



Date: November 30, 2007
To: Mitchell Johnson, City Manager
From: Internal Audit Division
Subject: Alcohol & Drug Services of Guilford, Incorporated

The Internal Audit Division has completed our annual review of Alcohol & Drug Services of Guilford in conjunction with a Programmatic Review by the Housing & Community Development Department for the 2005-2006 grant year. Attached you will find our review report; the programmatic report; the agency response; the departmental response and our replies to their responses. We feel that sufficient corrective actions have been implemented to our recommendations as we move forward. If you have any questions or need additional information, please let us know. Thanks.

A handwritten signature in black ink, appearing to read 'Len Lucas', with a long horizontal flourish extending to the right.

Len Lucas
Internal Audit Director

Cc: Ben Brown, Assistant City Manager for Economic Development
Andy Scott, Director of Housing & Community Development



Date: March 28, 2007
To: Andy Scott, Director of Housing & Community Development
From: Internal Audit
Subject: Alcohol and Drug Services of Guilford, Inc.

The Internal Audit Division has performed our yearly monitoring visit of Alcohol and Drug Services of Guilford, Inc. (Agency) which received a Shelter Operations Grant in the amount of \$10,000 from the City of Greensboro during the 2005 to 2006 grant year.

The Shelter Operations grant for \$10,000 was to be used for fifty-six (56) bed days of residential substance abuse treatment. Clients were assisted for 48 days as the result of this grant.

We examined selected financial transactions and program documentation maintained by the agency for compliance with the contract and for assurance that program goals were achieved except for the following findings:

FINDING:

The Agency only requisitioned \$8,544 of the \$10,000 of the Shelter Operations grant. This has been a recurring issue each year.

RECOMMENDATION:

The Agency should requisition the total amount of each of the City Grants for the 2005 to 2006 term.

FINDING:

On the Agency's audited financials for year end June 30, 2006, we noted the following financial findings:

1. Gross revenues decreased (\$209,448) from 2005 to 2006.
2. Net assets decreased (\$661,991) before depreciation for 2006 a decrease of (\$750,927) from 2005.
3. Cash decreased (\$766,436) from 2005 to 2006.

RECOMMENDATION:

The Agency should advise the City how they plan to increase their financial position.

FINDING:

The Agency requisitioned from the City expenses incurred for 48 days of treatment @ \$178 per day for a total of \$8,544. We did not verify the days, clients or the \$178 per day cost because the Agency could not provide us the adequate documentation. The only verbal information provided from the Agency was that the state of North Carolina allows \$141.51 per day for residential and \$133.93 per day for group care.

RECOMMENDATION:

The Agency should provide adequate written evidence to substantiate the amount reimbursed by the City.

FINDING:

The Agency did not provide the Board Minutes for the grant year 2005-2006.

RECOMMENDATION:

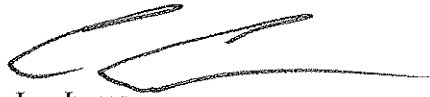
The Agency should provide the Board Minutes in order for the City to review.

We request a written signed response from Alcohol and Drug Services of Guilford, Inc. and the Department of Housing & Community Development by April 11, 2007.

We would like to thank Ms. Patty Brooks, Director of Finance, Ms. Jackie Butler, Director of Client Services and the staff of the Alcohol and Drug Services of Guilford, Inc. for their courtesy and cooperation shown to us during this visit. If there are any questions or comments concerning the details of this visit, we can be reached at 373-2821.



Mickey Kerans
Internal Auditor



Len Lucas
Internal Audit Director

Cc: Ben Brown, Assistant City Manager for Economic Development
Ron Rau, Executive Director for Alcohol and Drug Services of Guilford, Inc.



Date: March 27, 2006
To: Board President Ken Free & Exec. Director, Alcohol & Drug Services (ADS)
From: Michael Blair, City of Greensboro HCD
RE: FY06/07 ADS Programmatic Evaluation

The City of Greensboro Department of Housing and Community Development (HCD) and city Internal Audit staff conducted an onsite visit at the administrative offices of Alcohol and Drugs Services (ADS) on March 19th, 2007. HCD staff appreciates the time and assistance provided by ADS staff.

Project Information:

ADS is a private non-profit drug and alcohol treatment center that has provided in-house services on a sliding scale and below market prices to eligible participants. In addition to the main office ADS has 7 other facilities spread over a multi-county area.

As of March 30th, 2007 ADS will cease providing in-house treatment within Guilford County.

Spending/Results:

The agency was funded by the City to provide 4 clients 56 bed days of treatment for \$10,000 in the form of an Emergency Shelter grant in FY05/06.

The agency spent \$8,544 of the \$10,000 and served 4 clients for 48 bed days of treatment.

ADS Board:

ADS fulfilled the HCD Board Training (3 members) requirement in 2004, 2005 and 2006. Minutes for FY05/06 have not been made available to HCD as requested.

Financial Review:

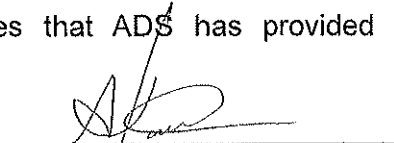
HCD generally concurs with the Internal Audit report dated 03.19.07.

Summary:

ADS did not submit an application for FY07/08 Homelessness Prevention funding and is not likely to do so in the future. The only services offered by ADS in Guilford County will be the continuation of the two Methadone out-patient programs in Greensboro and High Point. Greensboro patients that would have been treated by ADS will now likely be moved to Burlington and other distant facilities until a new in-house treatment center opens in Greensboro.

HCD appreciates the in-house recovery services that ADS has provided to citizens of Greensboro.


Michael Blair
Specialist Grants Compliance


Andy Scott
Director HCD



Date: March 28, 2007
To: Andy Scott, Director of Housing & Community Development
From: Internal Audit Division
Subject: HCD Reply to ADS Grant 2005-2006

Thank you for your reply of March 27, 2006. Internal Audit agrees with Housing & Community Development's response to IA's subject report dated March 28, 2007, except you did not respond to ADS not supplying the City with its Board minutes for 2005 to 2006.

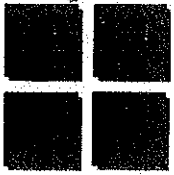
Handwritten signature of Mickey Kerans in black ink.

Mickey Kerans
Internal Auditor

Handwritten signature of Len Lucas in black ink.

Len Lucas
Internal Audit Director

Cc: Ben Brown, Assistant City Manager for Economic Development



HCD

Department of Housing & Community Development

MEMO

Date: **March 27, 2007**
To: **Len Lucas, Internal Audit Director**
From: **Michael Blair, Specialist Grants Compliance**
RE: **HCD Review of Alcohol and Drug Services Audit Report**

After review of the March 19th, 2007 draft Internal Audit report on Alcohol and Drug Services, for 2005-2006, HCD submits the following:

IA FINDING 1:

The Agency only requisitioned \$8,544 of the \$10,000 of the Shelter Operations grant. This has been a recurring issue each year.

IA RECOMMENDATION 1:

The Agency should requisition the total amount of each of the City Grants for the 2005 to 2006 term.

- **HCD Reply to Finding/Recommendation 1:** No comment.

IA FINDING 2:

On the Agency's audited financials for year end June 30, 2006, we noted the following financial findings:

1. Gross revenues decreased (\$209,448) from 2005 to 2006.
2. Net assets decreased (\$661,991) before depreciation for 2006 a decrease of (\$750,927) from 2005.
3. Cash decreased (\$766,436) from 2005 to 2006.

IA RECOMMENDATION 2:

The Agency should advise the City how they plan to increase their financial position.

- **HCD Reply to Finding/Recommendation 2:** No comment.

IA FINDING 3:

The Agency requisitioned from the City expenses incurred for 48 days of treatment @ \$178 per day for a total of \$8,544. The City auditor did not verify the days, clients or the \$178 per day cost because the Agency could not provide the adequate documentation. The only verbal information provided from the Agency was that the state of North Carolina allows \$141.51 per day for residential and \$133.93 per day for group care.

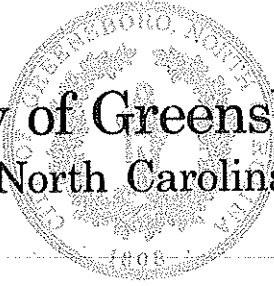
IA RECOMMENDATION 3:

The Agency should provide adequate written evidence to substantiate the amount reimbursed by the City.

- **HCD Reply to Finding/Recommendation 3:** Concur.

Summary: HCD is in general agreement with the points that Internal Audit makes in their review. It needs to be mentioned however that as of March 30, 2007 ADS no longer will be providing in-house drug treatment services in Guilford County. ADS staff also told HCD and Internal Office staff that they did not intend on applying for City funding again and that they would not spend out their FY06/07 allocation in full.

City of Greensboro
North Carolina



June 22, 2007

Mr. Ron Rau
Executive Director
Alcohol and Drug Services
5209 West Wendover Avenue
High Point, NC 27265

Re: Alcohol and Drug Services Grant Year-2005 to 2006

Dear Mr. Rau:

Enclosed is a copy of the City review report dated March 28, 2007 for Alcohol and Drug Services grant year 2005-2006. In the report, we requested a written response from you by April 11, 2007. As of today we have not received your reply. If you should have any question, please let me know. We need your written response within seven (7) days of the date of this letter.

Sincerely,

Mickey Kerans
Internal Auditor

Len Lucas
Internal Audit Director

Cc: Jackie Butler, Director of Client Services
Andy Scott, Director of Housing & Community Development

City of Greensboro
North Carolina

October 18, 2007

CERTIFIED MAIL-Return Receipt Requested

Mr. Ron Rau
Executive Director
Alcohol and Drug Services
5209 West Wendover Avenue
High Point, NC 27265

Re: Alcohol and Drug Services Grant Year-2005 to 2006

Dear Mr. Rau:

This is a second follow up with Alcohol and Drug Services (ADS) to respond to the City of Greensboro's review report dated March 28, 2007 in which ADS's written response was due to us by April 11, 2007. The review report had to do with grant money ADS received from the City for fiscal year dated July 1, 2005 through June 30, 2006.

As of today we have not received your reply. If you should have any question, please let me know. We need your written response as soon as possible in order to finalize this grant..

Sincerely,



Mickey Kerans
Internal Auditor



Len Lucas
Internal Audit Director

Cc: Ben Brown, Assistant City Manager for Economic Development
Andy Scott, Director of Housing & Community Development



City of Greensboro
North Carolina

October 26, 2007

Mr. Ron Rau
Executive Director
Alcohol and Drug Services
119 Chesnut Street
High Point, NC 27262

Re: Alcohol and Drug Services Grant Year-2005 to 2006

Dear Mr. Rau:

Enclosed are copies of three letters we sent to your previous address on Wendover Avenue. We would assume these letters were forward by the Post Office to your new address on Chesnut Street but if not see enclosed. All these letters required a response from ADS.

As of today we have not received your response. If you should have any question, please let me know. We need your written response as soon as possible in order to finalize this grant.

Sincerely,



Mickey Kerans
Internal Auditor



Len Lucas
Internal Audit Director

Cc: Ben Brown, Assistant City Manager for Economic Development
Andy Scott, Director of Housing & Community Development

City of Greensboro North Carolina

November 9, 2007

Mr. Ron Rau
President
Alcohol and Drug Services
119 Chestnut Drive
High Point, NC 27262

RE: City of Greensboro Grant for 2005-2006

We thank you for your documentation that you supplied by e-mail on November 2, 2007. There must be some kind of problem in our e-mail system for not letting ADS' e-mails through because we never received your e-mails back in March and April of this year.

FINDING:

The Agency only requisitioned \$8,544 of the \$10,000 of the Shelter Operations grant. This has been a recurring issue each year.

RECOMMENDATION:

The Agency should requisition the total amount of each of the City Grants for the 2005 to 2006 term.

AGENCY RESPONSE:

Jackie Butler stated that the draw down of funds under the City of Greensboro contract last year were impacted by the early closing of services in March.

CITY REPLY:

When Ms. Butler refers to "closing of services in March" I think she was referring to March, 2007, however, our review was for the grant from July 1, 2005 through June 30, 2006 which was before 2007. I think Ms. Butler was referring to the 2006-2007 grant year which we have not reviewed yet. Therefore, we still need your response to our first finding report dated March 28, 2007.

FINDING:

On the Agency's audited financials for year end June 30, 2006, we noted the following financial findings:

1. Gross revenues decreased (\$209,448) from 2005 to 2006.
2. Net assets decreased (\$661,991) before depreciation for 2006 a decrease of (\$750,927) from 2005.
3. Cash decreased (\$766,436) from 2005 to 2006.

RECOMMENDATION:

The Agency should advise the City how they plan to increase their financial position.

AGENCY RESPONSE:

ADS supplied us a document called "Turnaround Plan for Alcohol & Drug Services" dated December 11, 2006. In this document there were eight goals to improve the financial condition of the Agency.

CITY REPLY:

The City agrees with the steps mentioned in the document above and wishes ADS the best in achieving their goals.

FINDING:

The Agency requisitioned from the City expenses incurred for 48 days of treatment @ \$178 per day for a total of \$8,544. We did not verify the days, clients or the \$178 per day cost because the Agency could not provide us the adequate documentation. The only verbal information provided from the Agency was that the state of North Carolina allows \$141.51 per day for residential and \$133.93 per day for group care.

RECOMMENDATION:

The Agency should provide adequate written evidence to substantiate the amount reimbursed by the City.

AGENCY RESPONSE:

ADS supplied the City with one document called "State Services-Statewide Rates." In this document code YP 780 Group Living-High was highlighted at \$141.51 per day. This document referred us to document called "Proposed Medicaid NCSPCS MH/DD/SA Service Rates." This document highlighted H2012 HA Substance Abuse Intensive Outpatient Program per diem \$131.93.

CITY REPLY:

The \$141.51 and \$131.93 are still less than the \$178 per day charged in the Finding above.

FINDING:

The Agency did not provide the Board Minutes for the grant year 2005-2006.

RECOMMENDATION:

The Agency should provide the Board Minutes in order for the City to review.

AGENCY RESPONSE:

Patty Brooks e-mailed the minutes to Michael Blair on March 29, 2007.

CITY REPLY:

We checked with Michael Blair and he said he never received the e-mail or attachment. Mr. Blair requests that ADS send the minutes again preferably by mail this time.

We request a written signed response from Alcohol and Drug Services of Guilford, Incorporated by November 23, 2007.

If you should have any question, please let us know at 373-2821.



Mickey Kerans
Internal Auditor



Len Lucas
Internal Audit Director

Cc: Ben Brown, Assistant City Manager for Economic Development
Andy Scott, Director of the Department of Housing & Community Development

City of Greensboro

Date: March 28, 2007
To: Andy Scott, Director of Housing & Community Development
From: Internal Audit
Subject: Alcohol and Drug Services of Guilford, Inc.

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The Shelter Operations grant for \$10,000 was to be used for fifty-six (56) bed days of residential substance abuse treatment. Clients were assisted for 48 days as the result of this grant.

We examined selected financial transactions and program documentation maintained by the agency for compliance with the contract and for assurance that program goals were achieved except for the following findings:

FINDING:

The Agency only requisitioned \$8,544 of the \$10,000 of the Shelter Operations grant. This has been a recurring issue each year.

Attachment 3
RECOMMENDATION:

A. The Agency should requisition the total amount of each of the City Grants for the 2005 to 2006 term.

FINDING:

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1. Gross revenues decreased (\$209,448) from 2005 to 2006.
2. Net assets decreased (\$661,991) before depreciation for 2006 a decrease of (\$750,927) from 2005.
3. Cash decreased (\$766,436) from 2005 to 2006.

RECOMMENDATION:

B. The Agency should advise the City how they plan to increase their financial position.

FINDING:

The Agency requisitioned from the City expenses incurred for 48 days of treatment @ \$178 per day for a total of \$8,544. We did not verify the days, clients or the \$178 per day cost because the Agency could not provide us the adequate documentation. The only verbal information provided from the Agency was that the state of North Carolina allows \$141.51 per day for residential and \$133.93 per day for group care.

RECOMMENDATION:

C. The Agency should provide adequate written evidence to substantiate the amount reimbursed by the City.

FINDING:

The Agency did not provide the Board Minutes for the grant year 2005-2006. - Already Sent

RECOMMENDATION:

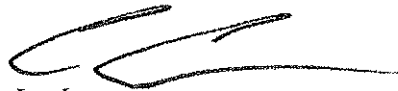
D. The Agency should provide the Board Minutes in order for the City to review. >

We request a written signed response from Alcohol and Drug Services of Guilford, Inc. and the Department of Housing & Community Development by April 11, 2007.

We would like to thank Ms. Patty Brooks, Director of Finance, Ms. Jackie Butler, Director of Client Services and the staff of the Alcohol and Drug Services of Guilford, Inc. for their courtesy and cooperation shown to us during this visit. If there are any questions or comments concerning the details of this visit, we can be reached at 373-2821.



Mickey Kerans
Internal Auditor



Len Lucas
Internal Audit Director

Cc: Ben Brown, Assistant City Manager for Economic Development
Ron Rau, Executive Director for Alcohol and Drug Services of Guilford, Inc.

Patty T. Brooks

From: Jackie M. Butler

Sent: Wednesday, April 11, 2007 5:40 PM

To: Patty T. Brooks

Subject: City Of Greensboro Audit Answer

Attachment A

The draw down of funds under the city of Greensboro contract last year were impacted by the early closing of services in March.

4/11/2007

Attachment B

Turnaround Plan for Alcohol & Drug Services December 11, 2006

The staff and board of directors of Alcohol & Drug Services (ADS) will take the following actions as indicated below to enhance the viability of this 40-year old human services agency. We believe that these actions will yield significant improvement to the agency's "bottom line" and also improve the quality of the services that we provide. We are united in our vision to make ADS the employer and provider of choice in the communities that we serve.

1. **ADS will significantly improve its budget building process.** Attached to this report is the first step in creating a consolidated budget for ADS. Going forward, for the first time, we will budget expenses by program area/reporting unit. Site managers will be involved in creating their own respective budgets for Fiscal Year 2007-2008 and any subsequent revisions that might be needed. These budgets will be reviewed by the Board of Directors and formally approved.
2. **ADS will do a better job of monitoring financial performance.** Site managers will be held responsible for their financial results. This will include monthly monitoring of actual results to budget and being prepared to address questions from the Executive Director and Director of Finance following their review of the financial reports. All unusual items will be researched to ensure each site is performing up to expectations. The board's finance committee will meet at least monthly to monitor the turnaround progress. We will "true up" accrued revenue and expenses regularly in hopes of avoiding significant year-end adjustments.
3. **ADS will improve the management of its accounts receivable.** The Executive Director and Director of Finance will ensure that aged receivables are more aggressively collected. Site managers will assist with collections as appropriate.
4. **ADS recently established an aged payables system.** We anticipate improvements to cash flow as the result of not paying bills immediately upon receipt but rather holding them until they are actually due.
5. **ADS will reduce the amount of "unbillable" services it provides.** We formed a task force in October 2006 that has begun identifying solutions to this critical issue. Counselors will be given much needed administrative support to ensure that required paperwork is done, and that ADS can bill for services that it renders. The Executive Director will monitor "unbillable" services provided and investigate and correct repeat issues.
6. **ADS will greatly enhance its purchasing function.** We terminated the employment of our previous purchasing agent and anticipate hiring a more competent replacement soon. Consorta recently approved ADS to participate in

its \$5 billion purchasing cooperative. Consorta has used its buying power to negotiate significant savings for more than 2500 non-profits. Also, we have submitted data on our telecommunications vendors to a consultant who we anticipate will be able to secure additional savings for us.

7. **ADS will seek to diversify its funding sources through increased grant writing.** We have had conversations with The Duke Endowment and have a meeting scheduled with the Kate B. Reynolds Foundation the week of December 11th. The Executive Director and Director of Marketing will be scheduling additional meetings with local foundations in hopes of securing grants.
8. **ADS will carefully review its service mix and take steps to enhance its net income.** We have good reason to believe that we provide services for clients gratis that we can actually request reimbursement for. Community Support Services is one such example and a leadership council task force will make related recommendations on December 18. Also, we believe that there is significant opportunity to grow our DWI services in the communities that we serve. Not surprisingly, a task force was formed last week to explore those possibilities.

State Services - Statewide Rates

| 7/1/05 Code | Service Description | Billing Unit | 7/1/05 Rate |
|-------------|---|--------------|-------------|
| YP720 | Supervised Living - Moderate <i>(See note on Page following for ASWOM Services)</i> | /day | 55.11 |
| YP730 | Comm Respite | /day | 214.38 |
| YP740 | Family Living - Low | /day | 50.00 |
| YP750 | Family Living - Mod | /day | 52.03 |
| YP760 | Group Living - Low <i>(See note on Page following for ASWOM Services)</i> | /day | 55.29 |
| YP770 | Group Living - Moderate <i>(See note on Page following for ASWOM Services)</i> | /day | 75.48 |
| * YP780 | Group Living - High | /day | 141.51 |
| YP790 | Detox - Social Setting | /day | 118.42 |

* See fee Residential per day rate.

Attachment D.

Patty T. Brooks

From: Patty T. Brooks
Sent: Thursday, March 29, 2007 3:09 PM
To: 'michael.blair@greensboro-nc.gov'
Subject: FW:

Attachments: 0329184134.pdf



0329184134.pdf (1
MB)

Michael,

Attached are the minutes for the Board meetings last year. Let me know if you have any questions.

Thanks!

Patty Brooks

Patty Brooks
Director of Finance
Alcohol & Drug Services
336-812-8645 ext. 246

-----Original Message-----

From: art01@adsyes.org [mailto:art01@adsyes.org]
Sent: Thursday, March 29, 2007 10:42 PM
To: Patty T. Brooks
Subject:

The following document has been scanned on the Fiery and attached to this email:
0329184134.pdf

November 27, 2007

Mickey Kerns
Len Lucas
Internal Audit
P.O. Box 3136
City of Greensboro
Greensboro, NC 27402-3136

Dear Mr. Kerns and Mr. Lucas,

Attached are the responses requested for your findings in the November 9, 2007 letter.
If you have any questions please contact Mr Rau, Jackie Butler or myself.

Thanks,



Patty Brooks
Director of Finance



Finding

The Agency only requisitioned \$8,544 of the \$10,000 of the Shelter Operations grant. This has been a recurring issue each year.

Recommendation

The Agency should requisition the total amount of each of the City Grants for the 2005 to 2006 term.

Agency Response

Jackie Butler stated that the draw down of funds under the City of Greensboro contract last year were impacted by the early closing of services in March.

City Response

When Ms. Butler refers to closing of services in March, I think she was referring to March 2007, however, our review was for the grant from July 1, 2005 through June 30, 2006 which was before 2007. I think Ms. Butler was referring to the 2006-2007 grant year which we have not reviewed yet. Therefore, we still need your response to our first finding report dated March 28, 2007.

Agency Response Clarification

The draw down of funds for the grant period from July 1, 2005 through June 30, 2006 was impacted by the stage one reduction of services offered at the inpatient site operated by ADS. (ART) ADS closed the detox and residential services in March of 2006. The second stage of service reduction was the closure of the transitional services at the inpatient unit in 2007. The low utilization rate of services at the inpatient unit started before the final closure date and therefore was a factor in the closure decision and the draw down of city funds.

FINDING:

The Agency questioned from the City expenses incurred for 48 days of treatment @\$178 per day for a total of \$8,544. We did not verify the days, clients or the \$178 per day cost because the Agency could not provide us the adequate documentation. The only verbal information provided from the Agency was that the state of North Carolina allows \$141.51 per day for residential and \$133.93 per day for group care.

RECOMMENDATION:

The Agency should provide adequate written evidence to substantiate the amount reimbursed by the City.

AGENCY RESPONSE:

ADS supplied the City with one document called "State Services-Statewide Rates." In this document code YP780 Group Living-High was highlighted at \$141.51 per day. This document referred us to document called "Proposed Medicaid NCSPCS MH/DD/SA Service Rates." This document highlighted H2012 HA Substance Abuse Intensive Outpatient Program per diem \$131.93.

CITY REPLY:

The \$141.51 and \$131.93 are still less than the \$178 per day charged in the finding above.

AGENCY RESPONSE:

The \$141.51 is the reimbursement rate for the housing service. The \$131.93 per day is the reimbursement rate for the treatment service. Providers are allowed to charge for both services if they offer both. ADS did offer both housing and treatment services to clients. Total reimbursement rate would be \$273.44.
The City was given a price break to allow ADS to serve more clients and stretch available dollars for the homeless.

FINDING:

The agency did not provide the Board Minutes for the Grant year 2005-2006.

RECOMMENDATION:

The Agency should provide the Board Minutes in order for the city to review.

AGENCY RESPONSE:

Patty Brooks e-mailed the minutes to Michael Blair on March 29, 2007.

CITY REPLY:

We checked with Michael Blair and he said he never received the e-mail or attachment. Mr. Blair requests ADS send the minutes again preferably by mail this time.

ADS RESPONSE:

Attached is the email that was sent to Michael Blair on March 29, 2007 @2:09pm along with the attachments of the Board Minutes.

City of Greensboro
North Carolina

November 29, 2007

Mr. Ron Rau
Executive Director
Alcohol and Drug Services
119 Chesnut Street
High Point, NC 27262

Re: Alcohol and Drug Services Grant Year-2005 to 2006

Dear Mr. Rau:

We are in receipt of Ms. Patty Brooks's letter dated November 27, 2007 which is a response to our letter date November 9, 2007. We accept your reply to why ADS did not draw down the full grant amount for year 2005-2006; also we rely on your statement that it cost ADS \$273.44 per day for the treatment of its clients which is more than the \$178 per day the City funded your Agency; and thank you for sending us copies of the Board minutes you e-mailed to Mr. Blair that did not come through on our system. I will see that he gets them.

We look forward to seeing you next year regarding Grant Year 2006-2007.

Sincerely,



Mickey Kerans
Internal Auditor



Len Lucas
Internal Audit Director

Cc: Ben Brown, Assistant City Manager for Economic Development
Andy Scott, Director of Housing & Community Development