letterhead)

Owner Name: _____
Project Name: _____ Owner's TIN: _____

We have audited the Final Cost Certification of Sources and Uses of Funds ("Development Budget") for the above-referenced project. The Development Budget was prepared by the Project's Owner as part of the Owner's 20__ Low-Income Housing Tax Credit Final Allocation Application to Colorado Housing and Finance Authority ("CHFA").

Management's Responsibility for the Development Budget

Management is responsible for the preparation and fair presentation of the Development Budget in accordance with the financial reporting provisions of CHFA; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Development Budget that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Development Budget 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 Development Budget is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Development Budget. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Development Budget, 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 Development Budget 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 Development Budget.

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

Basis for Qualified Opinion

We were unable to examine evidence to support the actual funding of the operating reserve. We have included the operating reserve in the Development Budget as they are a future cost of the Owner. Management has represented to us that it intends to fund \$XXX,XXX to the operating reserve.

Qualified Opinion

In our opinion, except for the possible effects of such adjustments, if any, as might have been determined to be necessary had we been able to obtain sufficient appropriate audit evidence to support funding of the reserve account, as discussed in the Basis for Qualified Opinion paragraph, the Development Budget referred to in the first paragraph presents fairly, in all material respects, the final development costs incurred by the Owner and the eligible basis as of XXX X, 20XX, on the basis of accounting described in the following paragraph.

Basis of Accounting

The accompanying Development Budget was prepared in accordance with the accounting methods prescribed by the Internal Revenue Service and adhered to by CHFA, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. 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 management of the Owner and for filing with CHFA and is not intended to be and should not be used for any other purpose or by anyone other than these specified parties.

Name of Professional's Firm

Date

Signature of Professional

Title of Signatory

Printed Name of Signatory