

BUILD CHANGE
FINANCIAL STATEMENTS
DECEMBER 31, 2010

C O N T E N T S

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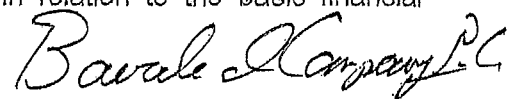
We have audited the accompanying statement of financial position of Build Change, as of December 31, 2010, and the related statements of activity, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of Build Change's management. Our responsibility is to express an opinion on the financial statements 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Build Change, as of December 31, 2010, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2011, on our consideration of Build Change'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of the audit.

Our audit was conducted with the purpose of forming an opinion on the financial statements of Build Change taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements 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 basic financial statements taken as a whole.



Bauerle and Company, P.C.

June 20, 2011
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BUILD CHANGE

**STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2010**

ASSETS

CURRENT ASSETS

Cash - Unrestricted	\$	786,024
Donations and Grants Receivable - Short-Term		330,529
Prepaid Expenses		<u>2,198</u>

Total Current Assets 1,118,751

PROPERTY AND EQUIPMENT - AT COST

Equipment and Furniture	\$	52,551
Less: Accumulated Depreciation		<u>3,028</u>

Property and Equipment - Net 49,523

LONG-TERM ASSETS

Donations and Grants Receivable - Long-Term	250,000
Deposits	<u>4,515</u>

Total Long-Term Assets 254,515

TOTAL ASSETS \$ 1,422,789

The accompanying notes are an integral part of the financial statements.

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	\$	41,553
Accrued Payroll Taxes		4,483
Accrued Severance and Vacation Liability - Indonesia		<u>98,757</u>

Total Current Liabilities 144,793

NET ASSETS

Unrestricted	\$	229,296
Temporarily Restricted		<u>1,048,700</u>

Total Net Assets 1,277,996

**TOTAL LIABILITIES AND
NET ASSETS**

\$ 1,422,789

BUILD CHANGE

STATEMENT OF ACTIVITY FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
Revenues and Support:			
Grant Income	\$ 100,251	\$ 1,300,440	\$ 1,400,691
USAID Grant	-	763,821	763,821
Contract Income	123,168	-	123,168
Contributions	46,414	89,121	135,535
Awards and Honors	200	-	200
Interest Income	415	-	415
Net Assets Released from Restriction	<u>1,173,264</u>	<u>(1,173,264)</u>	<u>-</u>
Total Revenues and Support	<u>1,443,712</u>	<u>980,118</u>	<u>2,423,830</u>
Expenses:			
Program Services			
Indonesia	397,913	-	397,913
China	176,880	-	176,880
Haiti	<u>575,679</u>	<u>-</u>	<u>575,679</u>
Total Program Services	<u>1,150,472</u>	<u>-</u>	<u>1,150,472</u>
Management and General			
Fundraising	104,261	-	104,261
General and Administrative	<u>97,385</u>	<u>-</u>	<u>97,385</u>
Total Management and General	<u>201,646</u>	<u>-</u>	<u>201,646</u>
TOTAL EXPENSES	<u>1,352,118</u>	<u>-</u>	<u>1,352,118</u>
INCREASE IN NET ASSETS	91,594	980,118	1,071,712
NET ASSETS - BEGINNING OF YEAR	<u>137,702</u>	<u>68,582</u>	<u>206,284</u>
NET ASSETS - END OF YEAR	<u>\$ 229,296</u>	<u>\$ 1,048,700</u>	<u>\$ 1,277,996</u>

The accompanying notes are an integral part of the financial statements.

BUILD CHANGE

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Program Services			Total Program Expenses	Support Services		Total
	Indonesia	China	Haiti		Fundraising	Management and General	
Contract Services	\$ 48	\$ -	\$ 145,287	\$ 145,335	\$ 800	\$ 32,013	\$ 178,148
Training Materials	38,601	949	44,785	84,335	-	-	84,335
Equipment Rental and Maintenance	19,732	9,685	68,768	98,185	140	2,543	100,868
Depreciation	213	-	2,040	2,253	-	775	3,028
Travel Expenses	21,546	14,675	33,201	69,422	17,845	-	87,267
Bank Fees	3,195	2,314	2,092	7,601	115	653	8,369
Insurance	-	-	-	-	-	207	207
Computer Expenses	1,201	442	6,456	8,099	47	284	8,430
Office Supplies and Expense	20,240	9,087	30,688	60,015	2,195	7,413	69,623
Postage and Shipping	1,016	127	9,556	10,699	28	160	10,887
Rent	7,906	9,690	17,590	35,186	-	4,598	39,784
Salaries and Wages	167,288	87,229	179,338	433,855	67,467	42,877	544,199
Payroll Taxes	5,950	21,985	4,025	31,960	7,700	2,516	42,176
Employee Benefits	110,977	20,697	31,853	163,527	7,924	3,346	174,797
TOTAL EXPENSES	\$ 397,913	\$ 176,880	\$ 575,679	\$ 1,150,472	\$ 104,261	\$ 97,385	\$ 1,352,118

The accompanying notes are an integral part of the financial statements.

BUILD CHANGE

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2010

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase in Net Assets	\$ 1,071,712
Adjustments to Reconcile Change in Net Assets to Net Cash Used in Operating Activities:	
Depreciation Expense	3,028
(Increase) in Donations and Grants Receivable	(578,279)
(Increase) in Prepaid Expenses	(2,198)
(Increase) in Deposits	(4,515)
Increase in Accounts Payable	40,707
Increase in Accrued Payroll Taxes	4,483
Increase in Severance Liability	<u>98,757</u>
Net Cash Provided By Operating Activities	633,695

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of Property and Equipment	<u>(52,551)</u>
------------------------------------	-----------------

NET INCREASE IN CASH 581,144

CASH AT BEGINNING OF YEAR 204,880

CASH AT END OF YEAR \$ 786,024

The accompanying notes are an integral part of the financial statements.

BUILD CHANGE

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2010

1 Summary of Significant Accounting Policies.

Nature of Organization. Build Change is a non-profit, tax-exempt corporation formed September 2, 2004 in the state of California, as an international social enterprise that designs earthquake-resistant houses in developing countries and trains builders, homeowners, engineers, and governmental officials to build them. Build Change is an exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1954, as amended; and accordingly, a provision for income taxes has not been made. The Internal Revenue Service has determined Build Change is not a private foundation.

Method of Accounting. The financial statements of the Organization are prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other assets and liabilities.

Financial Statement Presentation. Financial statement presentation follows the requirements under Generally Accepted Accounting Principles for *Not-for-Profit Organizations*. Under this presentation the Organization is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted, temporarily restricted, and permanently restricted net assets. Unrestricted net assets come primarily from donations, grants, service contracts, and contributions and are used by the Organization for program or supporting services. Temporarily restricted net assets are those net assets which use has been limited by donors to later periods of time, after specified dates or to specified purposes. Permanently restricted net assets must be maintained in perpetuity.

Contributions. Build Change records unconditional contributions in accordance with the requirements of Generally Accepted Accounting Principles for not-for-profit entities. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activity as net assets released from restrictions.

Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash Equivalents. For purpose of the Statement of Cash Flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2010

1 Summary of Significant Accounting Policies. (Cont'd.)

Donated Services. Donated services are recognized as contributions in accordance Generally Accepted Accounting Principles for not-for-profit entities, if the services (a) create or enhance non-financial assets, or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. During the year ended December 31, 2010, the value of donated professional engineering and legal services meeting the requirements for recognition in the financial statements was \$40,914. However, a substantial number of volunteers have donated significant amounts of time to the Organization to carry out its mission but are not reflected in the financial statements because they do not meet the criteria for recognition as donated services.

Recognition of Revenue and Support. The Organization reports unconditional gifts of cash or other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activity as net assets released from restrictions.

Grants are recognized as revenue at the time the Organization receives commitment from the Grantor.

Property and Equipment. Property and equipment is carried at cost or fair-market value at date of purchase. Property and equipment acquired with an estimated useful life in excess of one year is capitalized and depreciated using the straight-line method over the estimated useful lives of the assets.

Donations of assets are recorded at estimated fair market value. Long-lived assets are recorded without implying a time restriction, therefore increasing unrestricted net assets at the fair market value in the year which the assets are received.

Functional Allocation of Expenses. The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Program activities are those that are conducted in accordance with the Organization's nature of operations and certain necessary costs. Management and general activities are those that are not identifiable with a single program or fundraising activity, but that are indispensable to the conduct of those activities and to an organization's existence. Fundraising activities involve inducing potential donors to contribute money, securities, services, materials, facilities, other assets or time. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses by function have been allocated based upon management's estimates of the time each employee spends working in each category or the percentage of office space devoted to each category.

BUILD CHANGE

NOTES TO FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2010

1 Summary of Significant Accounting Policies. (Cont'd.)

Concentrations of Credit Risk. Financial instruments that potentially subject the Organization to credit risk consist primarily of the following:

Cash. From time to time, the Organization may maintain cash balances in a financial institution in excess of the FDIC insured limit.

Accounts Receivable. At December 31, 2010, approximately 86% of the Organization's receivables was concentrated with one Grantor.

Advertising. The Organization uses advertising to promote among the audience it serves. The production costs of advertising are expensed as incurred. The Organization had no advertising costs during the year ended December 31, 2010.

Fair Value of Financial Instruments. The Organization's financial instruments include cash and cash equivalents, receivables, accounts payable and short-term borrowings. The fair value of these financial instruments approximates their carrying amounts based on current market indicators such as prevailing interest rates and their nearness to maturity.

Variable Interest Entities. The "Consolidation" topic of the Accounting Standards Codification requires variable interest entities to be consolidated for financial statement presentation. The objective is to improve the financial reporting by organizations involved in variable interest entities. Management of the Organization has not identified any variable interest entities that require consolidation.

Income Tax Status. The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from activities not directly related to the Organization's tax exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(ii) and has been classified as an organization other than a private foundation under Section 509(a)(1).

In accordance with Generally Accepted Accounting Principles, a private entity is required to disclose any material uncertain tax positions that management believes does not meet a "more-likely-than-not" standard of being sustained under an income tax audit and to record a liability for any such taxes including penalty and interest. Management of the Organization has not identified any uncertain tax positions that require the recording of a liability mentioned above or further disclosure.

Subsequent Events. In preparing the financial statements, the Organization has evaluated subsequent events through June 20, 2011, which is the date the financial statements were available to be issued. Management of the Organization has not identified any subsequent events that require reporting or disclosure.

BUILD CHANGE

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2010**

2 Property and Equipment.

The Organization maintains office furniture and equipment in the United States, China, Haiti and Indonesia. Property and equipment, net of accumulated depreciation, in these locations consisted of the following at December 31, 2010:

United States	\$ 7,710
Haiti	40,748
Indonesia	1,065
	<u>\$ 49,523</u>

Depreciation expense charged to operations for the year ended December 31, 2010, is \$3,028.

3 Temporarily Restricted Net Assets.

The Organization receives contributions from various corporations, organizations, and individuals, which are temporarily restricted. At December 31, 2010, temporarily restricted net assets are comprised entirely of the following contributions:

\$ 23,636
65,000
158,723
92,399
500,000
129,391
79,551
<u>\$ 1,048,700</u>

4 Donations and Grants Receivable.

The Organization has received various unconditional donations and grants receivable. The following is a summary of the expected collections based upon the terms of the awards as of December 31, 2010:

2011	\$ 330,529
2012	250,000
	<u>\$ 580,529</u>

BUILD CHANGE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2010

5 Operating Lease.

The Organization leases office space in Denver, Colorado under a non-cancelable operating lease. The minimum future lease payments for the years ending December 31, are as follows:

2011	\$ 18,422
2012	19,140
2013	<u>4,785</u>
	<u>\$ 42,347</u>

SUPPLEMENTARY INFORMATION

BUILD CHANGE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

Federal Agency Name	Pass Through Agency	Federal Program Title	CFDA Number	Other Identification Number	Expenditures		
					From Direct Awards	From Pass Through Awards	Total
American Recovery and Reinvestment Act Awards:							
None Received					\$ -	\$ -	\$ -
Total American Recovery and Reinvestment Act Awards:					\$ -	\$ -	\$ -
Non-American Recovery and Reinvestment Act Federal Awards:							
U.S. Agency for International Development	Habitat for Humanity International	Emergency Community Assistance and Planning for Shelter and Settlement in Post-Earthquake Haiti	Not Available	Grant Number AID-OFDA-A-10-00002	\$ -	\$ 763,821	\$ 763,821
TOTAL FEDERAL AWARDS EXPENDED					\$ -	\$ 763,821	\$ 763,821

The accompanying notes are an integral part of the financial statements.

BUILD CHANGE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS DECEMBER 31, 2010

1 Basis of Presentation.

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Build Change and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

2 Recognition of Grant Revenue.

Build Change is a sub-recipient of grant revenue from Habitat for Humanity International, Inc. (HFHI). Revenue is recognized pursuant to the Governmental Accounting Standards Board (GASB) Statement 33, *Accounting and Financial Reporting for Non-Exchange Transactions*. Pursuant to paragraphs 20 and 21 of GASB 33, HFHI recognizes grant revenue awarded to Build Change, after all eligibility requirements have been met. HFHI considers that all requirements are met, after they review and approve the projects requisition for a loan that is funded, in part, by federal dollars. Therefore, any requisitions received by HFHI from Build Change, after the close of calendar year-end, were not accrued as grant revenue. During the year ended December 31, 2010, Build Change recognized \$763,821, in U.S. Agency for International Development revenue from HFHI.

3 Federal Award.

Build Change was awarded an \$877,700 grant as a sub-recipient of Habitat for Humanity International, Inc. under the USAID's Emergency Community Assistance and Planning for Shelter and Settlement in Post-Earthquake Haiti. The award is being used by Build Change to implement the following:

1. Research and design engineering for new and repaired homes.
2. Develop educational resources on good construction practices.
3. Implement a strategic communications program.
4. Start pilot training programs.

As of the year ended December 31, 2010, Build Change has received \$763,821 of USAID funds on the project. Expenditures of grant funds were \$606,407 at December 31, 2010, which includes \$42,788 of capital assets.



**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**

Board of Directors
Build Change

We have audited the basic financial statements of Build Change, a non-profit corporation, for the year ended December 31, 2010, and have issued our report thereon dated June 20, 2011. 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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing the audit, we considered Build Change's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Build Change's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Build Change's internal control over financial reporting.

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 the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Build Change's financial statements are free from material misstatements, 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 the 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 Governmental Auditing Standards.

We noted other matters that we reported to management of Build Change in a separate letter dated June 20, 2011.

This report is intended solely for the information and use of management, the Board of Directors of Build Change, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Bauerle and Company, P.C.
Denver, Colorado

June 20, 2011



**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT
AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Directors
Build Change

Compliance

We have audited Build Change's compliance of with the types of compliance requirements described in the US Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of build change's major federal programs for the year ended December 31, 2010. Build Change's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Build Change's management. Our responsibility is to express an opinion on Build Change's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OBM Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Build Change's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Build Change's compliance with those requirements.

In our opinion, Build Change complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010.

Internal Control Over Compliance

Management of Build Change is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Build Change's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Build Change's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Directors of Build Change, others within the entity, and federal award agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Bauerle and Company, P.C.
Denver, Colorado

June 20, 2011

BUILD CHANGE

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

Section I – Summary of Auditors' Results.

Financial Statements

Type of Auditors' Report:

Unqualified

Internal Control Over Financial Reporting:

Material weakness(es) identified

Yes No

Reportable condition(s) identified that are
not considered to be material weakness(es)

Yes None
Reported

Noncompliance material to financial statements
Noted

Yes No

Federal Awards

Internal Control Over Major Program:

Material weakness(es) identified

Yes No

Reportable condition(s) identified that are
not considered to be material weakness(es)

Yes None
Reported

Type of Auditors' Report Issued on Compliance for
Major Program:

Unqualified

Any audit findings disclosed that are required
to be reported in accordance with section 510(a)
of Circular A-133

Yes No

Identification of Major Program:

OFDA Number
A-10-00002

Name of Federal Program
Emergency Community
Assistance and Planning
for Shelter and Settlement
in Post-Earthquake Haiti

BUILD CHANGE

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2010**

Dollar threshold used to distinguish between
Type A and Type B programs: \$ 500,000

Auditee qualified as a low-risk auditee Yes No

Section II – Financial Statement Findings.

No matters were reported.

Section III – Federal Award Findings and Questioned Costs.

None.