SUPERIOR BUILDERS, Ltd.

CONTRACTOR'S CERTIFICATE OF

ACTUAL COST FOR

Happy Homes Venture, L.P.

HUD PROJECT No. 123-45678

March XX, 20XX

*Smith & Smith 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 contract 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 |  |  |

form HUD-92330-A (3/94)

Replaces FHA-2330-A, which is obsolete. Page 1 of 4 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 | 39319 | 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 |
|  | **Total** (Land Improvements) | 1,432,828 | 166,838 | 1,599,666 |  | 41 |
|  | **Total** (Structure and Land Improvements) | 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 Premuim | 64,100 |  | 64,100 |  | 47 |
|  | Other Fees-Paid by Contractor | 177,105 | 15,000 | 192,105 | ABC South Side | 48 |
|  |  |  |  |  |  | 49 |
|  | **Total Costs** | 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 |  | *As Built Survey* | 10,000 |
| Field Office Expense | 97,811 | *Cost Certification* | 10,000 |
| Temporary Utilities | 26,580 | *Permits* | 45,145 |
| Cleaning and Rubbish Removal | 140,987 | *Builders Risk* | 95,111 |
|  |  | *Impact fees* | 31,849 |
|  |  |  |  |
| Watchmen Wages | 34,113 |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
| **Total for General Requirements** | 554,970 | **Total** | 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 interst 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 thatn 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:  X | Date: |

form HUD-92330-A (3/94)

Replaces FHA-2330-A, which is obsolete. Page 2 of 4 ref. Handbook 4470.1 & 4470.2

**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:

1. Costs are to be exclusive of kickbacks, rebates, of trade discounts.
2. 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.
3. 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.
4. 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.
5. 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 |
|  |  | 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 |  |
|  |  |  |  |  |  |
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|  |  |  |  |  |  |
| 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 |
|  |  | 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)