AUDITOR'S REPORT ON COMPLIANCE

We have audited the financial statements of (Entity) as of and for the year ended June 30, 199X and have issued our report thereon dated (date of report). In addition, we have audited the (Entity's) compliance with the common and specific program requirements that are applicable to each of its major HUD-assisted programs, for the year(s) ended June 30, 199X. The management of the (Entity) is responsible for compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the (Entity's) compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed instances of noncompliance with the requirements referred to above, which are described in the accompanying schedule of findings and questioned costs. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, the (Entity) complied, in all material respects, with the requirements described above that are applicable to each of its major HUD-assisted programs for the year ended June 30, 199X.

(Signature)

(Date)