

Report of Independent Accountant on Applying the
Virginia Rehabilitation Tax Credit Agreed-Upon Procedures

[Name of property owner/organization] and the Virginia Department of Historic Resources

We have performed the procedures enumerated below, which were agreed to by [name of property owner/organization] (“the Company”) and the Virginia Department of Historic Resources (collectively, the “Specified Users”) solely to assist you in evaluating the Schedule of Eligible Rehabilitation Expenses, which is required to be submitted to the Virginia Department of Historic Resources, in conjunction with a Part 3 application, “Request for Certification of Completed Work.”

The management of the Company is responsible for the accuracy of the Schedule of Rehabilitation Expenses. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Specified Users. 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.

Using information provided to us by the management of the Company, we have performed the procedures and noted the findings below.

We were not engaged to, and did not, conduct an audit of the Schedule of Rehabilitation Expenses, the object of which would be the expression of an opinion on this schedule. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters may have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Specified Users and is not intended to be and should not be used by anyone other than the Specified Users.

Signature:

City

Date

Procedure 1: Completed Schedule and Statements

We compared the required application attachments to the prescribed format, and determined that they contain the signatures prescribed.

Documentation of Completion Date	Exhibit A
Schedule of Eligible Rehabilitation Expenses	Exhibit B
Schedule of Construction Costs	Exhibit C

Findings:

Procedure 2: Property Information

We compared the name and address of the property listed on the Part 3 application, Request for Certification of Completed Work, to the name and address of the property listed on the Part 2 application, Description of Rehabilitation.

Findings:

Procedure 3: Completion Date

- A. We compared the date of the Certificate of Occupancy listed on the Part 3 application to the date of the Final Certificate of Occupancy, Temporary Certificate of Occupancy, Final Building Inspection, or other documentation supporting the date the final rehabilitation expense was incurred (in the case that no Certificate of Occupancy was required), which is attached to this report as Exhibit A.

Findings:

- B. We compared the physical address on the Final Certificate of Occupancy, Temporary Certificate of Occupancy, Final Building Inspection, or other documentation supporting the date the final rehabilitation expense was incurred to the physical address listed on the Part 3 application.

Findings:

Procedure 4: Ownership Information

- A. We compared the owner name and organization listed on the Part 3 application to the owner name and organization listed on the Part 2 application or subsequent Amendment.

Findings:

- B. We compared the owner name listed on the Part 3 application with the name of the entity entitled to receive the tax credits, according to the terms of the Operating Agreement or Partnership Agreement, if applicable.

Findings:

- C. We compared the Taxpayer Identification Number (TIN) listed on the Part 3 application with the TIN issued by the Social Security Administration or Internal Revenue Service for the owner and organization.

Findings:

Procedure 5: Eligible Rehabilitation Expenses

- A. We compared the Schedule of Eligible Rehabilitation Expenses, attached as Exhibit B, and the Schedule of Construction Costs, which expenses are included in the Schedule of Eligible Rehabilitation Expenses and which is attached as Exhibit C, to those cost categories qualifying for the Virginia Rehabilitation Tax Credit, according to 17 VAC 10-30-110. In the case of cost categories listed on the schedules that include more than one type of work, e.g. “hardware and fixtures,” we obtained a breakdown of the work included in such category and compared the cost categories to eligible rehabilitation expenses specified by 17 VAC 1-30-110. (The CPA will note any items that he or she is uncertain are eligible rehabilitation expenses, with the corresponding dollar amount, in this report.)

Findings:

- B. We reviewed the invoices or equivalent billing documents for all items in the Schedule of Construction Costs and Schedule of Eligible Rehabilitation Expenses to determine, based on the description of the work done, whether the relevant costs would be charged to an asset account according to generally accepted accounting principles. We determined whether all charges in the Schedules are reflected in the bank statements, cancelled checks, or general ledger for the project as having been paid within 60 days of the date of the Certificate of Occupancy listed on the Part 3 application.

Findings:

Procedure 6: Minimum Investment

(for single-phase project or final phase of a multi-phase project) We calculated the ratio of the eligible rehabilitation expenses shown on the Schedule of Rehabilitation Expenses to the assessed value of the building for local real estate tax purposes, not including land, in the year prior to the beginning of the rehabilitation project to determine whether the eligible rehabilitation expenses are at least [25 or 50]% of the assessed value of the building, according to the requirements of 17 VAC 10-30-100.

Findings:

January 2015