

**Attachment 4-F
Example Report
(Projects with 16-23 Units)**

ANYTOWN APARTMENTS LIMITED PARTNERSHIP

**AGREED-UPON PROCEDURES
DATE, YEAR**

ANYTOWN APARTMENTS LIMITED PARTNERSHIP
DBA ANYTOWN APARTMENTS
DATE, YEAR

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Independent Accountants' Report on Applying Agreed-Upon Procedures

To the Partners of
Anytown Apartments Limited Partnership
DBA Anytown Apartments
City, State

and

United States Department of Agriculture
Rural Development
Servicing Office
City, State

We have performed the procedures enumerated below, which were agreed to by the United States Department of Agriculture Rural Development and Anytown Apartments Limited Partnership (“Owner”) the owner of Anytown Apartments (“Project”) located in City, State, solely to assist those parties in evaluating that the accompanying Form RD 3560-10, Multiple Family Housing Borrower Balance Sheet, Form RD 3560-7, Multiple Family Housing Project Budget (“Financial Reports”) and Supporting Documentation are prepared by the Borrower in accordance with the criteria specified in RD Regulations contained in 7 CFR 3560 section 303(b) and section 306, in accordance with the determinations noted in Attachment 4-D of RD Handbook HB-2-3560, for the year ended DATE, YEAR. The owner is responsible for the presentation of the financial reports. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of RD and the owner. 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 findings are as follows:

1. We examined selected receipts, invoices, and cancelled checks (or check imaging on original bank statement) that support administrative; and operating and maintenance expenses presented on Form RD 3560-7, Part II, line items 1-10 and 19-32 to determine they were incurred as part of the ongoing operations of the project. We selected a representative sample of invoices and supporting documentation, based on the sample size determined by RD in Attachment 4-D of RD Handbook HB-2-3560, for expenses included in Lines 1-10 and 19-32 of Form RD 3560-7 and determined that the services were eligible expenses, in accordance with Attachment 4-A of HB-2-3560, and the shipping address agreed to the project address. In addition, we confirmed a sample of the expenditures with the vendors to determine the invoice paid agreed to the vendor’s records.

Findings:

Total Number of Invoices in Population:
Total Dollar Amount of Invoices in Population:
Total Number of Invoices Reviewed:
Total Dollar Amount of Invoices Reviewed:
Total Number of Invoices in Vendor Confirmation Sample:
Total Dollar Amount of Invoices in Vendor Confirmation Sample:
Total Number of Vendor Confirmations Not Received:
Total Dollar Amount of Vendor Confirmations Not Received:
Total Number of Deviations:
Total Dollar Amount of Deviations:

Note: *The CPA should provide enough detail for any deviations, that the user of the report would understand why the deviation is present.*

2. We confirmed the balance in the replacement reserve account presented on Form RD 3560-7, Part III, and confirmed that no amounts were encumbered by the financial institution that holds the accounts. We determined that all balances are within the FDIC insurance limits. We determined number of reserve account withdrawals from the original bank statements and compared the withdrawals to the amounts approved by Rural Development on Form RD 3560-12. We compared the invoices and cancelled checks (or check imaging on original bank statement) to the approved withdrawals from Rural Development.

Findings:

Total Number of Reserve Account Withdrawals:
Total Number of Withdrawals Authorized by Rural Development:
Total Dollar Amount of Reserve Account Withdrawals:
Total Dollar Amount of Withdrawals Authorized by Rural Development:
Total Number of Deviations:
Total Dollar Amount of Deviations:

The confirmation received from the financial institution agreed to the project's bank reconciliation and no encumbrances were noted on the confirmation. All withdrawals were paid to the vendors approved by Rural Development on Form RD 3560-12.

3. We obtained the Identity of Interest (IOI) company listing and Form RD 3560-31 from Rural Development and determined that the services provided and approved fees, if applicable, agree to the actual service and fees charged to the project. We examined a sample of invoices and determined that the services and charges are in accordance with the disclosures contained in Form RD 3560-31 as agreed to by Rural Development.

Findings:

Total Number of Forms RD 3560-31 Received:

Company Name 1:

Total Dollar Amount for the Year:

Total Number of Invoices in Population:

Total Dollar Amount of Invoices in Population:

Total Number of Invoices Reviewed:

Total Dollar Amount of Invoices Reviewed:

Company Name 2:

Total Dollar Amount for the Year:

Total Number of Invoices in Population:

Total Dollar Amount of Invoices in Population:

Total Number of Invoices Reviewed:

Total Dollar Amount of Invoices Reviewed:

The agree-upon procedures performed above and the management Representation Letter revealed no undisclosed IOI companies.

Note: *If an IOI Company performs more than one service for the project, the CPA should identify each service and fees associated with that service separately. Rural Development wants information that they can tie back to the Form RD 3560-7 and their internal IOI tracking procedures. For example:*

ABC Management Co.

Management Fees

Total Number of Invoices in Population:

Total Dollar Amount of Invoices in Population:

Total Number of Invoices Reviewed:

Total Dollar Amount of Invoices Reviewed:

Bookkeeping Fees

Total Number of Invoices in Population:

Total Dollar Amount of Invoices in Population:

Total Number of Invoices Reviewed:

Total Dollar Amount of Invoices Reviewed:

Payroll / Employee Benefits Reimbursement

Total Number of Invoices in Population:

Total Dollar Amount of Invoices in Population:

Total Number of Invoices Reviewed:

Total Dollar Amount of Invoices Reviewed:

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the financial reports and supporting documentation of Anytown Apartments. 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 information and use of the owner and management agent of Anytown Apartments, and Rural Development, and is not intended to be and should not be used by anyone other than these specified parties.

CPA FIRM NAME
Certified Public Accountants
DATE,

**SUPPORTING
DOCUMENTATION**

**INCLUDE FORMS
RD 3560-7 AND 3560-10**

1. Accounts Receivable (Form RD 3560-10, Line 7)

Accounts Receivable - Rental Subsidy	\$	-	
Accounts Receivable - Tenants		-	
Accounts Receivable - Other		-	\$ -

2. Notes Payable (Form RD 3560-10, Line 23)

Accrued Mortgage Interest	\$	-	
Accrued Real Estate Taxes		-	
Prepaid Rents		-	\$ -

3. Other (Form RD 3560-10, Line 27)

Due to Partners			\$ -
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4. Miscellaneous (Form RD 3560-7, Line 27)

Bad Debts	\$	-	
Other		-	\$ -