

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):

September 16, 2004

**AMERICA FIRST TAX EXEMPT INVESTORS, L.P.**

(Exact name of registrant as specified in its charter)

Delaware 000-24843 47-0810385

(State or other jurisdiction (Commission (IRS Employer  
of incorporation) File Number) Identification No.)

1004 Farnam Street, Suite 400 Omaha, Nebraska 68102 (Address of principal executive offices) (Zip Code)

(402) 444-1630

(Registrant's telephone number, including area code)

Not applicable

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 4.01. Changes in Registrant's Certifying Accountant.**

(a) On September 16, 2004, the audit committee of the Registrant's general partner terminated the engagement of KPMG LLP (the "Former Accountant") as the principal independent accountant of the Registrant. The Former Accountant's reports for the past two (2) fiscal years did not contain any adverse opinion or disclaimer of opinion, and such reports were not qualified or modified as to uncertainty, audit scope or accounting principles, with the exception of the Former Accountant's audit report, dated April 14, 2004, on the financial statements of the Registrant as of December 31, 2003 and 2002 and for each of the years in the three-year period ended December 31, 2003, which was modified to include a paragraph stating the following, "As discussed in note 2 to the financial statements, the Partnership has restated its balance sheet as of December 31, 2002 and its statements of income and comprehensive income, partners' capital and cash flows for the year then ended." The modification to the Former Accountant's opinion referred to the restatement resulting from the Registrant's accounting for its derivative instruments.

In connection with the Former Accountant's audits of the Registrant for the two (2) most recent fiscal years and through September 16, 2004, there have been no disagreements between the Registrant and the Former Accountant on any matter of accounting

principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of the Former Accountant, would have caused the Former Accountant to make reference thereto in its report on the financial statements for such years. No "reportable events" (as defined by Item 304(a)(1)(v) of Regulation S-K) occurred during the two (2) most recent fiscal years and through September 16, 2004, with the exception of the following: (1) during the completion of the audit of the Registrant's annual financial statements for the year ended December 31, 2003, the Registrant and its' external auditors identified a material weakness in the operation of its internal controls over financial reporting with respect to the accounting for its derivative instruments. In response to this material weakness, the Registrant now obtains fair market value quotations from independent sources as of the end of each reporting period to ensure that the proper mark to market adjustment is recorded for the derivative instruments owned by the Registrant; (2) a reportable condition was also noted over the impairment evaluation of the Registrant's taxable loans. In response to this reportable condition, the Registrant modified its valuation model used to test for impairment of its taxable loans; and (3) during the quarter June 30, 2004, the Registrant and its' external auditors identified a material weakness in internal control over the consolidation of variable interest entities. In response to this material weakness, the Registrant has modified its disclosure controls and procedures to place additional emphasis on the review of the consolidation of variable interest entities.

The Registrant has requested the Former Accountant to furnish the Registrant with a letter addressed to the U.S. Securities and Exchange Commission stating whether the Former Accountant agrees with the above statements and, if not, identifying the respects in which the Former Accountant does not agree. A copy of such letter is attached hereto as Exhibit 16.

(b) On September 16, 2004, the audit committee of the Registrant's general partner engaged Deloitte & Touche LLP (the "New Accountant") as the Registrant's principal independent accountant. The Registrant did not, nor did anyone on its behalf, consult the New Accountant during the Registrant's two (2) most recent fiscal years and during the subsequent interim period prior to the Registrant's engagement of the New Accountant regarding the application of accounting principles to a specified transaction (completed or proposed), the type of audit opinion that might be rendered on the Registrant's financial statements, any matter being the subject of a disagreement or "reportable event" or any other matter described in Item 304(a)(2) of Regulation S-K.

#### **Item 9.01. Financial Statements and Exhibits.**

(c) Exhibits.

16 Letter of KPMG LLP, dated as of September 22, 2004, as the former principal independent accountant of the Registrant.

#### **SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AMERICA FIRST TAX EXEMPT INVESTORS, L.P.

By America First Capital

Associates Limited

Partnership Two, General

Partner of the Partnership

By America First Companies L.L.C.,

General Partner of

America First Capital

Associates Limited

Partnership Two

Date: September 22, 2004

/s/ Lisa Y. Roskens

Lisa Y. Roskens

Chief Executive Officer

September 22, 2004

Securities and Exchange Commission  
Washington, DC 20549

Ladies and Gentlemen:

We were previously principal accountants for America First Tax Exempt Investors, L.P. and, under the date of April 14, 2004, we reported on the financial statements of America First Tax Exempt Investors, L.P. as of December 31, 2003 and 2002 and for each of the years in the three-year period ended December 31, 2003. On September 16, 2004, our appointment as principal accountants was terminated. We have read America First Tax Exempt Investors, L.P.'s statements included under Item 4.01 of its Form 8-K dated September 22, 2004, and we agree with such statements, except that we are not in a position to agree or disagree with America First Tax Exempt Investors, L.P.'s statement that the audit committee terminated the engagement, nor are we in a position to agree or disagree with the statements in paragraph (b). In addition, we are not in a position to agree or disagree with the following statements:

1. "In response to this material weakness, the Registrant now obtains fair market value quotations from independent sources as of the end of each reporting period to ensure that the proper mark to market adjustment is recorded for the derivative instruments owned by the Registrant."
2. "In response to this reportable condition, the Registrant modified its valuation model used to test for impairment of its taxable loans."
3. "In response to this material weakness, the Registrant has modified its disclosure controls and procedures to place additional emphasis on the review of the consolidation of variable interest entities."

Very truly yours,

/s/ KPMG LLP

Omaha, Nebraska