

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

PHA

Contents

NNN – No Noncompliance; No Weakness; No Deficiency3

NNS – No Noncompliance; No Weakness; Significant Deficiency5

NMN – No Noncompliance; Material Weakness; No Deficiency7

NMS – No Noncompliance; Material Weakness; Significant Deficiency9

MNN – Material Noncompliance; No Weakness; No Deficiency 11

MNS – Material Noncompliance; No Weakness; Significant Deficiency 13

MMN – Material Noncompliance; Material Weakness; No Deficiency 15

MMS – Material Noncompliance; Material Weakness; Significant Deficiency 17

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To the Board of Directors

PHA 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 financial statements of PHA NAME, described in the Table of Contents and the related notes to the financial statements, and have issued our report thereon dated Date.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered PHA NAME's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of PHA NAME's internal control. Accordingly, we do not express an opinion on the effectiveness of PHA NAME's internal control.

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As part of obtaining reasonable assurance about whether PHA NAME's financial statements are 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.

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