FILE COPY

DARLENE GREEN
Comptroller

SEDRICK D. BLAKE, CPA
Audit/Fiscal Executive

OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS

Internal Audit Section

Carnahan Courthouse Building
1114 Market St., Room 642
St. Louis, Missouri 63101
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May 24, 2007

Pamela Rice-Walker, MPA
Interim Director of Health
Department of Health (DOH)
634 N. Grand Boulevard, Room 910
St. Louis, MO 63103-1002

RE: Fiscal Monitoring Review of Regional Education Advocacy Coalition HIV/AIDS (R.E.A.C.H.) (Project #2007-DOH 16)

Dear Ms. Rice-Walker:

For the period reviewed, R.E.A.C.H. (Agency) did not comply with the requirements of the contract that requires itemization of all direct operational and administrative/indirect costs and that allowable costs be supported by appropriate documentation. The Agency's non-compliance has resulted in questioned costs of $3,310.33 ($3,148.33 for healthcare and Medicare costs through February 2007, and $162.00 for parking, see Observations Nos. 4 & 5 of the enclosed fiscal monitoring report).

We found other instances of non-compliance and internal control issues in which questioned costs could not be determined.

We are recommending the Agency repay the overpayment of $3,310.33 to St. Louis Department of Health (DOH) by June 28, 2007. We are also recommending that if the Agency does not repay the overpayment by June 28, 2007, this amount be taken from the Agency's February request for reimbursement.

The Agency billed DOH $4,554.20 for the month of February 2007 but was entitled to $4,167.23 because the billing included $386.97 in questionable costs for Medicare and health insurance. If payment is not received by June 28, 2007, the Agency would be entitled to the difference of $856.90 ($4,167.23 - $3,310.33).

If you have any questions, please call Ishmael Ikpeama at (314) 589-6113.

Respectfully,

Sedrick D. Blake

Sedrick D. Blake, CPA
Audit/Fiscal Executive

Enclosure

cc: Henrietta Brown, Fiscal Manager, St. Louis Department of Health
Melba Moore, Health Commissioner, St. Louis Department of Health
Judith Holstein, Accountant II, Federal Grants Section
John Zakibe, Deputy Comptroller

OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS

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May 24, 2007

Cassandra Colquitt, Executive Director
R.E.A.C.H.
625 North Euclid, Room 505
St. Louis, MO 63108

RE: Fiscal Monitoring Report of Department of Health R.E.A.C.H. (Ryan White Title I) (Project #2007-DOH 16)

Dear Ms. Colquitt:

Enclosed is a report of our fiscal monitoring review of R.E.A.C.H. (Ryan White Title I) (Project #2007-DOH 16), contract #HD-06-40, for the period March 1, 2006 through February 28, 2007. The scope of a fiscal monitoring review is substantially less than an audit and as such, we do not express an opinion on the financial operations of R.E.A.C.H. (Ryan White Title I). Our fieldwork was completed on April 17, 2007.

This review was made under authorization contained in Section 2, Article XV of the Charter, City of St. Louis, as revised and has been conducted in accordance with the *International Standards for Professional Practice of Internal Auditing* and through an agreement with the Department of Health (DOH) to provide fiscal monitoring to all grant subrecipients. If you have any questions, please contact Ishmael Ikpeama at 589-6113.

Sincerely,

Sedrick D. Blake

Sedrick D. Blake, CPA
Audit/Fiscal Executive

Enclosure

Cc: Pamela Rice-Walker, MPA, Interim Director, St. Louis Department of Health
Melba Moore, Health Commissioner, St. Louis Department of Health
Henrietta Brown, Fiscal Manager, St. Louis Department of Health

CITY OF ST. LOUIS

DEPARTMENT OF HEALTH (DOH)

R.E.A.C.H.
RYAN WHITE TITLE I
CASE MANAGEMENT SERVICES – CFDA #93.914

CONTRACT #HD-06-40

FISCAL MONITORING REVIEW

MARCH 1, 2006 THROUGH FEBRUARY 28, 2007

PROJECT #2007-DOH16

DATE ISSUED: MAY 24, 2007

Prepared by:
The Internal Audit Section

OFFICE OF THE COMPTROLLER

HONORABLE DARLENE GREEN, COMPTROLLER

CITY OF ST. LOUIS
DEPARTMENT OF HEALTH (DOH)
R.E.A.C.H.
RYAN WHITE TITLE I
CONTRACT #HD-06-40
FISCAL MONITORING REVIEW
MARCH 1, 2006 THROUGH FEBRUARY 28, 2007

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CITY OF ST. LOUIS
DEPARTMENT OF HEALTH (DOH)
R.E.A.C.H.
RYAN WHITE TITLE I
CONTRACT #HD-06-40
FISCAL MONITORING REVIEW
MARCH 1, 2004 THROUGH FEBRUARY 28, 2005

INTRODUCTION

Background

Contract Name: R.E.A.C.H. (Ryan White Title I)

Contract Program: Case Management Services CFDA #93.914

Contract Number: HD-06-40

Contract Period: March 1, 2006 through February 28, 2007

Contract Amount: $132,000

The Ryan White Title I contract provided funds from the Health Resources Services Administration (HRSA) through the City of St. Louis, Department of Health to R.E.A.C.H. This contract was used for case management services consisting of needs assessment and comprehensive plan development for residents with HIV living in the St. Louis metropolitan area.

Purpose

Our purpose was to determine R.E.A.C.H.'s compliance with federal, state and local Department of Health (DOH) requirements for the period March 1, 2006 through February 28, 2007 and make recommendations for improvements.

Scope and Methodology

We made inquiries regarding R.E.A.C.H.'s internal controls relating to the grants administered by the Department of Health (DOH), tested evidence supporting the reports the Agency submitted to DOH and performed other procedures considered necessary. Our fieldwork was completed on April 17, 2007.

CITY OF ST. LOUIS
DEPARTMENT OF HEALTH (DOH)
R.E.A.C.H.
RYAN WHITE TITLE I
CONTRACT #HD-06-40
FISCAL MONITORING REVIEW
MARCH 1, 2006 THROUGH FEBRUARY 28, 2007

CONCLUSION AND SUMMARY OF OBSERVATIONS

Conclusion

R.E.A.C.H. (Ryan White Title I) did not fully comply with federal, state and local DOH requirements.

Status of Prior Observations

The Agency's most recent fiscal monitoring report for Ryan White Title I contract #HD-06-40 was for the grant period ended February 28, 2005. It was issued on September 25, 2006. The Agency did not have an A-133 audit filed for this period in a timely manner. It was due on November 30, 2006; however, it was not filed until May 26, 2007. For the grant period ended February 28, 2006, the Agency did not expend $500,000 or more in federal funds, therefore an A-133 audit was not required.

A-133 Status

During the fiscal year ended February 28, 2005 R.E.A.C.H. could not provide supporting documentation for direct cost charged to federal wards. (Repeated)

According to the Compliance Supplement, all direct cost to federal awards should be for allowable costs. Direct cost must be supported by appropriate documentation. The agency was not in compliance with the Allowable Cost compliance requirement. This observation is included in this report. See observation #5.

Summary of Current Observations

We made recommendations for the following observations, which if implemented, could assist R.E.A.C.H. in fully complying with federal, state, and local DOH contract requirements.

1. The Agency has going-concern issues
2. Inadequate accounting system and procedures
3. Improper accounting and misuse of federal funds
4. Lack of supporting documentation of direct cost charged (Repeated from A-133 2/28/05)

CONCLUSION AND SUMMARY OF OBSERVATIONS

Summary of Current Observations (Continued...)

5. Parking and rent expense were not properly itemized and documented in accordance with the terms of the contract
6. Failure to file 941 payroll form
7. Untimely filing of the 990 federal tax form
8. Untimely submission of the monthly invoices

CITY OF ST. LOUIS
DEPARTMENT OF HEALTH (DOH)
R.E.A.C.H.
RYAN WHITE TITLE I
CONTRACT #HD-06-40
FISCAL MONITORING REVIEW
MARCH 1, 2006 THROUGH FEBRUARY 28, 2007

DETAILED OBSERVATIONS AND RECOMMENDATIONS

1. The Agency has going-concern issues

Repeated going-concern issues and extensive discussions regarding the Agency's future were observed during our review of the minutes of Board of Director meetings. The major concerns repeated through out the year included:

- Operations under a tight budget.
- Operating at a deficit.
- Aggressive plans to raise more money.
- Cuts & eliminations of all non-essential services:
  - Consolidation of the offices, and the reduction of certain expenses.
  - Part-time staffing.

It appears that there was a lack of training in grant management and fund raising skills, see observation #4. Ineffective funding increases the risk that:

- Program objectives will not be achieved and in accordance with scope of services outlined in the grant agreement.
- The Agency could lose its current and future funding allocations.

IAS found that:

- Critical payroll, tax services and employee benefits were eliminated.
- The Deputy Director worked a Case Manager and was not aware of the financial aspects of the agency.
- On March 16, 2007, the Executive Director accepted a new position out of town and the Deputy Director was appointed Interim Executive Director.

Recommendation

We recommend that the agency continue to seek additional funding, resources and training from the DOH in grant management skills.

Management's Response

See attachment.

DETAILED OBSERVATIONS AND RECOMMENDATIONS

2. Inadequate accounting system and procedures

We reviewed the check registers and bank statements for the period October 2006 through January 2007 and found that 23 checks were not properly accounted for in the check registers and during the reconciliation of the bank statements.

The Deputy Director stated that checks were pulled out of sequence and/or voided and that the reconciliations to the bank statements did not included checks not issued.

We were also informed that 12 checks were voided and there was "no record" that the checks were issued. IAS was informed that these checks may be used by the Agency later. However, we later learned that the previous Director destroyed the checks prior to leaving the agency.

The Agency's Board and the Deputy Director were not informed prior to destroying the checks. The contract requires that the Agency to retain financial records and supporting documentation and other records pertinent to the contract's activities for a period of seven (7) years.

The lack of proper reconciliation increases the risk that funds may be misappropriated.

Recommendation

We recommended that a letter, approved by the Board and listing the check numbers, be prepared and submitted to the bank to stop payment. Also we recommend that the Agency establish control procedures to ensure that financial records are retain in accordance with the contract and all checks (un-issued and voided) are safeguarded and accounted for during the monthly reconciliation.

Management's Response

See attachment.

DETAILED OBSERVATIONS AND RECOMMENDATIONS

3. Improper accounting and misuse of federal funds

Our review of the financial records and bank statements revealed that the Agency's contract funds were commingled with other Agency funds and there was no clear separation of grant funds.

- The Agency received funds from six (6) sources. The majority of the funds, which included funds we reviewed for the #HD-06-40 contract, were deposited in the general operating account #0034-8084-9011 at Bank of America. The Agency also maintained several other bank accounts in which funds were transferred in and out of the 9011 account.

- Loans from the Executive Director were also deposited in the Agency's 9011 bank account.

  - On July 27, 2006 the Director advanced $11,000 to the Agency to pay payroll expenses. Board approval of the loan and repayment was observed. We observed that five (5) checks from the bank account in November and December 2006 totaling $4,571.67 were paid to the Executive Director as repayment the loan.

  - According to the August 17, 2006 Board minutes, the Board was informed that $3,731.45 was due on loans made in 2005. The extent of other loans received from the Director was unknown.

- $2,800 from the Agency's 9011 bank account was used to pay contractual fees to an employee not associated with the HD06-40 contract. Due to the expiration of the CDC contract and limited funds, the employee was terminated in October 2006. The employee agreed to work as a volunteer and part-time contractor. The employee was paid $1,400 in November 2006 and $1,400 in December 2006. Since all funds were commingled into one bank account, we were unable to determine the source of the disbursement of $2,800 and appear to be a misuse of federal funds.

Through inquiry, we learned the agency lacked adequate training, and personnel in managing its grant funds. We also noted that:

- There are no procedures in place to monitor loan balances. The Agency risks overpayment of loans when balances are not monitored.

DETAILED OBSERVATIONS AND RECOMMENDATIONS

3. Continued...

Part of the payroll cost in July 2006 pertained to other employees, including salary for the Executive Director not identified as Case Managers in the HD06-40 contract. Since we could not determine the loan balance due the Executive Director and funds were commingled into one bank account, payroll cost of $3,136.93 was not properly accounted for and appears to be a misuse of federal funds.

The Agency's contract requires it to maintain:

- Adequate records to establish that funds provided are expended on eligible costs.
- Internal controls of over federal programs.
- Records and accounts, including financial records, as are deemed necessary, to assure a proper accounting of all contract funds.

Recommendation

To ensure future funding, we recommend the Agency implement internal controls to ensure:

- Proper accounting of all contract funds.
- Funds are adequately safeguarded by establishing separate bank accounts for each funding source.
- Funds are expended on only eligible costs.
- Training and qualified personnel to manage the grant funds.

Management's Response

See attachment.

4. Lack of supporting documentation for direct cost charged (Repeated from A-133 2/28/05)

Our review of the Agency's financial records noted that questioned cost of $3,148.33 existed for health care costs and Medicare invoice errors. We found the support for the following costs were not properly documented and, therefore not eligible for payment in accordance with the contract.

DETAILED OBSERVATIONS AND RECOMMENDATIONS

4. Continued...

- In November 2006, the Agency eliminated health insurance coverage to reduce costs yet invoiced DOH for $2,813.79, health insurance of $2,605.36 thorough February 2007 plus 8% administrative cost of $208.43 thereon.

- The Agency's invoice for October 2006 included $172.35 more than the United Healthcare bill, health insurance of $159.58 plus administrative cost of $12.77 thereon .

- The Agency over-billed the City for the Medicare cost by $150.18 ($77.00 versus $51.97, for each month from September 2006 through February 2007). The total over-billings amounted to $162.19, Medicare cost of $150.18 ($25.03 for each month) plus 8% administrative cost of $12.01 thereon.

According to the Compliance Supplement, all direct costs to federal awards should be for allowable costs. Direct costs must be supported by appropriate documentations.

Recommendation

We recommend the Agency reimburse DOH for the questioned cost of $3,148.33 as follows:

Unallowable health insurance Cost.....	$ 2,813.79
Excessive health insurance cost.....	172.35
Excessive Medicare cost.....	162.19
Total questioned cost.....	$ 3,148.33

Remit a check for $3,148.33, no later than June 28, 2007 to Comptroller's Office/Federal Grants Section, 1114 Market St. Room 608, St. Louis, MO 63101. Please include your account and center number in the memo section. A copy of this check should be furnished to the Internal Audit Section to the attention of Charles Schroeder, at the same address. If the Comptroller's Office does not receive the repayment by June 28, 2007, we recommend that this amount be taken from the agency's next request for reimbursement.

DETAILED OBSERVATIONS AND RECOMMENDATIONS

4. Continued...

To ensure future funding, we also recommend the Agency implement internal controls to ensure:

- Funds are expended only on allowable costs.
- Supporting documentation is maintained for all costs incurred.

Management's Response

See attachment.

5. Parking and rent expenses were not properly classified and documented in accordance with the terms of the contract.

Based on our review, the parking expenditures were not considered reasonably classified. In addition, the rent costs were not adequately documented. We found that the Agency's invoices for the rent were a combination of rent and parking for the month of September and October 2006.

The agency was not in compliance with the Allowable Cost compliance requirement. The contract requires that each invoice should include itemization of all direct operational costs and administrative/indirect costs. Since direct and administrative/indirect costs were not properly distinguished, we conclude that there is a questioned parking cost of $162.00, parking cost of $150.00 plus 8% administrative cost of $12.00 thereon for the months of September and October 2006.

The Director stated that there has never been a problem with parking in the past. However we noted that previously the Agency's invoices did not include the cost for rent or parking. IAS suggested that the $150.00 be described as "parking" instead of "rent".

Recommendation

We recommend the Agency reimburse DOH for the questioned cost by remitting a check for $162.00 no later than June 28, 2007 to Comptroller's Office/Federal Grants Section,

DETAILED OBSERVATIONS AND RECOMMENDATIONS

5. Continued...

Internal Audit Section to the attention of Charles Schroeder, at the same address. If the Comptroller's Office does not receive the repayment by June 28, 2007, we recommend that this amount be taken from the agency's next request for reimbursement.

Management's Response

See attachment.

6. Failure to file 941 payroll form for estimated $2,116.28 taxes due

The 941 for the 4th quarter of 2006 was not been filed in compliance with federal laws. The Internal Revenue Service publication 15 requires that 941form be filed quarterly and by January 31 for the last quarter of the previous year.

The Agency's previous 941s were filed by Automatic Data Processing (ADP). We were informed that ADP services were discontinued in August 2006 and the Agency did not have an accountant on staff. There were some problems in the reporting of wages. According to the Deputy Director, deductions were withheld from one employee's contractual fees. The Agency's Board has agreed to renew its contract with ADP.

Due to the untimely filing of the last quarter 941, the agency may be fined a 5% of the unpaid tax due and assessed interest.

Recommendation

We commend the Board on its decision to renew the ADP contract and recommend that the Agency ensure that all payroll taxes are filed on the due date.

Management's Response

See attachment.

DETAILED OBSERVATIONS AND RECOMMENDATIONS

7. Untimely filing of the 990 federal tax form

As of February 2007, the federal tax 990 forms and the proper extensions for the fiscal years ended February 28, 2005 and February28, 2006 have not been filed. The Agency is required to file its federal 990 tax form before July 15 (the 15th day of the 5th month after close of the tax year) or file an extension within the required time. We observed:

- On January 8, 2007, a request for an extension for the February 28, 2005 filing was submitted however the request was not on the proper 8868 form. Documentations of the extensions granted by the IRS were not available for our review. Reasons stated by the Executive Director were staff changes and poor accounting records. The Deputy Director informed us that IRS assessed a penalty for the February 28, 2005 return.

- The Agency filed an 8868 form for a three-month extension on May 30, 2006 for the fiscal year February 28, 2006. An additional extension of time has not been filed and approved by the IRS. The Deputy Director was not sure about the February 28, 2006 extension or IRS approvals, since she was not involved with the fiscal operations prior to the resignation of the Executive Director.

- For the year ending February 29, 2004 the agency was assessed a penalty of $39,292.15 for late filing however in May 2006, the penalty was waived.

According to IRS, section 6651 (a) (2), the agency may be subject to a late penalty of .5% of the tax due per month and up to 25%. The Agency may risk losing its 501 (c) status.

Recommendation

We recommend that the Agency contact the Internal Revenue Service, request the proper approvals for filing its 990 forms and enter into a agreement with IRS to pay any taxes owed. We also recommend that the agency establish controls to ensure that all forms are timely filed to avoid additional late penalties and possible interest.

Management's Response

See attachment.

DETAILED OBSERVATIONS AND RECOMMENDATIONS

8. Untimely submission of the monthly invoices

Monthly invoices were not submitted for payment in accordance with the terms of the contract. IAS observed that 4 of the 11 invoices reviewed were late. Untimely submission of invoices may cause inefficiencies in meeting the program goals and objectives.

The Agency's contract requires that invoices must be received by DOH no later than ten calendar days following the last business day of the month in which services were provided or expenses incurred, unless prior written approval has been made by DOH. Reasons stated by the Executive Director were ineffective communication of the format to be used and personnel on leave.

Recommendation

We recommend that the agency ensure that the monthly invoices are submitted and received by the Department of Health in accordance with the terms of the contract.

Management's Response

See attachment.

R.E.A.C.H

625 N. Euclid, Ste. 320 B
St. Louis, MO 63108
314.865.1600
Fax: 314.361.7136
reachstl@sbcglobal.net

May 21, 2007

Internal Audit Section
Comptroller's Office
Attention: Ishmael O. Ikpeama, Internal Audit Supervisor
1114 Market Street, Room 608
St. Louis, MO 63101

RE: Fiscal Monitoring Review – 3rd Response

Regional Education Advocacy Coalition HIV / AIDS St. Louis

1. **The agency experienced on-going concerns:**
R.E.A.C.H., *St. Louis* is seeking additional funding from outside sources. The agency will obtain resources and training from the State of Missouri (Department of Health and Human Services). A contract is needed to continue training from the Department of Health & Centers for Disease Control.

2. **Inadequate accounting system and procedures:**
The new Executive Director submitted to the IAS on 4/05/07 on bank stationary from Bank of America listing the check numbers in question stating that a stop payment had been placed on all the checks in question. R.E.A.C.H., St. Louis will ensure monthly bank reconciliations are completed to avoid out of sequence checks and record of voided checks. Board of Directors will receive monthly financials to review.

3. **Improper accounting and misuse of Federal funds:**

- R.E.A.C.H., *St. Louis* will establish a separate account for federal funds
- The IAS is incorrect in stating that any portion of the $11,000 paid for employees not covered by the $11,000, at the time, the agency had 3 full-time Case Managers on staff. A review of the July 2006 payroll and bank statements indicates that the payroll for Case Managers was $10,414.92 plus $833.19 indirect cost at 8% totaling $11,248.12. The check received from the city was $11,000.00 (this amount did not cover the entire cost for Case Managers. There were no employees paid from the $11,000 Ryan White funds that were not eligible. There were operational funds available beyond the Ryan White funds from Center for Disease Control through September, 2006. The $11,000 loan from the Executive Director, and the subsequent repayment, The City IAS is incorrect in its claim that 5 checks from the agency bank account were made in November and December 2006, totaling $4,571.67 as repayment of the $11,000.00 loan (documentation is provided.) The checks in question went towards the $9,000.00 that was loaned to the agency from the Executive Director in August, 2006. (See attached bank statement and loan documents from previous ED). As previously stated, on July 27, 2006, the Executive Director did advance the agency $11,000 as a personal

loan to cover payroll for the entire staff. This loan was repaid, in full merely two days later after the agency received a late reimbursement payment from the City of St. Louis.

- According to the August 17, 2006 Board of Directors meeting, the loan reference in the minutes was in error. There were no outstanding debts owed to the Executive Director from 2005.
- As consistently maintained, the agency did not pay contractual fees with City Ryan White funds. A review of all funds, and bank statements, indicates that while the IAS is correct in its inference that the agency had "limited funds", the IAS is not correct in its assertion that "no funds" existed to pay such fees. A review of bank statements and account balances verifies that the agency did in fact have carry over funds from the CDC, loans, and limited fund raising resources through late November of 2006. The agency has repeatedly, and consistently, shown that it was these monies, not Ryan White funds, that were utilized to pay contractual fees.
- *IAS indicates that there is no policy on loaning funds to agency and that a process* needs to be put in place. Per board notes sent to IAS reflecting the August minutes the board does have a policy in place (process and procedures) in every instance when a loan has been made the agency, active loan agreement, and repayment schedule and has kept the repayment schedule. In no instance has there been in occasion when the Executive Director has made a loan to the agency and the loan has not been repaid as agreed upon.
- As consistently maintained, the agency did not pay contractual fees with City Ryan White funds. A review of all funds, and bank statements, indicates that while the IAS is correct in its inference that the agency had "limited funds", the IAS is not correct in its assertion that "no funds" existed to pay such fees. A review of bank statements and account balances verifies that the agency did in fact have carry over funds from the CDC, loans, and limited fund raising resources through late November of 2006. The agency has repeatedly, and consistently, shown that it was these monies, not Ryan White funds, that were utilized to pay contractual fees. There should not be a questionable payroll cost in the amount of $3,316.03 per IAS.
- The agency will ensure that each bank account will be coded by the banking institution and ADP to assure that all funds are deposited into the appropriate accounts.
- Attached are copies of the loans made to the agency by the previous Executive Director (i.e. pay bills from previous administrator, cover payroll, etc.) Period April, 2003 thru March, 2007.

As a matter of compliance however, the agency will continue to work to implement practices that assure sound fiscal monitoring.

4. **Lack of supporting documentation for direct cost charged**:

The problem has been resolved and proper procedures have been established. R.E.A.C.H., St. Louis was in error and under billed the city for health insurance for one case manager. The agency charged the city $308.20 a month for health insurance and the actual cost was $344.17 a month, a difference of $35.97 (monthly). City Health Department owes the agency $395.67. (Back up documentation provided)

The agency will continue to implement internal controls to ensure funds are expended only to allowable cost and that supporting documentation is maintained for all cost incurred.

When additional funds are available, the debt of $2,915.12 will be repaid.

5. **Parking and rent expenses were not properly classified and documented in accordance with the terms of the contract :**
   - The agency agrees with this finding
     When additional funds are available, the debt of $150.00 will be repaid.

6. **Failure to file 941 forms:** The problem has been resolved.

7. **Untimely filing of 990 Federal tax forms:**

   - The agency is currently working with Thomas Shepard and Associates to complete the required 2006 990. The new Executive Director has met with the principal, Mr. Shepard, and is moving aggressively to have all documents, forms and audit completed as soon as possible.
   - In regards to the reported finding that the agency owed $39,292.15 to the IRS, the agency has previously submitted to the City IAS verification appropriate documentation had been submitted to the IRS in regards to the outstanding penalty. As previously stated, and verified, all penalties have been waived. We again submit verification of that finding by the IRS.

8. **Untimely submission of monthly invoices:**
   a. The agency will implement practices that will assure that monthly reports are submitted by the designated date.

I respect the IAS diligent and effort to generate a clean audit and I would like for IAS to be mindful that I'm working very hard to stabilized and strengthen the agency. R.E.A.C.H., St. Louis is a very small not for profit that has worked for more than 17 years to expand its resource base. Any help the City can provide would be greatly appreciated.

Respectfully submitted,

Sandi Colquitt

Sandi Colquitt
Executive Director