

ORLEANS METROPOLITAN HOUSING AND COMMUNITY DEVELOPMENT, INC.

**ACCOUNTANT'S COMPILATION AND ATTESTATION REPORTS,
WITH FINANCIAL STATEMENTS AND NOTES
TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED JUNE 30, 2004

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2-9-05

**Orleans Metropolitan Housing and Community Development, Inc
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Accountant's Compilation Report

To the Board of Director's of
Orleans Metropolitan Housing and Community Development, Inc.

I have compiled the accompanying statement of financial position of Orleans Metropolitan Housing and Community Development, Inc. as of June 30, 2004, and the related statement of activities, cash flows, and schedule of functional expenses for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements, and accordingly, do not express an opinion or any other form of assurance on them.

Deemer CPA and Consulting Services, LLC

Deemer CPA and Consulting Services, LLC
New Orleans, Louisiana
October 15, 2004

ORLEANS METROPOLITAN HOUSING AND COMMUNITY DEVELOPMENT, INC.
Statement of Financial Position
As of June 30, 2004

Assets

Current Assets

Cash	\$	2,313
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Fixed Assets (Net)

Land, Buildings, and Improvements		148,415
Office Equipment		15,070
Less: Accumulated Depreciation		<u>(104,090)</u>

Total Fixed Assets (Net)		<u>59,395</u>
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Other Assets

Deposits		<u>1,659</u>
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Total Assets	\$	<u><u>63,367</u></u>
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Liabilities and Net Assets

Current Liabilities

Accounts Payable	\$	3,939
Payroll Tax liability		912
Mortgage Payable (Current)		<u>3,616</u>

Total Current Liabilities		8,467
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Long-Term Liabilities

Mortgage Payable (Long-Term)		<u>25,036</u>
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Total Liabilities		33,503
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Net Assets

Unrestricted		<u>29,864</u>
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Total Net Assets		29,864
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Total Liabilities and Net Assets	\$	<u><u>63,367</u></u>
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The accompanying notes are an integral part of these financial statements.

ORLEANS METROPOLITAN HOUSING AND COMMUNITY DEVELOPMENT, INC.
Statement of Activities
For the Fiscal Year Ended June 30, 2004

Changes In Unrestricted Net Assets

Unrestricted Support	\$ 3,956
Assets Released from Restrictions	220,000
Program Expenses	(170,750)
Management and General expenses	<u>(60,817)</u>
Decrease in Unrestricted Net Assets	(7,611)

Changes In Temporarily Restricted Net Assets

Grant Revenues	<u>220,000</u>
Assets released from restrictions	<u>(220,000)</u>
Total Increase in Temporarily Restricted Net Assets	0
Decrease in Net Assets	(7,611)
Net Assets Beginning of Period	<u>37,475</u>
Net Assets End of Period	<u><u>\$ 29,864</u></u>

The accompanying notes are an integral part of these financial statements.

ORLEANS METROPOLITAN HOUSING AND COMMUNITY DEVELOPMENT, INC
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2004

Cash Flows From Operating Activities:

Changes in Net Assets	\$ (7,611)
Adjustments to Reconcile Net Revenues over Expenditures to Net Cash Provided by Operating Activities	
Depreciation Expense	6,065
Changes in Operating Assets and Liabilities	
Accounts Payable	2,066
Payroll Liabilities	<u>912</u>
 Net Cash Provided by Operating Activities	 1,432

Cash Flows From Investing Activities:

Net Cash Provided by Investing Activities	0
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Cash Flows From Financing Activities:

Net Cash Provided by Financing Activities	0
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Net Cash Increase for Period	1,432
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Cash, At Beginning of Period July 1, 2003	<u>881</u>
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Cash, At End of Period June 30, 2004	<u><u>\$ 2,313</u></u>
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The accompanying notes are an integral part of these financial statements.

**Orleans Metropolitan Housing and Community Development, Inc.
Notes To The Financial Statements
For The Year Ended June 30, 2004**

1. Summary of Significant Accounting Principles

General – Orleans Metropolitan Housing and Community Development, Inc. is a non-profit agency whose goal is to rehabilitate housing, improve public facilities, and revitalize local economic conditions. The offices of Orleans Metropolitan Housing and Community Development, Inc. are located at 2031 Jackson Avenue, New Orleans, Louisiana 70113.

Basis of Accounting - The financial statements of Orleans Metropolitan Housing and Community Development, Inc. are prepared on the accrual basis of accounting. Accordingly, revenue is recorded when earned and expenses are recorded when incurred.

Cash - Cash is comprised of cash on hand and in banks.

2. Net Assets

Temporarily Restricted Net Assets

Temporarily Restricted Net Assets are subject to donor-imposed restrictions that may be met over time or by action of Orleans Metropolitan Housing and Community Development, Inc. Once, restrictions are met assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

3. Grants Revenue

Orleans Metropolitan Housing and Community Development, Inc. received grant funds in the amount of \$220,000 from the Governor's Office of Urban Affairs and Development.

4. Economic Dependency

Orleans Metropolitan Housing and Community Development, Inc. receives the majority of its revenue from grants. The agency's ability to continue operations is based solely on its ability to generate grant revenue, consequently, any reductions in grants from the state and local level would significantly impact the operations of Orleans Metropolitan Housing and Community Development, Inc.

5. Property, Plant, and Equipment

Land	\$27,111
Building and Improvements	121,304
Furniture, Fixtures, and Equipment	<u>15,070</u>
Total Property, Plant, and Equip.	\$163,485
Less Accumulated Depreciation	<u>(104,090)</u>
Net Property, Plant and Equipment	<u>\$ 59,395</u>

6. Mortgages Payable

Maturities of mortgages payable for each of the next five years are as follows

For the Year Ended June 30, :

2005	\$3,616
2006	3,747
2007	4,312
2008	4,865
2009	4,910
Thereafter	<u>7,202</u>
Total Mortgages Payable	<u>\$28,652</u>

ORLEANS METROPOLITAN HOUSING AND COMMUNITY DEVELOPMENT, INC.

**Schedule of Functional Expenses
For the Fiscal Year Ended June 30, 2004**

	<u>GOUAD</u>		
	<u>Program Services</u>	<u>Admin. & Gen'l</u>	<u>Total</u>
Expenses:			
Payroll Expenses	53,041	53,917	106,958
Payroll Taxes	6,817	3,900	10,717
Office Supplies	4,341		4,341
Accounting	9,440		9,440
Depreciation	6,065		6,065
Insurance	3,759		3,759
Bank Service Charge	521		521
Contract Labor	55,867	3,000	58,867
Maintenance	350		350
Building Materials	14,590		14,590
Professional Fees	3,710		3,710
Rent	9,600		9,600
Postage & Delivery	211		211
Utilities & Telephone	2,438		2,438
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Total	<u>\$ 170,750</u>	<u>\$ 60,817</u>	<u>\$ 231,567</u>

The accompanying notes are an integral part of these financial statements.

**LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Entities)**

October 12, 2004 (Date Transmitted)

Deemer CPA and Consulting Services, LLC

4335 Werner Drive

New Orleans, Louisiana, 70126

(Auditors)

In connection with your review of our financial statements as of June 30, 2004 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representation).

Federal, State, and Local Awards

We have detailed for you the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

Yes No []

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and grantor officials.

Yes No []

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes No []

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes No []

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Yes No []

Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes No []

Prior Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance which may occur up to the date of your report.

Eddy Oliver Secretary 10-21-2004 Date

Treasurer _____ Date

[Signature] President 10-21-2004 Date

**ATTESTATION REPORT
(Quasi-Public Entity)
Independent Accountant's Report
on Applying Agreed-Upon Procedures**

To the Management of Orleans Metropolitan Housing and Community Development, Inc.

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Orleans Metropolitan Housing and Community Development, Inc. (Orleans Metropolitan Housing), the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies solely to assist the users in evaluating management's assertions about Orleans Metropolitan Housing's compliance with certain laws and regulations during the period ended June 30, 2004 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

Federal, State, and Local Awards

1. Determine the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

Orleans Metropolitan Housing, Inc. received \$ 220,000 in funding from the Governor's Office of Urban Affairs and Development for the fiscal year ended June 30, 2004. Funding is provided on an installment basis throughout the fiscal year.

2. For each Federal, state, and local award, I randomly selected 6 disbursements from the award administered during the period under examination.

There was one funding source, from which 6 disbursements were randomly selected during the period of July 1, 2003 through June 30, 2004.

3. For the items selected in procedure 2, I attempted to trace the six disbursements to supporting documentation as to proper amount and payee.

I have examined cancelled checks for each of the six selected disbursements to determine whether or not the proper amount was made to the correct payee, there were no inconsistencies noted as a result of this testwork.

4. For the items selected in procedure 2, I attempted to determine if the six disbursements were properly coded to the correct fund and general ledger account.

Six of the payments were coded to the only fund utilized which was that of the Governor's Office of Urban Affairs and Development grant fund and they were recorded in the appropriate expense account of the general ledger. No exceptions were noted for this sample selection.

5. For the items selected in procedure 2, I attempted to determine whether the six disbursements received approval from proper authorities.

Appropriate documentation including canceled checks and invoices were provided for the six randomly selected disbursements. The signatures of the checks sampled appeared to be that of board members with requests made from the executive director for payment of the invoices.

6. For the items selected in procedure 2: For federal, state and local awards, I determined whether the disbursements complied with the grant agreement, relating to:

Activities allowed or unallowed:

I reviewed the previously listed disbursements for types of services allowed or not allowed. The allowability requirements appeared to be met for the six disbursements, because expenditures were included in the approved budget and appeared to coincide with the goals of the program.

Eligibility

I reviewed the previously listed disbursements for eligibility requirements. Disbursements were in accordance with the approved budget for the six disbursements.

Reporting

I reviewed the previously listed disbursements for reporting requirements. The six disbursements were reported to the State of Louisiana, Governor's Office of Urban Affairs and Development in accordance with the contract agreement on a monthly basis.

7. For the program selected for testing in item (2), I planned to compare the close-out report, when required, with the entity's financial records to determine whether the amounts agree.

A closeout report was completed and the amounts reported agreed with the financial statements of the agency. The total amount of the contract (\$220,000) had been expended and reported by budgeted line item.

Meetings

8. I examined evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Management has asserted that "open meetings" documents were properly posted on the door of board meetings, and complete agendas were made available, as required. I was provided a copy of the documents which I was informed were posted and they appeared to have met the open meetings LSA-RS 42:1 through 42-12 requirements.

Comprehensive Budget

9. For all grants exceeding five thousand dollars, we determined that each applicable federal, state, or local grantor agency/agency was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

Orleans Metropolitan Housing, Inc. provided comprehensive budgets to the applicable state grantor for the program mentioned previously. These budgets specified the anticipated uses of the funds, estimates of the duration of the project, and plans showing specific goals and objectives that included measures of performance.

Prior Comments and Recommendations

10. I reviewed the prior year compilation/attestation report for any prior-year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

The prior year report stated that there was no evidence that notices of meeting and agendas were posted. I was unable to make observation of any postings either as a result of the timing of my review versus the expired date of each board meeting. However, I was provided sheets indicating the time and date of each board meeting with a detail of the agenda. I was informed that this sheet was posted prior to each board meeting.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of the management of Orleans Metropolitan Housing and Community Development, Inc., the Legislative Auditor (State of Louisiana), and the applicable state grantor agency/agencies and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Deemer CPA and Consulting Services, LLC

October 15, 2004