

# SUPERIOR BUILDERS, Ltd.

## CONTRACTOR'S CERTIFICATE OF ACTUAL COST FOR

Happy Homes Venture, L.P.

HUD PROJECT No. 123-45678

March XX, 20XX

*ABC Company PLLC  
Certified Public Accountants*

**Superior Builders, Ltd**  
**March XX, 20XX**  
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## Report of Independent Accountants

To the Partners  
Superior Builders, Ltd.  
Anywhere, USA

### Report on Form HUD-92330-A

We have audited the accompanying Contractor's Certificate of Actual Costs-regulatory basis (Form HUD-92330-A) through March XX, 20XX, pertaining to Happy Homes Venture, L.P., Project No. 123-45678 for which Superior Builders, Ltd. is the Contractor. The Form HUD-92330-A is the responsibility of the Superior Builders, Ltd.'s management. Our responsibility is to express an opinion on the Form HUD 92330-A based on our audit.

### Management's Responsibility for the Form HUD-92330-A

Management is responsible for the preparation and fair presentation of the Form HUD-92330-A in accordance with the financial reporting practices prescribed or permitted by the U.S. Department of Housing and Urban Development (HUD). Management is also responsible for the design, implementation and maintenance of internal control over to the preparation and fair presentation of the Form HUD-92330-A to ensure that they are free from material misstatement, whether due to error or fraud.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Form HUD-92330-A based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Form HUD-92330-A is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Form HUD-92330-A. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Form HUD-92330-A, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Form HUD-92330-A in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Form HUD-92330-A.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the Form HUD-92330-A referred to above present fairly, in all material respects, the Contractor's Certificate of Actual Cost-regulatory basis (Form HUD- 92330-A) through **COST CERT CUT-OFF DATE** on the basis of accounting described in **Note X**.

### Basis of Accounting

As described in **Note X** the Form HUD-92330-A were prepared in conformity with the financial reporting practices prescribed or permitted by HUD. Our opinion is not modified with respect to this matter.

**Restriction of Use**

This report is intended solely for the information and use of the partners and management of Superior Builders, Ltd., Happy Homes Venture, L.P. and HUD and is not intended to be and should not be used by anyone else other than these specified parties.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated **REPORT DATE** on our consideration of **CLIENT NAME's** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering **CLIENT NAME's** internal control over financial reporting and compliance.

**Other Information**

Our audit was conducted for the purpose of forming an opinion on the Form HUD-92330-A as a whole. The accompanying supplementary information shown on pages 12 to 16 is presented for purposes of additional analysis and is not a required part of the Form HUD-92330-A. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the Form HUD-92330-A. The information has been subjected to the auditing procedures applied in the audit of the Form HUD-92330-A and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the Form HUD-92330-A or to the Form HUD-92330-A themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the Form HUD-92330-A as a whole.

Anywhere, USA  
June XX, 20XX

# Contractor's Certificate of Actual Cost

U.S. Department of Housing and Urban Development  
Office of Housing  
Federal Housing Commissioner

OMB No. 2502-0044 (Exp. 12/31/2009)

Public reporting burden for this collection of information is average 8 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information is required to obtain benefits, HUD may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB Control Number. Section 227 of the National Housing Act (Section 126 of the Housing Act of 1954, Public Law 560, 12 U.S.C. 1715r), authorizes the collection of this information. The information is required for a general contractor when an identity of interest exists between the general contractor and the mortgagor or when the mortgagor is a non-profit entity and a cost plus contract has been used. The information is required from the contractor to convey its actual construction cost in a standardized format for cost certification.

**Privacy Act Notice.** The United States Department of Housing and Urban Development, Federal Housing Administration, is authorized to solicit the information requested in this form by virtue of Title 12, United States Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. While no assurances of confidentiality is pledged to respondents, HUD generally discloses this data only in response to a Freedom of Information request.

Project Number 123-45678	Building Number	Mortgagor Happy Homes Venture, LP
Contractor Superior Builders	Name of Project Residence at Happy Homes	Location Anywhere, USA

Gentlemen:

This Certificate is made pursuant to the provisions of the Construction Contract, entered into by and between us under date of \_\_\_\_\_ and it is understood and agreed by the undersigned that this Certificate is to be submitted by you to the Federal Housing Commissioner in order to induce the Commissioner to finally endorse the mortgage for insurance.

The actual cost incurred in the completion of construction under the above Construction Contract and accepted construction changes exclusive of all kick-backs, rebates and discounts received in connection with the construction of the project is itemized below:

Div.	Trade Item	Paid in Cash	To Be Paid in Cash	Total	Name of Subcontractor of Payee	Line
3	Concrete	406,999	43,007	450,006	Name 1, Name 2, Name 3	1
4	Masonry	36,886		36,886	Name 1, Name 2, Name 3	2
5	Metals	97,880	10,876	108,756	Name 1	3
6	Rough Carpentry	1,025,263	44,000	1,069,263	ABC Framers	4
6	Finish Carpentry	59,400	6,600	66,000	Name 1	5
7	Waterproofing			-		6
7	Insulation	83,250	9,250	92,500	ABC Energy	7
7	Roofing	133,063	14,104	147,167	ABC Construction	8
7	Sheet Metal	15,300	1,700	17,000	ABC Construction	9
8	Doors	160,301		160,301	ABC Builder Supply	10
8	Windows	60,402		60,402	ABC Glass	11
8	Glass	13,069	1,452	14,521	ABC Builders Supply	12
9	Lath and Plaster			-		13
9	Drywall	373,500	41,500	415,000	ABC Drywall	14
9	Tile Work	64,575	7,175	71,750	ABC Tile Inc	15
9	Acoustical			-		16
9	Fire Sprinkler	125,999	14,000	139,999	ABC Fire Protection	17
9	Resilient Flooring	54,072	6,008	60,080	ABC Contract Carpet	18
9	Painting and Decorating	155,162	14,358	169,520	Name 1, Name 2	19
10	Specialties	79,736	7,220	86,956	ABC Builders Supply	20
11	Special Equipment			-		21
11	Cabinets	206,532	22,948	229,480	ABC Group	22
11	Appliances	145,156		145,156	ABC Appliances	23
12	Blinds and Shandes, Artwork	18,425	2,047	20,472	ABC Blinds & Draper	24
12	Carpets	98,150	10,906	109,056	ABC Contract Carpet	25
13	Sound System			-		26
14	Fire Alarms			-		27
15	Plumbing and Hot Water	436,362	48,457	484,819	ABC Plumbing	28
15	Heat and Venilation	147,706	16,250	163,956	ABC HVAC	29
15	Air Conditioning	147,706	16,250	163,956	ABC HVAC	30
16	Electrical	914,163	17,356	931,519	ABC Electrical	31
	Subtotal (Structures)	914,163	17,356	931,519		32
	Accessory Structures	5,059,056	355,462	5,414,518	Metal Construction	33
	Total (Structures)	24,300	2,700	27,000		
		5,083,356	358,162	5,441,518		

Replaces FHA-2330-A, which is obsolete.

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form HUD-92330-A (3/94)  
ref. Handbook 4470.1 & 4470.2

Div	Trade Item	Paid in Cash	To Be Paid in Cash	Total	Name of Subcontractor of Payee	Line
2	Earth Work	393,932	40,123	434,055	A & B Tech	35
2	Site Utilities	237,070	39,319	276,389	Name 1	36
2	Roads and Walks	381,436	41,185	422,621	Name 1, Name 2	37
2	Site improvements	255,188	28,354	283,542	ABC Ventures	38
2	Lawns and Planting	165,202	17,857	183,059	ABC Ventures	39
2	Unusual Site Conditions					40
	<b>Total (Land Improvements)</b>	1,432,828	166,838	1,599,666		41
	<b>Total (Structure and Land Improvements)</b>	6,516,184	525,000	7,041,184		42
1	General Requirements	554,970		554,970		43
	General Overhead	140,733		140,733		44
	Sub Total					45
	Miscellaneous (Labor and Materials)*					46
	Bond Premium	64,100		64,100		47
	Other Fees-Paid by Contractor	177,105	15,000	192,105	ABC South Side	48
						49
	<b>Total Costs</b>	7,453,092	540,000	7,993,092		

\* Total purchases of materials and cost of labor amounting to less than \$1,000 may be included as a lump sum under miscellaneous materials and labor. Costs exceeding this amount for materials and labor must be allocated to the trade item under which they were expended on HUD-92330-A worksheets 3 and 4.

**Note:** If additional space is required for these or other items, append Rider thereto, with references and initial. When more than one subcontractor is performing a trade item, the attached work sheet must be completed giving the information indicated.

#### Itemized Breakdown

Item	Total	Item (list)	Total
Supervision	255,478		
Field Engineering		<i>As Built Survey</i>	10,000
Field Office Expense	97,811	<i>Cost Certification</i>	10,000
Temporary Utilities	26,580	<i>Permits</i>	45,145
Cleaning and Rubbish Removal	140,987	<i>Builders Risk</i>	95,111
		<i>Impact fees</i>	31,849
Watchmen Wages	34,113		
<b>Total for General Requirements</b>	554,970	<b>Total</b>	192,105

The undersigned hereby certifies that: *(Check One)*

- There has not been and is not now any identity of interest between mortgagor and/or general contractor on the one hand and any subcontractor, material supplier or equipment lessor on the other.
- The accompaniment contains a statement fully describing any identities of interest. Identity of Interest is defined as follows: When there is any financial interest of the party of the first part in the party of the second part; when one or more of the officers, directors or stockholders or the part of the first part is also an officer, director or stockholder of the party of the second part; when any officer, director or stockholder of the party of the first part has any financial interest whatsoever in the party of the second part; when the part of the second part advances any funds to the party of the first part; when the party of the second part provides and pays on behalf of the party of the first part the cost of any architectural services or engineering services other than those of a surveyor, general superintendent, or engineer employed by a general contract in connection with its obligations under the construction contract; when the party of the second part takes stock or any interest in the party of the first part as part of the consideration to be paid them; when there exist or come into being any side deals, agreements, contracts or undertakings entered into or contemplated, thereby altering, amending or cancelling any of the required closing documents except as approved by the Commissioner.

All amounts shown have been reduced to give effect to the amount(s) of any kickbacks, rebates, adjustments, discounts, or any other devices which had the effect of reducing the actual cost, and all amounts shown above as "to be paid in cash" will be so paid within forty-five (45) days after final endorsement.

**Note:** This certificate must be supported by a certification as to actual cost by an independent Certified Public Accountant or by an independent public accountant as required for Forms HUD-3305 or 3306.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. **Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties.  
(18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Signature:

Date:

X

**Superior Builders, Ltd.**

**Notes to Contractor's Certificate of Actual Cost (Form HUD-92330-A) for**

**Happy Homes Venture, L.P., Project No. 123-45678**

**March xx, 20xx**

**NOTE -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Contractor's Certificate of Actual Cost ( Form HUD-92330-A) has been prepared in conformity with the accounting and reporting standards prescribed by the United States Department of Housing • and Urban Development (herein "HUD") in the "Cost Certification Guide for Mortgagors and Contractors of HUD Insured and Section 202/208 Multifamily Projects". These standards vary in some respects from accounting principles generally accepted in the United States of America. The more significant of these differences are as follows:

- a. Costs are to be exclusive of kickbacks, rebates, of trade discounts.
- b. Costs include a HUD prescribed amount for general overhead which is usually reported as general and administrative costs under accounting principles generally accepted in the United States of America.
- c. For the cost of self-owned equipment, HUD rules allow the choice between actual expenditures for maintenance, repair, and depreciation or 85% of the local lease rates for identical equipment. When certifying using 85% of the local lease rates, the charges cannot exceed the purchase price of the equipment. For this report, actual expenditures and depreciation were used.
- d. Costs are allowed for the Contractor's Certificate of Actual Cost only to the extent they are paid in cash or will be paid in cash within 45 days after final endorsement.
- e. Per the final trip report from HUD, construction was deemed complete on March 25,2010.

**Superior Builders, Ltd.**

**Notes to Contractor's Certificate of Actual Cost (Form HUD-92330-A) for**

**Happy Homes Venture, L.P., Project No. 123-45678**

**March xx, 20xx**

**NOTE -IDENTITY OF INTEREST RELATED PARTY TRANSACTIONS**

Under rules prescribed by HUD, an identity of interest is construed to exist under various conditions; one being when the contractor is also an officer, director, member, stockholder, or partner of the owner. An identity of interest does exist because Superior Builders, Ltd.(the General Contractor), and Happy Homes Venture, L.P (the project owner) are commonly owned.

**NOTE -ITEMS TO BE PAID IN CASH**

Amounts in the "paid in cash" column represent only items completed through March XX, 20XX and amounts in the "to be paid in Cash" column represent approximate amounts to be paid after March 25, 2010, which may be adjusted at final endorsement.



## Supplementary Information

	Trade item	Paid in Cash	To Be Paid in Cash	Total	Name of Subcontractor of Payee
3	Concrete	252,900	28,100	281,000	ABC Construction
		124,536	13,837	138,373	ABC Floors
		19,933		19,933	ABC Associates
		9,629	1,070	10,699	ABC Company
		406,998	43,007	450,005	
4	Masonry	14,386		14,386	ABC Masonry
		22,500		22,500	
		36,886		36,886	
5	Metals	97,880	10,876	108,756	ABC Smith Inc
		97,880	10,876	108,756	
6	Rough Carpentry	396,000	44,000	440,000	ABC Framers
		1,036		1,036	Mr. ABC
		396,387		396,387	ABC Products
		26,808		26,808	ABC E & A Company
		189,000		189,000	ABC Truss Systems
		15,632		15,632	ABC Structural Wood
		401		401	ABC Doors
		1,025,263	44,000	1,069,263	
6	Finish Carpentry	59,400	6,600	66,000	Mr. ABCDEF
		59,400	6,600	66,000	
7	Waterproofing	83,250	9,250	92,500	ABC Energy
7	Insulation	83,250	9,250	92,500	
7	Roofing	126,936	14,104	141,040	ABC Construction
		6,127		6,127	ABC Construction
		133,063	14,104	147,167	
7	Sheet Metal	15,300	1,700	17,000	ABC Construction
		15,300	1,700	17,000	
8	Doors	142,658		142,658	ABC Builders Supply
		17,643		17,643	ABC Pro Builders Supply
		160,301		160,301	
8	Windows	59,982		59,982	ABC Builders Source
		420		420	ABC Glass
		60,402		60,402	
8	Glass	13,069	1,452	14,521	ABC Builders Supply
		13,069	1,452	14,521	
9	Lath and Plaster				
9	Drywall	373,500	41,500	415,000	ABC Drywall
		373,500	41,500	415,000	
9	Tile Work	64,575	7,175	71,750	ABC Tile
		64,575	7,175	71,750	
9	Acoustical				
9	Fire Sprinkler	125,999	14,000	139,999	ABC Fire Protection
		125,999	14,000	139,999	
9	Resilient Flooring	54,072	6,008	60,080	ABC Contract Carpet

	Trade item	Paid in Cash	To Be Paid in Cash	Total	Name of Subcontractor of Payee
		54,072	6,008	60,080	
9	Painting and Decoration	100,233	14,358	114,591	Mr. ABC
		51,469		51,469	Sherwin Williams Co
		3,460		3,460	ABC Striping
		155,162	14,358	169,520	
10	Specialties	64,542	7,220	71,762	ABC Builders Supply
		12,224		12,224	ABC Signs
		2,050		2,050	ABC Construction
		920		920	ABC Lighting
		79,736	7,220	86,956	
11	Special Equipment				
11	Cabinets	206,532	22,948	229,480	ABC Group
		206,532	22,948	229,480	
11	Appliances	145,156		145,156	ABC Appliances
		145,156		145,156	
12	Blinds & Shades, Artwork	18,425	2,047	20,472	ABC Blinds & Drapery
		18,425	2,047	20,472	
12	Carpets	98,150	10,906	109,056	ABC Contract Carpet
		98,150	10,906	109,056	
13	Fire Alarms				
14	Elevators				
15	Plumbing and Hot Water	420,992	46,777	467,769	ABC Tech
		250		250	City of ABC
		15,120	1,680	16,800	ABC, LP
		436,362	48,457	484,819	
15	Heat and Ventilation	80,882	8,987	89,869	ABC Air
		74,087		74,087	ABC Supply
		154,969	8,987	163,956	
15	Air Conditioning	80,882	8,987	89,869	ABC Air
		74,087		74,087	ABC Supply
		154,969	8,987	163,956	
16	Electrical	1,345		1,345	ABC 1
		151,122	13,497	164,619	ABC 2
		263,254		263,254	ABC 3
		44,288		44,288	ABC 4
		21,655		21,655	ABC 5
		126,220		126,220	ABC 6
		158		158	ABC 7

	Trade item	Paid in Cash	To Be Paid in Cash	Total	Name of Subcontractor of Payee
		7,210		7,210	ABC 8
		3,982		3,982	ABC 9
		2,100		2,100	ABC 10
		12,947		12,947	ABC 11
		8,973		8,973	ABC 12
		3,633		3,633	ABC 13
		12		12	ABC 14
		110,658		110,658	ABC 15
		1,000		1,000	ABC 16
		5,500		5,500	ABC 17
		114,901		114,901	ABC 18
		34,732	3,859	38,591	ABC 19
		914,163	13,497	927,660	
	Accessory Structures	24,300	2,700	27,000	ABC Metal
		24,300	2,700	27,000	
2	Earth Work	295,206	32,800	328,006	ABC 20
		12,600	1,400	14,000	ABC 21
		16,200		16,200	ABC 22
		16,625		16,625	ABC 23
		1,012	112	1,124	ABC 24
		52,290	5,810	58,100	ABC 25
		393,933	40,122	434,055	
2	Site Utilities	237,070	39,319	276,389	ABC Stock Construction
		237,070	39,319	276,389	
2	Roads and Walks	18,311	2,035	20,346	ABCD Construction
		363,125	39,150	402,275	ABCDE Construction
		381,436	41,185	422,621	
2	Site improvement	37,607	4,179	41,786	ABC 26
		52,324	5,814	58,138	ABC 27
		43,037	4,782	47,819	ABC 28
		122,220	13,580	135,800	ABC 29
		255,188	28,354	283,542	
2	Lawns and Planting	165,202	17,857	183,059	ABC Venture
		165,202	17,857	183,059	
2	Unusual Site Conditions				

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Partners of  
[ENTITY NAME]  
[ENTITY CITY], [STATE]

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the Contractors Certification of Actual Costs (Form HUD-92330-A) of **Contractor's Name**, and the related notes to the Form HUD-92330-A, and have issued our report thereon dated **(Date of report on the Form HUD-92330-A)**.

**Internal Control Over Identifying Actual Costs Associated with Projects**

In planning and performing our audit of the Form HUD-92330-A, we considered **Contractor's Name** internal control over identifying actual costs with projects (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the form HUD-92330-A, but not for the purpose of expressing an opinion on the effectiveness of **Contractor's Name** internal control. Accordingly, we do not express an opinion on the effectiveness of **Contractor's Name** internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of **Contractor's Name** Form HUD-92330-A will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether **Contractor's Name** Form HUD-92330-A is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Contractor's Name internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Contractor's Name internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

FIRM NAME

FIRM CITY, STATE

(Date of report on the Form HUD-92330-A)