

# ***Audit Follow-Up Report***



Sam M. McCall, Ph.D., CPA, CGFM, CIA, CGAP  
City Auditor

## ***Review of Selected Homes in the City Owner-Occupied Home Rehabilitation Program***

**Report #1023**

**September 16, 2010**

### ***Summary***

In November 2008, we issued Audit Report #0902, Audit of Neighborhood and Community Services Owner-Occupied Home Rehabilitation Program. The audit provided recommendations for improvement in how the Department of Neighborhood and Community Services (NCS), now renamed the Department of Economic and Community Development (ECD), contracts with and monitors non-profit agencies participating in the City Owner-Occupied Home Rehabilitation Program.

During the course of the above audit, we became aware that one non-profit agency, the Tallahassee Urban League, was also receiving monies from the Florida Department of Community Affairs (DCA). DCA monies were for upgrades for selected items such as windows, doors, walls, and roofs. We also noted these upgrades were approved through change orders to homes and items also funded through the City rehabilitation program. We requested TUL to provide documentation to support the upgraded cost and to identify the City's participation in such cost, if any; however, documentation was not provided.

Therefore, to seek accountability for city, state, and federal funds, we coordinated and jointly conducted additional fieldwork with the DCA Office of Inspector General. Our joint audit included eleven additional homes more recently funded for rehabilitation.

Separate from this audit, we have also issued Audit Report #1022, dated September 16, 2010, that follows up on issues identified in Audit Report #0902. For issues addressed in that report, we noted that ECD has addressed and corrected all issues identified.

As it relates to the City, this audit identified an additional area for improved accountability between ECD and TUL, and improved communication and coordination between ECD and the City's Growth Management Department, Division of Building Inspection.

Areas for improvement within ECD:

- While ECD knew what it paid on each rehabilitated home, ECD did not know specifically which items it was paying for. Also, ECD did not know which items the state was paying for or paid on the same home. For future contracts, ECD should require rehabilitation providers to identify all funds received and expended (city, state, and federal) for homes jointly rehabilitated by the City and others. The City should consider requiring each reimbursement request be accompanied by a certification that no other funding agency has (will) also reimbursed the agency for items funded by the City.
- Building permits issued by the City as requested by TUL contractors were for amounts less than planned (9 of 11 homes) and actual rehabilitation

construction cost (11 of 11 homes). ECD should communicate with its' non-profit agencies and coordinate with the City Growth Management Department, Division of Building Inspection to emphasize the need for building permit requests to include all planned construction cost for a particular project. When events occur such that the scope of work described in the building permit is substantially changed, then contractors should obtain revised or additional permits.

We also identified three weaknesses in internal control at TUL which ECD should be aware of should they contract with that agency for home rehabilitation services in the future.

Areas for improvement within TUL:

- TUL files did not provide an accounting of specific items the City paid for and specific items the State paid for on each home rehabilitated. To the extent that TUL performs owner-occupied home rehabilitations in the future, TUL files and records should clearly and specifically identify all funding received and expended. TUL records should specifically show how those funds are used consistent with line items in the awarded bid and related change orders.
- For several homes funded for rehabilitation by the City and DCA, change orders were made to increase the cost of line items in the awarded bid for upgrades to windows, doors, walls, and roofs. Based on information provided to us by TUL, most of the upgraded cost was charged to DCA. However, some upgrade costs were also charged to the City. Although requested of TUL or its contractors through TUL, we have not been provided documentation to support the upgraded cost (over the original bid amount) charged to the City. TUL has not shown that such upgrades were

purchased and installed. In some instances, TUL and its contractors have stated upgrades were not installed. Accordingly, the basis for additional charges to the City (and DCA) for upgrades are not apparent. Importantly, TUL has not shown that client homes received upgrades. Our findings are based on a sample of homes. To determine whether there would be similar findings for other homes rehabilitated by TUL through ECD would require an extensive audit that is beyond the staffing of the City Auditor. Also, the determination of whether city, state, and federal funds expended comply with applicable contracts, laws, and regulations is the primary responsibility of TUL's external auditor. We recommend ECD use our findings to further assess internal control issues at TUL should ECD contract with TUL in the future.

- TUL submitted construction and administrative cost reimbursement requests to DCA certifying rehabilitation for five homes as being completed when construction had not started. The TUL reimbursement requests were accompanied by certifications that the submission was correct, administrative costs had been earned and paid, schedules of check numbers and dates paid were listed, copies of written checks were attached, and invoices from TUL contractors showing materials and labor cost were included. A separate TUL report submitted to DCA showed pre and post inspection dates and improperly indicated the homes were completed prior to the date of the reimbursement request. When questioned about this, TUL stated funds were requested expecting the homes to be completed. Subsequently, TUL returned the state warrant (approximately \$96,000). TUL's request for an extension of time

to complete the five homes was denied. Should ECD continue to contract with TUL, the need for TUL to submit accurate reports should be stressed. We view this issue as a serious weakness in TUL's internal controls and especially controls relating to the control environment.

### ***Scope, Objectives, and Methodology***

This audit follow-up was performed to provide information to assist the City Manager and ECD management in addressing issues related to the owner-occupied home rehabilitation program.

The objective of the audit was to address the following questions:

1. Did records at ECD contain sufficient information to show what was paid in total and by funding source for rehabilitation of owner-occupied homes? Also, did the City know which specific items it was paying as opposed to others as described by line item in the bid award?
2. Was there adequate coordination and communication between ECD, non-profit agencies, and the City Building Inspection Division to ensure building permits issued included all construction activities, showed total planned construction cost, and resulted in all required inspections?
3. Were construction files maintained by TUL adequate to show specifically what line items in the bid award were funded by city, state, and federal funds?
4. Did TUL maintain records that adequately supported increases in cost in excess of line item bid awards? Also could TUL show the increase in cost resulted in improved product quality over the original line item bid awards?

To answer the above questions, we met with staff of ECD, the Building Inspection Division, DCA, a DCA consultant, and TUL. We requested specific documentation of TUL or TUL contractors through TUL. Our work was

coordinated with and jointly performed with the DCA Office of Inspector General. Issues identified in this report primarily relate to the City of Tallahassee and TUL internal controls that could impact the quality and quantity of services provided through TUL contracts with ECD.

Records were reviewed for a sample of 11 homes. Construction for the homes occurred during the period August 2005 to February 2008 and records were reviewed at ECD, the Division of Building Inspection, TUL, and DCA.

This audit was conducted in accordance with Generally Accepted Government Auditing Standards and the Standards for the Professional Practice of Internal Auditing, and accordingly included such tests of the records and other auditing procedures as were considered necessary. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

### ***Background***

In November 2008, the Office of the City Auditor issued Audit Report #0902, Audit of Neighborhood and Community Services Owner-Occupied Home Rehabilitation Program. As we were concluding that audit, we became aware of several issues relating to the owner occupied home rehabilitation program as administered by the City's Department of Neighborhood and Community Services, now renamed the Department of Economic and Community Development.

In administering this program, ECD contracted with the Tallahassee Urban League (TUL), a non-profit organization, to rehabilitate homes in Tallahassee. The contract with TUL requires them to maintain a listing of homes in the community in need of rehabilitation, to identify what needs to be done to each home, and to seek competitive bids from contractors interested in

performing needed rehabilitation. The process calls for TUL to review each bid and select the contractor to perform needed work. In addition, both TUL and ECD staff are to monitor work performed by the contractors. For each home rehabilitated, the City provides up to \$33,750 for rehabilitation construction cost and \$6,250 for TUL administrative cost.

From an administrative perspective, as long as TUL, through its contractors, performed all services listed in the bid request, award, and related change orders, documentation in the form of invoices to support the cost to TUL contractors to rehabilitate homes was not required by the City.

In our review of files, we noted that the amounts bid on selected homes was often for an amount more than available City funds. One option at the time would have been for TUL and the City to identify what could be accomplished with available City funds. Another alternative was for TUL to obtain funding from other sources to make up the difference to complete needed work. For most homes, TUL identified their intent to use mitigation, weatherization, and other funds from DCA to make up the shortfall.

Because of the frequency and complexity of the change order process, it was not possible from records available at ECD or TUL to determine which items on the bid award were to be paid by the City and which items were to be paid by DCA. We were informed by DCA that all items to be paid by them were to be bid and should be of the quality called for in their agreements with TUL. Our belief, as supported by the DCA was that if TUL requested reimbursement for an item that was in excess of the bid amount, TUL should have to justify such increased cost through invoices or other acceptable documentation.

Our audit position is that if the City was requested to participate in the cost of an item that DCA also paid for, and if TUL could not support an increase in cost and quality over the bid amount, then the City should not participate in that cost. Whether DCA chooses to participate in cost exceeding the bid amount or

to follow another course of action is a matter for DCA to decide.

Throughout this review, TUL has noted the positive results of their program in terms of funding received and individuals served. In addition, TUL has cooperated with ECD to improve program operations going forward.

Overall, the homeowner and the City rehabilitation program benefits when non-profit agencies such as TUL seek and obtain funding from all available sources. The additional funding allows these agencies to perform work that otherwise could not have been done. However, as the primary provider of funds, and as this is a City program for city residents, ECD has a responsibility and obligation to ensure that all of its monies are used for the intended purpose and that no other funding agency also pays for items paid for by the City.

Notwithstanding, the purpose of this report is to address areas for improvement and accountability in City programs. Should the City continue to contract with TUL and other non-profit agencies for home rehabilitation and when multiple funding sources are present, we recommend ECD take into account the internal control issues described in this report.

### ***Issues and Recommendations***

***For homes reviewed, ECD did not know specifically which items it was paying for versus which items the state was paying for on the same home.***

The City home rehabilitation program provided up to \$33,750 for construction for each home rehabilitated by TUL. Our review of files showed that often bids received totaled several thousand dollars more than that amount. When ECD contracted with TUL for the rehabilitation, the contract showed the amount the City would provide. The difference between that amount and total planned construction cost for the home was identified as mitigation or other state programs as applicable. As a result, the City did not know which line items it was paying versus

which line items other funding sources were paying.

ECD files we reviewed did not show the items the City paid for, the items paid for by others, or total expenditures actually incurred for complete rehabilitation for a home.

Should ECD contract with non-profit agencies in the future and when there are multiple funding sources, ECD should consider requiring each reimbursement request to be accompanied by a report identifying all funds received and expended (city, state, or federal) for each home. In addition, the agency should be required to certify that no other funding source has also reimbursed the agency for items funded by the City.

***Building permits issued by the City as requested by TUL contractors were for significantly less than planned rehabilitation construction cost. Failure of some TUL contractors to obtain required permits resulted in some construction items not being inspected.***

The City Growth Management Department, Building Inspection Division issues building permits. The building permit application is made by TUL contractors and included the name of the homeowner, the address, and the total cost of improvements. As applicable, contractors request additional permits for roofing, plumbing, electrical, and other work. During construction, the Building Inspection Division conducts inspections for compliance with applicable building codes. Upon completion of construction, the Building Inspection Division then issues a "Certificate of Completion" showing the permit number, a certification the home meets the requirement of the Florida Building Code, and the valuation of the work. The valuation is in the same amount as shown by the contractor on the building permit application unless the permit is revised.

For homes rehabilitated by TUL where ECD and state funding is provided, at the time the building permit is requested TUL's building contractor is known and the amount of the bid

award is also known. However, our review of building permit applications showed TUL contractors requested permits for only the amount of funding provided by ECD. The building permits and certificates did not, but should have been issued for the actual cost of planned repairs to the homes to include all monies to be paid to TUL by ECD and DCA.

As shown on Appendix A, for the 11 homes reviewed by us, the total cost of improvements indicated by TUL contractors on the building permit applications was \$367,777. For comparison the amounts bid for rehabilitation to these same homes totaled \$450,986 or a difference of \$83,209. For these same homes, the actual amount paid to contractors for improvements totaled \$578,466, or \$210,689 (57 percent) more than the amount of the permits issued.

There are several events that can happen when the building permit is issued based on incomplete information provided by TUL contractors:

1. Underpayment of building permit fees,
2. Failure to inspect for items that should have been but were not permitted, and
3. Failure to have the opportunity, if requested, to inspect the rehabilitation for upgraded installations.

For homes we reviewed, we noted an instance where TUL prepared a change order to install an entire roof; however, the contractor did not subsequently request a roofing permit. As a result, the Building Inspection Division was unaware of the roof replacement, and did not inspect the roof. We brought this issue to the attention of the Building Inspection Division; they inspected the roof with the contractor, and identified code violations in how the roof was installed. In addition, the contractor was required to tear off part of the roof to show the new sheathing and felt met the building code.

We noted eight homes in our review where the roofing permit indicated a roof was to be installed over existing sheathing. In each of the

eight homes TUL prepared change orders requiring the old sheathing to be removed and new sheathing to be installed. In many instances the felt specification was changed to increase the felt weight from 15 to 30 pound felt. Revised building permits were not requested for any of these homes to indicate new sheathing was to be installed. For all eight homes, a revised permit was not requested to indicate the change order, and six of the eight homes with the newly installed sheathing (plywood) were not inspected to assure the installation met code. The above examples support the need for building permits to be accurate to eliminate any question about installation and subsequent inspections. Further, the contract between TUL and the City requires TUL to be satisfied with the contractor's work product and to verify that the contractor has obtained all appropriate permits. This failure to obtain required permits, when discovered after the fact, is disruptive to contractors, ECD, the Building Inspection Division, and the homeowner.

We were informed by the Building Inspection Division their inspections are for the purpose of determining whether construction meets the Florida Building Code. In other words, a door, window, or roof installation is inspected to determine basic code compliance. However, the Building Inspection Division also indicated that if requested they could also perform a higher-level inspection if provided applicable installation specifications. Once an item is installed, it is often difficult and not practical to perform a higher-level inspection because the item is covered. We found this to be the case with:

- Windows described as "high impact windows,"
- Doors described as "designed and certified to resist hurricane force winds and wind-borne debris impacts,"
- Walls described to include "new hurricane strips to connect the roof to the walls...gable ends tied back to the roof for ceiling structure with bracing...and install

metal straps to the bottom of the studs to the sills," and

- Roof upgrades that call for installation of new sheathing, 30 pound felt, and the contractor calling for an inspection before covering.

In our sample of 11 homes where hurricane clips/straps were added by change order after the initial building permit was issued, the Building Inspection Department was not aware of the change and accordingly did not inspect hurricane clips/straps installation.

We are aware that a consultant to DCA from the National Certified Testing Laboratories, Inc. inspected several homes in our sample. The inspector determined that for five of six homes inspected, the doors were not installed to meet the Florida Building Code for Hurricane Resistance. Also, for many of the doors installed, the door itself was not labeled to indicate whether or not it was designed and certified to resist hurricane force winds and wind borne debris. These observations indicated that while the doors and installation may meet the minimum requirements of the City/Florida Building Code, they were not inspected to meet the higher requirements billed the City and/or State.

We recommend that in the future, TUL require all of its contractors to obtain building permits that show total planned construction cost from all sources. When change orders occur affecting the original building permit, revised and additional permits should be obtained. TUL should certify to ECD that their contractors obtained all required permits. ECD and the City Building Inspection Division should coordinate and communicate permit requirements for homes rehabilitated by non-profit agencies.

***TUL files did not provide an accounting of what specific items the City paid for and which items the State paid for on each home rehabilitated.***

As part of our audit, we reviewed selected home rehabilitation files located at TUL. The files contained most of the information that we would expect to see in a construction file. For example, the files contained a listing of specifically what was to be done for each home. The listing could include over 30 separate items such as windows, rewiring, doors, cabinets, sheetrock, carpet, paint, and roofing. Accordingly, each contractor desiring to perform this work bid on each item and TUL selected a contractor from the bids. Often, change orders occurred during construction and change order documents were prepared accordingly.

Our review of TUL files showed none of the files clearly showed who, the City or State, would pay for specific items on the awarded bid or the change order.

To obtain this information, we requested TUL to complete a worksheet that identified which items were paid by the City and which items were paid for by the State. It was clear to us that ECD did not have this information and therefore could not identify specifically what it was paying for. ECD only knew that it was paying for up to \$33,750 for each home and TUL was obtaining external funding from other sources (primarily DCA) to perform the additional rehabilitation.

We recommend that in future contracts, ECD require non-profit agencies to clearly show what the City has paid for and what has been paid for by other funding sources for each line item in the awarded bid.

***Although requested of TUL or of contractors through TUL, we have not been provided documentation to support upgraded costs charged to the City.***

During our audit of ECD, we noted that many of the contracts between the City and TUL

contained change orders for upgrades to include high impact windows, doors certified to resist hurricane force winds and wind-borne debris, wall hurricane strips, and new sheathing.

These items were not part of the original bid by TUL contractors. Our logic then and now is when ECD is the only provider of funding and as long as a contractor provided each line item in the bid award that met ECD quality standards and the City/State building code, ECD should not be concerned how much the contractor paid for the item and its installation. However, when the contract was amended by a change order to increase the cost of that item, we believed that the non-profit agency should be required to justify and demonstrate the increase in cost and quality for the upgraded items, especially if ECD were requested to participate in such increased cost.

To learn whether upgrades and accompanying increased costs were paid for by the City or the State, we requested TUL or TUL through its contractor to demonstrate through invoices, or other acceptable documentation, that the upgraded cost were supported. For example and as shown on Appendix B and Appendix C, the cost of individual windows sometimes increased by as much as \$294 per window and doors increased by as much as \$650 per door. These appendices also show, for example, the increase in price for door materials and door installation over the awarded bid amount. We expected the non-profit agency to demonstrate either directly or through its contractors the increased cost of the door and explain the increase in cost of installation. We believed this because TUL clearly indicated such increased cost and quality in both change orders and materials and labor reimbursement requests to DCA. In response, TUL provided letters to us from two of its contractors stating that the information requested was "privileged unless waived by the company or (the privilege) removed by court order." TUL informed us that a third contractor performing work for them had been disbarred from participating in TUL's Housing Rehabilitation

Program and information from that contractor was not obtainable.

Subsequently, we began working with the DCA Inspector General to identify billing invoices TUL submitted to DCA and what amounts DCA had reimbursed TUL from its participating programs. We have been informed by DCA that TUL was required to obtain bids for items they funded. Therefore, the basis for increases in original bid prices to upgraded prices billed to DCA was also a concern of DCA. We jointly requested TUL, or its contractors through TUL, to provide documentation to support upgraded costs billed to either DCA or the City. In response, we were informed by TUL that it had no documentation, it would be with its contractor, and they would request such documentation. We were subsequently informed that their contractor stated documentation was not available. Also, the contractor informed us that all documentation requested by us was with TUL.

Based upon our summary analysis, the original bid cost of items shown on Appendix B for windows for eight homes amounted to \$34,450. The total amount paid for windows by both the City and the State amounted to \$54,507 with TUL assigning \$11,690 to the City. In each instance, the total cost paid for windows was more than the bid amount and TUL, although requested, has not documented the cost assigned to the City (or to the State). Also, please see Appendix B (continued) that provides a further breakdown of costs for windows as to materials and labor. For all homes (see Appendix B continued) increased cost for materials and labor charged to the State and cost charged to the City were significantly more than the original bid costs for both materials and labor. To date, TUL has not supported the amounts billed to the City (and the State) through actual invoices or other documentation to logically support these increased costs.

Appendix C and Appendix C (continued) provides similar information for doors. In

several instances, the increased price for the door materials only is more than the combined original bid price for both the purchase of the door and labor to install the door. Although requested, TUL has not provided documentation to support the amount billed through actual invoices or other documentation to logically support these increased costs. In addition, we requested but were not provided an explanation why the state mitigation program, weatherization program, and other state programs were all charged for the same door as our understanding was that new door units come with weatherization in the door unit.

We requested TUL to provide actual invoices or other acceptable documentation to support the increased costs to the City and State above the original bid prices. In response, TUL provided the following written response on February 24, 2009:

"Unfortunately, the facts surrounding the issues raised in your summary involve events that occurred in 2007 and earlier, and given the aforementioned facts, we are not prepared to answer questions in hindsight."

Notwithstanding the above response, the contract between TUL and ECD requires TUL to maintain records for four years from submission of its consolidated Annual Performance Report to the U.S. Department of Housing and Urban Development.

On April 2, 2009, the Office of the City Auditor informed the President and CEO of TUL their earlier (above) response was significantly at variance with its contract with the City relating to records and retention requirements. Subsequently, TUL and TUL's contractor through TUL stated they did not have invoices from contractors. TUL also noted they had requested invoices from their contractors in the past and invoices were not received. However, another request would be made for invoices. To date, TUL has not provided invoices or other acceptable documentation to support increased cost to the



City (or the State) above bid amounts or to demonstrate higher quality items were installed in homes above those items initially bid. The issue is TUL and its contractors negotiated increased costs for certain upgrades and have not demonstrated that the items installed (primarily windows and doors) were in fact upgrades from the original bids.

To determine whether there would be similar findings for additional homes would require an extensive audit that is beyond the staffing of the City Auditor. Also, the determination of whether city, state, and federal funds expended comply with applicable contracts, laws, and regulations is the primary responsibility of TUL's external auditor. Therefore, we recommend ECD use our findings to further assess internal control issues at TUL should they contract with that agency in the future.

***TUL submitted reimbursement requests to DCA certifying work as complete when the work was not complete. When asked about this, TUL returned to the State one check amounting to approximately \$96,000.***

TUL submitted construction and administrative cost reimbursement requests to DCA certifying rehabilitation for five homes as being completed when construction had not started. The requests included certifications by TUL that the submission was correct, schedules of check numbers and dates paid were listed, copies of written checks were attached, and invoices from TUL contractors showing materials and labor cost were included. A separate TUL report submitted to DCA indicated the pre and post inspection dates indicating the homes were completed. When questioned about this, TUL stated they requested the funds expecting to have the homes completed. Subsequently, TUL returned the state warrant (approximately \$96,000). TUL's request for an extension of time to complete the five homes was denied by DCA. Should ECD continue to contract with TUL, the need for TUL to submit accurate reports should be stressed. We view this issue as a

serious weakness to TUL's internal controls and especially the internal control environment.

## ***Conclusion***

The home rehabilitation program administered by ECD is intended to benefit qualified homeowners in the community. To accomplish program goals, ECD has established relationships and contracts with non-profit agencies such that they identify homes in the community in need of repair, obtain bids for the rehabilitation of homes, and with ECD oversee the construction of the home.

This audit identified additional areas for improvement in oversight and record keeping, especially when multiple agencies and funding sources are participating in the rehabilitation of the same home.

For the sample of homes we reviewed, we noted:

1. ECD did not know specifically what line items in the bid award that it was paying for when other funding agencies also participated in the rehabilitation of the same home.
2. TUL contractors did not obtain all required permits thereby reducing the scope of inspections performed.
3. Files and records provided by TUL did not readily identify all funding sources and expenditures consistent with bid awards and related change orders.
4. Neither TUL, nor TUL contractors through TUL, have documented increases in cost or quality over bid amounts for selected upgrades to homes subsequently added through change orders.

Notwithstanding the above, we are encouraged by actions of ECD and TUL to address assigned responsibilities going forward. Significant improvements have been made to contracts, ECD administration, monitoring, and oversight.

**Responses to Audit**

**City Manager Response:**

Economic and Community Development (ECD) will make modifications to future contracts with the Tallahassee Urban League (TUL) to address the issues identified in the audit recommendations. Specifically the contract language will include requirements to document that all proper permits have been received and those permits reflect the final scope and value of the rehabilitation work and certification that TUL has not received additional funds from other sources for improvements which have been paid through the City's rehabilitation contract.

**Tallahassee Urban League, Inc. Response:**

The President/CEO and the Chairman of the Board of the Tallahassee Urban League, Inc. were provided a draft copy of this report for their review, information, and comments. On July 25, 2010, the President/CEO responded to the draft report as follows:

"The TUL, responded to the audit findings in 2009, since your review only re-stated the findings, our response provided in 2009 remains the same.

We agree with your conclusion that there has been a significant improvement in the Tallahassee Urban League's process to establish and actions taken to provide owner-occupied Home Rehabilitation Services to qualified homeowners."

**City Auditor Comment:**

Responses by the Tallahassee Urban League President/CEO to audit findings are on file in the Office of the City Auditor. We have reviewed the April 17, 2009, response referred to above and conclude it does not satisfactorily address or resolve issues raised in our review of selected homes in the City Owner-Occupied Home Rehabilitation Program. Also, based upon our most recent follow-up activities, we are encouraged by actions of ECD and TUL going forward.

# Appendix A

## Schedule of Differences between Bid Amounts, Building Permits, And Payments to Contractors

A	B	C	D (Col.B-Col.C)	E	F	G (Col.F-Col.B)	H (Col.F-Col.C)
Rehabilitation Project	Bid Amount	Building Permit Application Amount	Difference between the Bid Amount and the Building Permit Application Amount	Contractor	Total Amount Reported as Paid to Contractors from all Sources	Difference between the Bid Amount and Total Payments to Contractor	Difference between the Building Permit Amount and the Total Payments to the Contractor
Project 1	\$ 27,027	\$ 27,027	\$ 0	Contractor 1	\$ 48,750	\$ 21,723	\$ 21,723
Project 2	\$ 38,500	\$ 38,500	\$ 0	Contractor 2	\$ 47,950	\$ 9,450	\$ 9,450
Project 3	\$ 48,950	\$ 33,000	\$ 15,950	Contractor 1	\$ 54,178	\$ 5,228	\$ 21,178
Project 4	\$ 33,500	\$ 33,000	\$ 500	Contractor 1	\$ 49,250	\$ 15,750	\$ 16,250
Project 5	\$ 45,700	\$ 33,750	\$ 11,950	Contractor 1	\$ 54,250	\$ 8,550	\$ 20,500
Project 6	\$ 40,959	\$ 33,750	\$ 7,209	Contractor 1	\$ 57,250	\$ 16,291	\$ 23,500
Project 7	\$ 40,700	\$ 33,750	\$ 6,950	Contractor 1	\$ 54,370	\$ 13,670	\$ 20,620
Project 8	\$ 39,650	\$ 33,750	\$ 5,900	Contractor 1	\$ 54,250	\$ 14,600	\$ 20,500
Project 9	\$ 47,700	\$ 33,750	\$ 13,950	Contractor 3	\$ 54,350	\$ 6,650	\$ 20,600
Project 10	\$ 52,050	\$ 33,750	\$ 18,300	Contractor 2	\$ 52,547	\$ 497	\$ 18,797
Project 11	\$ 36,250	\$ 33,750	\$ 2,500	Contractor 1	\$ 51,321	\$ 15,071	\$ 17,571
	<u>\$ 450,986</u>	<u>\$ 367,777</u>			<u>\$ 578,466</u>		
<b>Total Difference between the Bid Amounts and the Building Permit Application Amounts</b>			<b><u>\$ 83,209</u></b>				
<b>Total Difference between the Bid Amounts and Total Payments to Contractor</b>						<b><u>\$ 127,480</u></b>	
<b>Total Difference between the Building Permit Amounts and the Total Payments to the Contractor</b>							<b><u>\$ 210,689</u></b>

# Appendix B

## Summary Analysis of Information for Windows

A	B	C	D (Col.B/Col.C)	E	F	G (Col.E+Col.F)	H (Col.G/Col.C)	I (Col.H-Col.D)
Project	Original Bid to the City	Number of Windows	Cost per Window as Bid	Amount Charged to the City	Amount Charged to the State	Total Amount Paid for Windows	Actual Cost per Window	Increase in Cost per window
1	\$ 4,000	12	\$ 333	\$ 6,000	\$ 3,500	\$ 9,500	\$ 792	\$ 458
2	\$ 4,550	13	\$ 350	\$ 0	\$ 6,681	\$ 6,681	\$ 514	\$ 164
3	\$ 6,500	17	\$ 382	\$ 4,865	\$ 6,447	\$ 11,312	\$ 665	\$ 283
4	\$ 3,300	11	\$ 300	\$ 558	\$ 4,000	\$ 4,558	\$ 414	\$ 114
5	\$ 3,600	9	\$ 400	\$ 28	\$ 4,472	\$ 4,500	\$ 500	\$ 100
6	\$ 3,000	9	\$ 333	\$ 0	\$ 5,030	\$ 5,030	\$ 559	\$ 226
7	\$ 5,000	10	\$ 500	\$ 0	\$ 5,776	\$ 5,776	\$ 578	\$ 78
8	\$ 4,500	9	\$ 500	\$ 239	\$ 6,911	\$ 7,150	\$ 794	\$ 294
<b>Total</b>	<b>\$ 34,450</b>			<b>\$ 11,690</b>	<b>\$ 42,817</b>	<b>\$ 54,507</b>		

Appendix B continued on next page

## Appendix B (Continued)

### Detailed Analysis of Information for Windows For Materials and Labor

A	B	C	D	E	F	G (Col.C+D+E+F)	H	I (Col.G+ Col.H)	J (Col.I-Col.B)
Project	Original Bid to the City	Materials Billed to State Mitigation Program for Windows	Labor Billed to State Mitigation Program for Windows	Cost Billed to State Weather Program for Materials	Cost Billed to State Weather Program for Labor	Total Cost Billed to the State	Total Cost Billed to the City	Total Cost for Windows	Amount Charged for Windows Over the Bid Amount
1	\$ 4,000	\$ 2,000	\$ 1,500	*	*	\$ 3,500	\$ 6,000	\$ 9,500	\$ 5,500
2	\$ 4,550	\$ 3,900	\$ 1,600	\$ 953	\$ 228	\$ 6,681	\$ 0	\$ 6,681	\$ 2,131
<i>Note:</i> Material and labor listed as window "repair" to DCA.									
3	\$ 6,500	\$ 3,400	\$ 2,100	\$ 606	\$ 341	\$ 6,447	\$ 4,865	\$ 11,312	\$ 4,812
4	\$ 3,300	\$ 1,550	\$ 2,450	*	*	\$ 4,000	\$ 558	\$ 4,558	\$ 1,258
<i>Note:</i> DCA identified an additional \$578 in materials and \$422 in labor for the weatherization program that was not identified by TUL									
5	\$ 3,600	\$ 1,550	\$ 1,950	\$ 672	\$ 300	\$ 4,472	\$ 28	\$ 4,500	\$ 900
6	\$ 3,000	\$ 2,400	\$ 1,750	\$ 600	\$ 280	\$ 5,030	\$ 0	\$ 5,030	\$ 2,030
7	\$ 5,000	\$ 2,800	\$ 1,800	\$ 751	\$ 425	\$ 5,776	\$ 0	\$ 5,776	\$ 776
8	\$ 4,500	\$ 3,600	\$ 2,200	\$ 791	\$ 320	\$ 6,911	\$ 239	\$ 7,150	\$ 2,650
<b>Total</b>	<b>\$34,450</b>	<b>\$ 21,200</b>	<b>\$ 15,350</b>	<b>\$ 4,373</b>	<b>\$ 1,894</b>	<b>\$ 42,817</b>	<b>\$ 11,690</b>	<b>\$ 54,507</b>	<b>\$ 20,057</b>

\* A breakdown of cost billed to the State weather program for materials and labor is not available.

## Appendix C

### Summary Analysis of Information for Doors

A	B	C	D	E	F	G	H	I
Project	Original Bid to the City	Number Of Doors	Cost Per Door as Bid	Amount Charged To City	Amount Charged To State	Total Amount Paid For Doors	Cost Per Door	Increase in Cost Per Door
1	\$ 800	2	\$ 400	\$ 0	\$ 1750	\$ 1750	\$ 875	\$ 475
2	\$ 800	2	\$ 400	\$ 0	\$ 1400	\$ 1400	\$ 700	\$ 300
3	\$ 800	2	\$ 400	\$ 0	\$ 800	\$ 800	\$ 400	\$ 0
4	\$ 1500	3	\$ 500	\$ 0	\$ 1850	\$ 1850	\$ 616	\$ 116
5	\$ 1500	3	\$ 500	\$ 1350	\$ 0	\$ 1350	\$ 450	\$ (50)
6	\$ 800	2	\$ 400	\$ 0	\$ 2100	\$ 2100	\$ 1050	\$ 650
7	\$ 800	2	\$ 400	\$ 0	\$ 1660	\$ 1660	\$ 830	\$ 430
8	\$ 1000	3	\$ 333	\$ 0	\$ 2600	\$ 2600	\$ 866	\$ 533
9	\$ 1200	3	\$ 400	\$ 0	\$ 1650	\$ 1650	\$ 550	\$ 150
10	\$ 800	2	\$ 400	\$ 800	\$ 0	\$ 800	\$ 400	\$ 0
<b>Total</b>	<b>\$ 10,000</b>			<b>\$ 2,150</b>	<b>\$ 13,810</b>	<b>\$ 15,960</b>		

Appendix C continued on next page

## Appendix C (Continued)

### Detailed Analysis of Information for Doors for Materials and Labor

A	B	C	D	E	F	G	H	I	J	K (Col.J- Col.B)
<u>Project</u>	Original Bid to the City	Number Of Doors	Material Charged to State Mitigation Program	Labor Charged To State Mitigation Program	Cost Billed to (1) Weather Or (2) LIHEAP For Materials	Cost Billed to Weather or LIHEAP For Labor	Total Cost Billed to State	Total Cost Billed to City	Total Cost for Doors	Amount Charged for Doors Over the Bid Amount
1	\$ 800	2	\$ 600	\$ 400	\$ 400	\$ 350	\$ 1750	\$ 0	\$ 1750	\$ 950
2	\$ 800	2	\$ 600	\$ 800	\$ 0	\$ 0	\$ 1400	\$ 0	\$ 1400	\$ 600
3	\$ 800	2	Breakout not available Assume 1/2 \$ 400	Breakout not available Assume 1/2 \$ 400	\$ 0	\$ 0	\$ 800	\$ 0	\$ 800	\$ 0
4	\$ 1500	3	\$ 600	\$ 800	\$ 300	\$ 150	\$ 1850	\$ 0	\$ 1850	\$ 350
5	\$ 1500	3	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1350	\$ 1350	\$ (150)
6	\$ 800	2	\$ 600	\$ 800	\$ 500	\$ 200	\$ 2100	\$ 0	\$ 2100	\$ 1300
7	\$ 800	2	\$ 600	\$ 400	\$ 450	\$ 210	\$ 1660	\$ 0	\$ 1660	\$ 860
8	\$ 1000	3	\$ 923	\$ 877	\$ 550	\$ 250	\$ 2600	\$ 0	\$ 2600	\$ 1600
9	\$ 1200	3	\$ 600	\$ 400	\$ 400	\$ 250	\$ 1650	\$ 0	\$ 1650	\$ 450
10	\$ 800	2	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 800	\$ 0	\$ 0
<b>Total</b>	<b>\$ 10,000</b>		<b>\$ 4,923</b>	<b>\$ 4,877</b>	<b>\$ 2,600</b>	<b>\$ 1,410</b>	<b>\$13,810</b>	<b>\$2,150</b>	<b>\$15,960</b>	<b>\$ 5,960</b>

Copies of this audit follow-up or audit report #0902 may be obtained from the City Auditor's website (<http://talgov.com/auditing/index.cfm>) or via request by telephone (850 / 891-8397), by FAX (850 / 891-0912), by mail, or in person (Office of the City Auditor, 300 S. Adams Street, Mail Box A-22, Tallahassee, FL 32301-1731), or by e-mail ([auditors@talgov.com](mailto:auditors@talgov.com)).

Audit follow-up conducted by:  
Martha Parker, CPA, CGFM, CIA, CGAP, Senior Auditor  
Beth Breier, CPA, CISA, Audit Manager  
Sam M. McCall, Ph.D., CPA, CGFM, CIA, CGAP, City Auditor