

*(Letterhead of Firm)*

**MINNESOTA HOUSING FINANCE AGENCY  
EXAMPLE OF THE REPORT TO BE ISSUED BY THE INDEPENDENT CPA PERFORMING  
AN AGREED UPON PROCEDURES ENGAGEMENT**

Minnesota Housing Finance Agency  
400 Sibley Street, Suite 300  
St. Paul, MN 55101-1998

[Name of Ownership Entity]  
[Address]

Re: [Name and Location of Development]  
[Minnesota Housing HTC #]

We have performed the procedures enumerated below, which were agreed to by the Minnesota Housing Finance Agency (Minnesota Housing) and \_\_\_\_\_ [name of ownership entity] (the Developer) the legal entity that received a reservation of tax credits and is making an application for carryover for the above-referenced development (the Project), solely to assist Minnesota Housing in evaluating whether the Project qualifies for a carryover allocation of Low Income Housing Tax Credits (Carryover). These procedures were performed in accordance with Section 42(h)(1)(E) of the Internal Revenue Code (the Code) and the implementing regulations set forth at 26 CFR Section 1.42-6.

This agreed-upon procedures engagement was 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 representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The agreed upon procedures and findings are as follows:

1. We obtained and read a copy of the Developer's schedule of total development costs anticipated through the expected completion date of the Project. We compared this schedule to Column B of the Statement of Carryover - Comparison of Carryover Basis to Reasonably Expected Basis (Minnesota Housing Form HTC-6A). We found them to be in agreement.
2. We inspected or obtained copies of invoices and other supporting documentation for costs paid or incurred through the certification date.

We relied upon invoice copies and other documentation of costs paid or incurred, together with inquiries of the partnership's management, to substantiate the validity and timing of actual costs recorded.

Where the costs include costs for purchase of building materials that have not been incorporated into the Project, we have satisfied ourselves that the documentation evidencing the purchase is properly accounted for as a completed sale.

Where costs were incurred by affiliates of the Developer, we have satisfied ourselves that those costs are properly characterized as paid or incurred by the Developer (either by assumption, contribution or otherwise).

Where the costs include an accrual of development fees payable, we have satisfied ourselves that an agreement to pay the development fees exists and that economic performance with respect to the services has occurred within the meaning of Section 461 of the Code and 26 CFR Section 1.461-4(d).

We compared these costs to Column A of Minnesota Housing Form HTC-6A. We found them to be in agreement.

3. We analyzed the adjustments made to the Total Costs (Line 70, Minnesota Housing Form HTC-6A) to arrive at Carryover Basis (Column A, Minnesota Housing Form HTC-6A) and Reasonably Expected Basis (Column B, Minnesota Housing Form HTC-6A). We found the adjustments to be in accordance with Section 42(h)(1)(E) of the Code and 26 CFR Section 1.42-6.
4. We compared Carryover Basis (Line 77, Column A, Minnesota Housing Form HTC-6A) to Reasonably Expected Basis (Line 78, Column B, Minnesota Housing Form HTC-6A). We found Carryover Basis (Line 77, Column A, Minnesota Housing Form HTC-6A) to be greater than 10% of Reasonably Expected Basis (Line 78, Column B, Minnesota Housing Form HTC-6A).

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertion. 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 use of the Developer and Minnesota Housing 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.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name of Signatory (typed or printed)

\_\_\_\_\_  
Independent Accounting Firm (name)