
CORPORATION

FOR NATIONAL



S E R V I C E

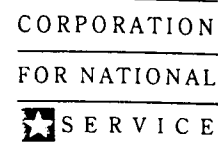
OFFICE OF THE INSPECTOR GENERAL

Review of

Habitat for Humanity International, Inc.
Grant Number 94ADNGA015

The Inspector General must approve any request for public release of the report.

Office of the Inspector General
Review of
Habitat for Humanity International, Inc.
Grant Number 94ADNGA015



Leonard G. Birnbaum and Company, under contract to the Office of the Inspector General, applied certain agreed-upon procedures to the amounts claimed by Habitat for Humanity International, Inc. (Habitat) under Grant Number 94ADNGA015 to determine whether they are accurate and in conformance with the terms and conditions of the grant. We approved the procedures that were used in the review. We also reviewed the report and workpapers supporting its conclusions and agree with the conclusions presented.

Based on their review, Birnbaum and Company concluded that the costs presented in Exhibit A of this report represent costs incurred from the inception of the grant through December 31, 1995. As such, they may be considered as forming the basis for grant close-out. Because the report contains no findings or recommendations, we did not request comments on the report.

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Getting Things Done.
AmeriCorps, National Service
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MEMBERS OF THE
AMERICAN INSTITUTE
OF CPA'S

June 5, 1997

Inspector General
Corporation for National Service

We have applied certain agreed-upon procedures, as discussed below, to the amounts claimed by Habitat for Humanity International, Inc. (Habitat) under Grant No. 94ADNGA015 awarded by the Corporation for National Service (CNS). We applied the agreed-upon procedures in accordance with *Government Auditing Standards* (1994 Revision). The grant, which had a period of performance of July 1, 1994 through December 31, 1996, was awarded in the amount of \$2,282,165 and contemplated \$1,296,557 in matching costs.

BACKGROUND

Habitat for Humanity International, Inc. (Habitat) is a nondenominational Christian not-for-profit organization whose purpose is to sponsor affiliates in habitat development globally, to construct modest but adequate housing, and to associate with other organizations functioning with purposes consistent with those of Habitat. Habitat's goal is to eliminate poverty housing and homelessness worldwide and to stimulate others to take action on this issue.

Award Number

Award Description

94ADNGA015

The purpose of the grant was to conduct an AmeriCorps program to meet the national priority of building neighborhoods and helping people who are homeless or at risk of homelessness.

Based on the results of applying the procedures enumerated below, we are of the opinion that the costs incurred from July 1, 1994 through December 31, 1995, as reported on the financial statements and presented on Exhibit A are accurate and in conformance with the terms and conditions of the grant.

The procedures we performed are summarized as follows:

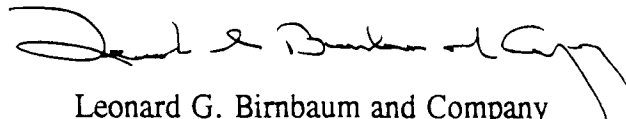
- (a) We reviewed the grant document and its amendment for provisions relevant to the allowability of costs incurred.

- (b) We reviewed the independent auditor's reports on financial statements as of, and for the years ended December 31, 1994 and 1995 and the related reports on internal control and compliance with laws and regulations and determined that the independent auditor's reports conformed to applicable generally accepted auditing standards, *Government Auditing Standards*, and Office of Management and Budget Circular A-133.
- (c) We discussed the audit reports with the independent auditor and assessed the adequacy of the audit reports.
- (d) We reviewed the Financial Status Reports submitted by Habitat from inception through December 31, 1995 and determined that, as noted in the A-133 audit reports, the amounts reported on the Financial Status Reports through the year ended December 31, 1995 did not agree with the amounts in the certified financial statements. We confirmed that this weakness was subsequently corrected.
- (e) We reviewed quarterly progress reports.

Because the above procedures do not constitute an audit conducted in accordance with generally accepted auditing standards or *Government Auditing Standards*, we do not express an opinion on the amounts presented in Exhibit A. In connection with the procedures referred to above, no matters came to our attention that caused us to believe that the costs presented in Exhibit A included amounts which were unallowable under the terms and conditions of the grant. Had we applied additional procedures or had we conducted an audit of the claimed costs in accordance with generally accepted auditing standards and *Government Auditing Standards*, other matters might have come to our attention that would have been reported to you. This report relates to the grant specified above and does not extend to any financial statements of Habitat taken as a whole.

Further, the independent auditor's report on compliance with specific requirements applicable to major federal award programs as of, and for the year ended, December 31, 1994 reflected what were characterized as immaterial instances of noncompliance and presented these in an accompanying schedule. In the corresponding report as of, and for the year ended, December 31, 1995, the independent auditor noted that remedial action had been implemented on all but two recommendations. The two remaining recommendations relate to inaccuracies of amounts reported on Financial Status Reports which were corrected subsequent to the auditor's report.

This report is intended for the information and use of the Corporation's Management and its Office of Inspector General. However, this report is a matter of public record and its distribution is not limited.



Leonard G. Birnbaum and Company

EXHIBIT A

Corporation for National Service
Agreed-upon procedures
Habitat for Humanity, Inc.
Grant No. 94ADNGA015

SCHEDULE OF COSTS INCURRED
INCEPTION THROUGH DECEMBER 31, 1995

| | |
|-------------------------------------|--------------------|
| Inception through December 31, 1994 | \$ 201,992 |
| January 1 through December 31, 1995 | <u>920,565</u> |
| | <u>\$1,122,557</u> |