

**Report of Independent Accountant on Delaware State Housing Authority  
Downtown Development Districts Rebate Agreed-Upon Procedures**

[Insert Investor Name]

and the Delaware State Housing Authority

We have performed the procedures enumerated below which were agreed upon by [Insert Investor Name] and the Delaware State Housing Authority (DSHA), to assist you in evaluating the DSHA Downtown Development Districts (DDD) Rebate and the additional required information of [Insert Investor Name] prepared in accordance with the DSHA Agreed-Upon Procedures for Attestation of Actual Costs Guidelines and the DDD Rebate Program Guidelines.

The management of [Insert Investor Name] is responsible for accuracy of the DSHA DDD Rebate and additional required information. 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 those parties specified in this 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.

Our procedures, and the results of those procedures, follow this report.

We were not engaged to, and did not, conduct an examination to the degree necessary to express an opinion. Accordingly, we do not express such an opinion. If we had performed additional procedures, other matters may have come to our attention that would have been reported to you.

This report is intended for the use of [Insert Investor Name] and the DSHA, 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** \_\_\_\_\_

City, State

Date

## **DDD REBATE - AGREED UPON PROCEDURES AND FINDINGS**

### **PROCEDURE 1: INDEPENDENT CPA SELECTION CONFIRMATION**

- We will demonstrate the following requirements are true:
  - As required by the American Institute of Certified Public Accountants (AICPA) standards, the ICPA is *independent* within the meaning of the code of professional ethics.
  - The ICPA contracted to complete the Attestation of Actual Costs does not have an Identity of Interest relationship with the investor or contractor(s).
  - The ICPA contracted to complete the Attestation of Actual Costs does not perform manual or automated bookkeeping, auditing, and/or accounting services or maintain accounting records on behalf of the investor or contractor(s).
  - The ICPA is a certified public accountant or a public accountant licensed by a regulatory authority of a state or other political subdivision of the United States and holds a current **Delaware business license**.
    - DSHA is not the responsible authority for regulations related to entities conducting business in the State of Delaware. **It is the ICPA's responsibility to determine if they meet Delaware's requirements.** Information regarding how to obtain a Delaware business license, CPA Permit to Practice (including reciprocity and substantial equivalency rules) can be accessed from the following links.  
  
<https://revenue.delaware.gov/frequently-asked-questions/business-licenses-faqs/>  
  
<https://dpr.delaware.gov/boards/accountancy/newpermit/>
  - Where Government Auditing Standards apply, the ICPA meets the auditor qualifications of Auditing Standards, including the qualifications of Independence and continuing professional education. Additionally, the audit organization meets the quality control standards of Government Auditing Standards.

### **PROCEDURE 2: Attestation of Completed Rebate Application**

- We will determine that the following required attestation forms provided by DSHA and all required attachments have been prepared in the prescribed format and contain the signed declaration.
  - Required Attestation Forms:
    - DDD-AC100 Investor Certification of Qualified Real Property Investment
    - DDD-AC100A Itemized Breakdown of Eligible General Conditions, if applicable
    - DDD-AC100B Itemized Breakdown of Eligible Appliances/Equipment, if applicable
    - DDD-AC100C Itemized Breakdown of Site Improvements, if applicable
    - DDD-AC101 Project/Building Information
    - DDD-AC102 Rebate Calculation/Disbursement Request

- ICPA Attestation Report – Agreed Upon Procedures and Findings
- ICPA Agreed-Upon Procedures Engagement Letter

**Findings:**

Insert Procedure Findings

**PROCEDURE 3: Attestation of Qualified Real Property Investments**

- We will determine that the schedule of Qualified Real Property Investment (DSHA Certification of Qualified Real Property Investment, DDD-AC100) includes only cost items defined as eligible in DSHA’s DDD Rebate Program Guidelines. The ICPA will obtain a breakdown of the costs included in each category and verify that only eligible cost items are included in the schedule of Qualified Real Property Investment. **We will note, in this report, any costs and corresponding dollar amounts when eligibility is uncertain. DSHA will review such cost items to determine final eligibility.**

**Findings:**

Insert Procedure Findings

- We will vouch that 100 percent of the cost items included on the schedule (DDD-AC100) have corresponding invoices that clearly define the date and location of the work performed, eligible scope of work performed and the associated costs. We will determine that the work was performed by Delaware-licensed contractors (includes General Contractor and all subcontractors) in accordance with DSHA’s DDD Rebate Guidelines and completed within the Reservation period. **We will note any difference in this report.**

**Findings:**

Insert Procedure Findings

- We will determine that the cost items included on the schedule (DDD-AC100) were properly charged to the capital (asset) account under generally accepted accounting principles or another recognized basis of accounting.

Any cost items that have been expensed or ineligible by definition under DSHA’s DDD Rebate Program Guidelines cannot be included on the schedule of Qualified Real Property Investment. The ICPA will inspect the schedule for any items that are expensed and not charged to the capital account or deemed ineligible by definition of the program.

In cases where cost items under the final CO charged to the capital account have been paid in full, the corresponding costs will be detailed in the schedule under the “paid actual costs” column.

In cases where the cost items under the final CO charged to the capital account remain unpaid or partially unpaid, the corresponding unpaid costs should be detailed in the schedule under the “to be paid” column. **Only eligible cost items verified to be paid in full qualify for rebate.**

**Findings:**

Insert Procedure Findings

**PROCEDURE 4: Attestation of Placed-in-Service Documentation**

***For All Types of Placed-in-Service Documentation***

- We will determine that the placed-in-service document is **final** and no other documentation was issued or is pending (for example, a final building inspection issued before a Certificate of Occupancy) by **verifying** with the locality’s Building Code Office the final documentation issued for the rehabilitation or new construction project for which a rebate is being sought. **We will note any difference in this report.**

**Findings:**

Insert Procedure Findings

- In cases in which the **final** placed-in-service documentation issued was only for a portion of the building/facility (for example, a Certificate of Occupancy (CO) for the first floor in a four-story building), we will determine that the Qualified Real Property Investment amount listed on the schedule of Qualified Real Property Investment (DDD-AC100) includes only eligible costs associated with the work completed to the portion of the building/facility covered under the CO.

**Findings:**

Insert Procedure Findings

***When Placed-in-Service Documentation is a Final Certificate of Occupancy (CO)***

- We will inspect the CO to attest that it was **final**, not temporary or pending and attest to the date of the final CO. Date of final CO must be included under findings.

**Findings:**

Insert Procedure Findings

- We will inspect the final CO to determine that the name listed on the final CO agrees with the name of the Qualified Investor listed on the original DDD Reservation Award and Reservation application. If a different entity or individual is listed on the final CO, the CPA will determine that the required explanation of the relationship between the applicant and the entity listed on the CO has been properly addressed and noted in this report. **We will note any difference in this report. DSHA will review to determine final eligibility.**

**Findings:**

Insert Procedure Findings

- We will inspect the final Certificate of Occupancy (CO) for the building to determine that the physical address on the final CO is the same physical address as listed on the DDD

Reservation Award, original Reservation application and the Certification of Qualified Real Property Investment, DDD-AC100. **We will note any difference in this report.**

**Findings:**

Insert Procedure Findings

- We will inspect the final CO to determine that the date of issuance is within the DDD Reservation Award term. **We will note any difference in this report.**

**Findings:**

Insert Procedure Findings

- In the case of a shell CO, the CPA will inspect the shell CO to attest that the DDD investor is not a tenant of the building, unless they have signed a capital lease agreement and have coordinated with the building owner.

**Findings:**

Insert Procedure Findings

***When Placed in Service Documentation is a Final Building Inspection***

- In cases where the building was in continual service during the rehabilitation work, or there was no change in use or final CO required, we will inspect the final building inspection report document to determine that the physical address on the final building inspection is the same physical address as listed on the DDD Reservation Award, original Reservation application and the Certification of Qualified Real Property Investment, DDD-AC100. **We will note any difference in this report.**

**Findings:**

Insert Procedure Findings

- We will inspect the final building inspection report document to determine that the date of issuance is within the Reservation Award term. **We will note any difference in this report.**

**Findings:**

Insert Procedure Findings

- We will inspect the final building inspection report(s) to determine that the final building inspection was approved/passed and not pending or temporary. In the cases in which localities issue multiple inspections for a project (building, electrical, mechanical, etc.), we will inspect all the final inspection documents to determine that all inspections were fully approved/passed in order for all the corresponding dollar amounts under each inspection to be included on the schedule of the Qualified Real Property Investment. **We will note any difference in this report.**

**Findings:**

Insert Procedure Findings

- We will inspect the final building inspection report(s) to determine that the name agrees with the name of the Qualified Investor listed on the DDD Reservation Award, original Reservation application and the Certification of Qualified Real Property Investment, DDD-AC100. If a different entity or individual is listed on the final building inspection report(s), the CPA will determine that the required explanation of the relationship between the applicant and the entity listed on the final building inspection report(s) has been properly addressed and noted in this report. **We will note any difference in this report.**

**Findings:**

Insert Procedure Findings

***When Placed in Service Documentation is a Third-Party Licensed Inspector's Report***

- In cases where the locality did not require any building permits or other permits for ANY of the qualified real property investments listed on the schedule, DDD-AC100, we will inspect an official letter from the building code official to determine that it references the physical address and states that such permits are not required for the work.

**Findings:**

Insert Procedure Findings

- We will inspect the licensed third-party inspector's report to determine that the physical address on the report is the same physical address as listed on the schedule, DDD-AC100. **We will note any difference in this report.**

**Findings:**

Insert Procedure Findings

- We will inspect the third-party inspection to determine that the date the report was issued was within the Reservation term. **We will note any difference in this report.**

**Findings:**

Insert Procedure Findings

- We will inspect this report document to attest that all the work was complete within the Reservation term with no outstanding or failed items reported.

**Findings:**

Insert Procedure Findings

- We will inspect the licensed third-party inspector's report to determine that the name listed on the report agrees with the name of the Qualified Investor listed on the schedule, DDD-AC100. If a different entity or individual is listed on the report, the CPA will attest that the required explanation of the relationship between the applicant and the entity listed on the

third-party inspector's report has been properly addressed in the application. **We will note any difference this report.**

**Findings:**

Insert Procedure Findings

**PROCEDURE 5: Attestation of Tenant(s) in Building**

- We will determine if the Reservation Application indicated “tenant in building”, a supplemental Tenant Owner Consent/Coordination form has been completed and signed by the Investor and the Investor has provided us with documentation (valid lease) validating the accuracy of Part III Lines 1 and 2 of the supplemental Tenant-Owner Consent Form.

**Findings:**

Insert Procedure Findings

- We will confirm that Part III Line 3 of the Tenant-Owner Consent/Coordination supplemental form is mathematically correct.

**Findings:**

Insert Procedure Findings

- We will confirm that information in the supplemental Tenant-Owner Consent/Tenant Coordination indicating that either the rebate request is being prorated, has been coordinated with all other owners/tenants within the building, or the owner has given consent without requiring coordination and agrees with the rebate requested by the Investor on Line F of the DDD-AC102.

**Findings:**

Insert Procedure Findings

- In the case of where coordination is required, we will determine that all the building/facility's square footage has been accounted for by the other owners' or tenants' notarized signatures such that the sum of the square feet listed in Part II of the Tenant Coordination form equals Part III Line 2 of the Tenant Owner Consent form.

**Findings:**

Insert Procedure Findings

- We will confirm that Part IV and V of the supplemental Tenant Owner Consent/Coordination form has been completed whereby the owner of the building gives consent to the tenant to apply for the rebate.

**Findings:**

Insert Procedure Findings

## **PROCEDURE 6: Attestation of Owners of Space in Building**

- We will determine if the Reservation Application indicated “owns space in a building (i.e. office condo)”, a supplemental Multiple-Owner Consent/ Coordination form has been completed and signed by the Investor and the Investor has provided us with documentation (deed of trust or other closing documents) validating the accuracy of Part II Lines 1 and 2 of the supplemental Multiple Owner Form.

### **Findings:**

Insert Procedure Findings

- We will confirm that Part II Line 3 of the supplemental form is mathematically correct.

### **Findings:**

Insert Procedure Findings

- We will confirm that the rebate requested by the Investor on Line F of the DDD-AC102 agrees with the information provided in the Multiple-Owner Coordination section of the supplemental form indicating that either the rebate request is being prorated or has been coordinated with all other owners of space in the building. In the case of coordination, we will determine that all the building/facility’s square footage has been accounted for by the other owners’ notarized signatures such that the sum of the square feet listed in Part II Line 1 equals Part II Line 2 (building’s total square footage).

### **Findings:**

Insert Procedure Findings