



The Commonwealth of Massachusetts

AUDITOR OF THE COMMONWEALTH

ONE ASHBURTON PLACE, ROOM 1819
BOSTON, MASSACHUSETTS 02108

A. JOSEPH DeNUCCI
AUDITOR

TEL. (617) 727-6200

2010-4233-3R

Mr. James Dolan, President
Citizens for Citizens, Inc.
264 Griffin Street
Fall River, Massachusetts 02724

July 26, 2010

Dear Mr. Dolan:

In accordance with Chapter 11, Section 12, of the Massachusetts General Laws, we have conducted an audit of certain activities of the Citizens for Citizens, Inc., (CFC) for the period January 1, 2009 to December 31, 2009. The objectives of our audit were to assess the adequacy of CFC's management control system for measuring, reporting, and monitoring the effectiveness of its programs and to evaluate its compliance with laws, rules, and regulations applicable to each program.

Our audit scope was limited to federal stimulus funds that CFC received under the American Recovery and Reinvestment Act (ARRA). During our audit period, CFC was awarded federal stimulus funds that totaled \$10,654,285. As of December 31, 2009, CFC has expended \$1,112,761 or 10.4% of the total federal stimulus funds awarded, as detailed in the table below:

<u>Program</u>	<u>Amount of Award</u>	<u>Contract Term Start</u>	<u>Contract Term End</u>	<u>Revenues Received</u>	<u>Expenses Reported</u>
Weatherization Assistance	\$8,572,490	8/28/09	3/31/12	\$1,917,786	\$573,638
Community Services Block Grant	875,904	7/1/09	9/30/09	276,498	263,919
Head Start	243,493	7/1/09	9/30/09	30,628	38,661
Exec. Office of Elder Affairs	196,454	7/1/09	6/30/09	18,335	29,921
Senior Services America	209,754	2/19/09	6/30/10	108,606	120,121
United Way of Greater New Bedford – Fall River	16,000	1/1/09	12/31/09	16,000	16,000
United Way of Greater New Bedford – Taunton	7,338	1/1/09	12/31/09	7,338	7,338
Homelessness Prevention and Rapid Re-Housing	<u>532,852</u>	9/1/09	8/31/11	_____	<u>63,163</u>
Total	<u>\$10,654,285</u>			<u>\$2,375,191</u>	<u>\$1,112,761</u>

Our audit was conducted in accordance with applicable generally accepted government auditing standards for performance audits and, accordingly, included such audit tests and procedures, as we considered necessary.

To achieve our audit objectives, we reviewed the following:

- Federal stimulus funds awarded to CFC during our audit review period
- Lead agency administrative fees
- Direct and indirect expenses incurred under the above-mentioned grants to determine whether they were reasonable, allowable, and allocable under the terms of the grant award.
- Administrative costs allocated to ARRA programs to determine whether they were reasonable, allowable, and allocable under the terms of each ARRA grant award
- Eligibility requirements in ARRA programs to determine whether they are being met
- Internal controls developed to ensure that ARRA funds are safeguarded against theft, loss or misuse
- Recordkeeping procedures to determine whether ARRA programs are properly authorized, supported by adequate documentation, and accounted for separately within the agency's accounting records
- Payments made to sub-grantees to verify compliance with established rules and regulations
- Procedures for evaluating the programmatic impact of ARRA funds received
- Verification of whether CFC has applied for or plans to receive additional ARRA funds in the future

Our tests in the above-mentioned areas disclosed no material weaknesses. Based on our review, we have concluded that during the 12-month period ended December 31, 2009, CFC maintained adequate management controls and complied with applicable laws, rules, and regulations for the areas tested.

Sincerely,



A. JOSEPH DeNUCCI
Auditor of the Commonwealth

cc: Mr. Mark Sullivan, Executive Director