**Independent Accountant’s Report on Applying Agreed Upon Procedures**

To the Board of Directors of ABC Company,

Bank X and the Puerto Rico Treasury Department

We have performed the procedures enumerated below, which were agreed to by the management of ABC Company as required by the Puerto Rico Treasury Department, solely to assist you with respect to the information requested by Administrative Determination No. 16-14 and presented in the accompanying Schedules 1 through 11. The Management of ABC Company is responsible for the accompanying Schedules 1 through 11. The sufficiency of the procedures is solely the responsibility of the management of ABC Company. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below, either for the purpose for which this report has been requested or for any other purposes.

The procedures performed are as follows:

1. We obtained the Balance Sheet of ABC Company prepared by management as of \_\_\_\_\_, and traced it to the general ledger of ABC Company as of such date.
2. We obtained representations from the management of ABC Company as to the accuracy of the balances presented in the Balance Sheet and their responsibilities toward such statement.
3. We traced the amount of cash in banks presented in Schedule 1 to the bank statements and bank reconciliations at the indicated date.
4. We traced the amount of accounts, notes, and other receivable presented in Schedule 2 to the subsidiary and/or other supporting document, net of the allowance for doubtful accounts as computed by management at the indicated date.
5. We traced the amount of marketable securities presented in Schedule 3 to the brokerage house statements at the indicated date.
6. We traced the value of the non-marketable securities included in Schedule 4 to ABC Company’s ownership percentage in the net assets (stockholders’ equity or partner’s capital) presented in the audited financial statements, or unaudited financial statements, if an audit is not required, issued by the entity in which the investment is held, as of the indicated date.
7. We traced the value of the surrendered property subject to debt discharge in Schedule 5 to the amount included in the appraisal report or similar report at the appraisal date.
8. We traced the value of real estate in Schedule 6 to the amount included in the appraisal report or other professional valuation report performed by the appraisal specialist (or at the estimated fair market value provided by the management of ABC Company, if appraisal reports are not available) as of the indicated date.
9. We traced the other assets amounts in Schedule 7 to the general ledger and/or subsidiary as of the indicated date.
10. We obtained from the bank the amount of loan owed by ABC Company at the indicated date on property subject to debt discharge and compared it to the amount presented in Schedule 8.
11. We traced the balances of other loans owed by ABC Company presented in Schedule 9 to the general ledger and/or subsidiaries as of the indicated date.
12. We traced the balances of other current and non-current liabilities presented in Schedule 10 to the general ledger and/or subsidiaries as of the indicated date.
13. We recalculated the net difference between the total assets in Schedules 1 to 7, net of the amount in Schedule 5, and the total liabilities in Schedules 8 to 10, net of the amount in Schedule 8, which is presented in Schedule 11.

The findings are as follows:

1. No exceptions were found as a results of applying the agreed upon procedures.
2. No exceptions were found as a results of applying the agreed upon procedures.
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11. No exceptions were found as a results of applying the agreed upon procedures.
12. No exceptions were found as a results of applying the agreed upon procedures.

This agreed upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conducted an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accompanying Schedules 1 through 10. Accordingly, we do not express such an opinion or conclusion. We did not compile the accompanying Schedules 1 through 10. 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 ABC Company, Bank X and the Puerto Rico Treasury Department and is not intended to be, and should not be, used by anyone other than the specified parties.

CPA

Lic. XX expiring on December 1, 20XX

Date of Report

City and Country

Stamp No. \_\_\_\_\_\_\_\_ of the Puerto Rico Society

of Certified Public Accountants was affixed to the

record copy of this report.

**ABC COMPANY**

**SCHEDULES**

**SCHEDULE 1 - CASH IN BANK**

|  |  |  |
| --- | --- | --- |
|  | **Valuation Date** | **Amount** |
| Bank X |  | $ XX,XXX |
| Bank Y |  | XX,XXX |
| Bank Z |  | XX,XXX |
| **Total Cash in Banks** |  | **$ XX,XXX** |

**SCHEDULE 2 – ACCOUNTS, NOTES AND OTHER RECEIVABLES, NET OF ALLOWANCES**

|  |  |  |
| --- | --- | --- |
|  | **Valuation Date** | **Amount** |
| Accounts receivable, net |  | $ XX,XXX |
| Notes receivable |  | XX,XXX |
| Other receivable |  | XX,XXX |
| **Total Accounts, Notes and Other Receivables, Net of Allowances** |  | **$ XX,XXX** |

**SCHEDULE 3 - MARKETABLE SECURITIES**

|  |  |  |
| --- | --- | --- |
|  | **Valuation Date** | **Amount** |
| Brokerage House X - reported at market value per brokerage house |  | $ XX,XXX |
| Brokerage House Y - reported at market value per brokerage house |  | XX,XXX |
| **Total Marketable Securities** |  | **$XXX,XXX** |

**SCHEDULE 4 – NON-MARKETABLE SECURITIES**

|  |  |  |
| --- | --- | --- |
|  | **Valuation Date** | **Amount** |
| Company name X- based on book value (stockholders’ equity) |  | $ XX,XXX |
| Partnership name Y- based on book value (partner’s capital) |  | XX,XXX |
| **Total Non-Marketable Securities** |  | **$XXX,XXX** |

**SCHEDULE 5 – SURRENDERED PROPERTY SUBJECT TO DEBT DISCHARGE**

|  |  |  |
| --- | --- | --- |
|  | **Valuation Date** | **Amount** |
| Property A - at appraised value |  | $XXX,XXX |
| **Total Property Subject to Debt Discharge** |  | **$XXX,XXX** |

**SCHEDULE 6 - REAL ESTATE**

|  |  |  |
| --- | --- | --- |
|  | **Valuation Date** | **Amount** |
| Property B - at appraised value or represented by management |  | $XXX,XXX |
| **Total Real Estate** |  | **$XXX,XXX** |

**SCHEDULE 7 - OTHER ASSETS**

|  |  |  |
| --- | --- | --- |
|  | **Valuation Date** | **Amount** |
| Furniture, vehicles, computers, and equipment - at depreciated cost |  | $XX,XXX |
| Prepaid and other current assets - at amortized cost |  | XX,XXX |
| Intangibles and goodwill, at cost, amortized and impaired, if applicable |  | XX,XXX |
| Cash on hand |  | XX,XXX |
| Other assets |  | XX,XXX |
| **Total Other Assets** |  | **$XX,XXX** |

**SCHEDULE 8 – LOAN ON PROPERTY SUBJECT TO DISCHARGE**

|  |  |  |
| --- | --- | --- |
|  | **Valuation Date** | **Amount** |
| Bank X |  | $XXX,XXX |
| **Total Debt Subject to Discharge** |  | **$XXX,XXX** |

**SCHEDULE 9 – OTHER LOANS PAYABLE**

|  |  |  |
| --- | --- | --- |
|  | **Valuation Date** | **Amount** |
| Bank Y |  | $XXX,XXX |
| **Total Other Loans Payable** |  | **$XXX,XXX** |

**SCHEDULE 10 – OTHER CURRENT AND NON-CURRENT LIABILITIES**

|  |  |  |
| --- | --- | --- |
|  | **Valuation Date** | **Amount** |
| Accounts payable trade |  | $XX,XXX |
| Accrued expenses |  | XX,XXX |
| Other liabilities |  | XX,XXX |
| **Total Other Current and Non-Current Liabilities** |  | **$XX,XXX** |

**SCHEDULE 11 – NET ASSETS BEFORE AND AFTER THE DEBT DISCHARGE**

|  |  |  |
| --- | --- | --- |
|  |  | **Amount** |
| Total Values in Schedules 1 to 7 (Assets before Debt Discharge) | A | $XXX,XXX |
| Value of Property Surrendered (Schedule 5) | B | XXX,XXX |
| Net Property Value after Debt Discharge [Line A less Line B] | C | $XXX,XXX |
|  |  |  |
| Total Values in Schedules 8 to 10 (Liabilities before Debt Discharge) | D | $XXX,XXX |
| Debt Discharge (Schedule 8) | E | XXX,XXX |
| Net Liabilities after Debt Discharge [Line D less Line E] | F | $XXX,XXX |
|  |  |  |
| **Net Value before Debt Discharge [Line A less Line D]** | **G** | **$XXX,XXX** |
|  |  |  |
| **Net Value after Debt Discharge [Line B less Line E]** | **H** | **$XXX,XXX** |