



5710

LUTHER C. SPEIGHT & COMPANYAssociation of Certified Public Accountants
and Management Consultants

LEGISLATIVE

MAR 10 1993

**OFFICIAL
FILE COPY****DO NOT REMOVE**Check Secretary
before from this
copy and PLACE
BACK IN FILE

**ORLEANS METROPOLITAN HOUSING &
COMMUNITY DEVELOPMENT, INC.
FINANCIAL STATEMENTS FOR
THE YEAR ENDED JUNE 30, 1992
AND INDEPENDENT AUDITOR'S REPORT**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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: MAR 11 1993

**ORLEANS METROPOLITAN HOUSING &
COMMUNITY DEVELOPMENT, INC.**

TABLE OF CONTENTS

FINANCIAL STATEMENT AUDIT:

INDEPENDENT AUDITOR'S REPORT	1
STATEMENT OF NET ASSETS	2
STATEMENT OF ACTIVITIES	3
STATEMENT OF CASH FLOW	4
NOTES TO THE FINANCIAL STATEMENTS	5
SCHEDULE OF REVENUES & EXPENSES	7

SINGLE AUDIT:

INDEPENDENT AUDITOR'S REPORT ON THE SCHEDULE OF FEDERAL AWARDS	8
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	10
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	11
INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROL STRUCTURE USED IN ADMINISTERING FEDERAL AWARDS	13
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH GENERAL REQUIREMENTS APPLICABLE TO A FEDERAL AWARD PROGRAM	16
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR FEDERAL AWARD PROGRAMS	17
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	18



LUTHER C. SPEIGHT & COMPANY

A Corporation of Certified Public Accountants
and Management Consultants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Orleans Metropolitan Housing & Community Development, Inc.

We have audited the accompanying statement of financial position of the Orleans Metropolitan Housing & Community Development, Inc. (OMH) (a nonprofit organization) as of June 30, 1997, and the related statements of activities and statement of cash flow, for the year then ended. These financial statements are the responsibility of OMH's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, "Audits of Institutions of Higher Education and Other Non-profit Institutions." These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of OMH as of June 30, 1997, and the changes in its net assets for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government auditing Standards, we have also issued a report dated October 16, 1997, on our consideration of OMH's internal control structure and a report dated October 16, 1997, on its compliance with laws and regulations.

Luther C. Speight, Jr.
New Orleans, Louisiana
October 16, 1997

ORLEANS METROPOLITAN HOUSING & COMMUNITY DEVELOPMENT, INC.

STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 1997

	<u>1997</u>
ASSETS	
Current Assets	
Cash	\$ 4,000
Due From Employees	332
Due From Admin and Weather	10,194
Due From Property Account	<u>3,491</u>
TOTAL CURRENT ASSETS	18,017
FIXED ASSETS	
Buildings and Improvements	146,415
Office Equipment	15,070
Accumulated Depreciation	<u>(61,526)</u>
TOTAL FIXED ASSETS	100,959
OTHER ASSETS	
Deposits- Administration	1,328
Deposits- Weatherization	<u>328</u>
TOTAL OTHER ASSETS	1,656
TOTAL ASSETS	121,526
LIABILITIES AND NET ASSETS	
LIABILITIES	
Current	
Current Portion of Mortgage Payable	1,880
Accounts Payable	26,080
State Withholding Taxes Payable	1,080
Due To Administration- Rent	3,491
Due To Weatherization	<u>12,194</u>
	52,625
Non Current	
Long term Portion of Mortgage Payable	40,927
TOTAL LIABILITIES	93,552
NET ASSETS	
Net Assets	<u>27,974</u>
TOTAL NET ASSETS AND LIABILITIES	\$ 121,526

See the Accompanying Notes to the Financial Statements.

DRELEMS METROPOLITAN HOUSING & COMMUNITY DEVELOPMENT, INC.

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 1997**

	<u>1997</u>
REVENUE	
Grant Revenue	\$ 213,140
Rent Revenue	<u>5,172</u>
TOTAL REVENUE	218,314
EXPENSES	
Program Services	
Materials	42,460
Accounting	7,390
Contract Labor	8,178
Insurance	3,482
License & Permits	1,089
Miscellaneous	1,358
Support Services	
Salaries	106,810
Payroll Tax	12,180
Office Supplies	20,695
Dues & Subscriptions	74
Interest	4,928
Bank Charges	255
Professional & Legal	4,452
Postage & Freight	360
Depreciation Expense	6,005
Rent	273
Utilities & Telephone	<u>6,824</u>
TOTAL EXPENSES	<u>225,821</u>
NET ASSETS	(6,487)
BEGINNING NET ASSETS	<u>34,447</u>
ENDING NET ASSETS	\$ <u>27,960</u>

See the Accompanying Notes to the Financial Statements.

ORLEANS METROPOLITAN HOUSING &
COMMUNITY DEVELOPMENT, INC.

STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 1987

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in Net Assets	\$	(5,487)
Adjustments to Reconcile Net Revenues over Expenditures to net Cash Provided by Operating Activities:		
Depreciation Expense		6,068
Changes in Operating Assets and Liabilities:		
Grants Receivable		
Accounts Payable		
Taxes Payable		(2,905)
Net Increase in Cash From Operating Activities		(3,407)

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of Property and Equipment		<u>0</u>
Net Decrease in Cash From Investing Activities		<u>0</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		(3,407)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		<u>7,487</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	\$	<u>4,080</u>

See the Accompanying Notes to the Financial Statements.

**ORLEANS METROPOLITAN HOUSING &
COMMUNITY DEVELOPMENT, INC.**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1997**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

General- Orleans Metropolitan Housing (OMH) - is located at 2031 Jackson Avenue in New Orleans, Louisiana. The primary focus of OMH is to rehabilitate housing, improve public facilities, and revitalize local economic conditions by the development of opportunities, principally for persons of low or moderate incomes. Further, giving maximum feasible priority of all programmatic activities to benefit low and moderate income families or aid in the prevention and the elimination of slums and urban property blight.

2. PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of June 30, 1997:

Land	\$	37,111
Building and Improvements		121,564
Furniture, Fixtures, and Equipment		<u>35,072</u>
		183,825
Less Accumulated Depreciation		<u>81,635</u>
Total	\$	<u>102,190</u>

Land, building and equipment are stated at cost. Depreciation is computed using the straight line method and amounted to \$5,065, for the year ended June 30, 1997. The estimated useful lives of depreciable assets are as follows:

Building & Improvements	30 years
Computer	5 years
Office Equipment & Furniture	5 years

3. INCOME TAXES

The organization is exempt from federal and state income taxation under the provisions of Internal Revenue Code Section 501(c)(3).

4. **MORTGAGES PAYABLE**

Mortgages Payable consisted of the following:

	Balance
Owner financed property located at 2225-27 Willow St. Purchase price \$29,000, Down payment \$7,800 17% interest, Original note \$31,200	5 13,460
American Securities Bank financed property located at 2213-2215 Willow St. Purchase price \$18,883, 9.375% interest Original note \$18,883	18,382
Total	5 <u>31,842</u>

Maturities of Mortgages Payable are as follows:

1998	1,896
1999	2,077
2000	2,182
2001	2,289
Thereafter	<u>14,398</u>
	<u>\$2,751</u>

ORLANDO METROPOLITAN HOUSING & COMMUNITY DEVELOPMENT, INC.

SCHEDULE OF REVENUE & EXPENSE BY FUND
FOR THE YEAR ENDED JUNE 30, 1997

REVENUE					1997
	Admin Programs	Weather Programs	Property Mgt	Land, Bldg & Equip	
Grant Revenue	\$175,000	\$58,130			\$233,130
Rent Revenue			\$5,172		5,172
Interest Income		0			0
TOTAL REVENUE	175,000	58,130	5,172		238,302
EXPENSES					
Payroll Taxes	12,822		954		13,776
Accounting	8,280	2,000			10,280
Bank Charges	268				268
Contract Labor	2,894	750	2,690		6,294
Dues & Subscriptions	74				74
Insurance	3,190	300			3,490
Interest			4,958		4,958
License & Permits	1,890		30		1,920
Materials	18,480	28,878			47,358
Office Supplies	17,600	1,375	3,015		21,990
Professional & Legal	4,000	450			4,450
Postage & Freight	383				383
Rent			375		375
Salaries	100,420	5,300			105,720
Utilities & Telephone	8,011		829		8,840
Miscellaneous	580		865		1,445
Depreciation				9,085	9,085
TOTAL EXPENSES	189,640	38,143	11,749	9,085	248,617
NET ASSETS	\$5,154	0	(\$3,577)	(\$9,085)	(\$7,508)

See the Accompanying Notes to the Financial Statements.



**INDEPENDENT AUDITOR'S REPORT ON
SCHEDULE OF FEDERAL AWARDS**

To the Board of Directors of
Orleans Metropolitan Housing & Community Development, Inc.

We have audited the financial statements of Orleans Metropolitan Housing & Community Development, Inc. (OMH) (a nonprofit organization) as of and for the year ended June 30, 1997, and have issued our report thereon dated October 18, 1997. Those financial statements are the responsibility of OMH's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget (OMB) Circular A-133, "Audit of Institutions of Higher Education and Other Nonprofit Institutions." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of OMH taken as a whole. The accompanying Schedule of Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

This report is intended for the information of the OMH's Board of Directors, management, the City of New Orleans and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.

New Orleans, Louisiana
October 18, 1997

ORLEANS METROPOLITAN HOUSING & COMMUNITY DEVELOPMENT, INC.

SCHEDULE OF FEDERAL AWARDS
FOR THE GRANT PERIOD ENDED JUNE 30, 1997

<u>Federal Grant/ Pass Through Grantor</u>	<u>CFDA Number</u>	<u>Expenditure 1997</u>
Pass-through From State of Louisiana Department of Social Services Weatherization Program	81.042	<u>28,142.00</u>
Total		<u>28,142.00</u>



LUTHER C. SPEIGHT & COMPANY

A Corporation of Certified Public Accountants
and Management Consultants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Director of
Orleans Metropolitan Housing & Community Development, Inc.

We have audited the financial statements of Orleans Metropolitan Housing & Community Development, Inc. (OMH) (a nonprofit organization) as of and for the year ended June 30, 1997, and have issued our report thereon dated October 16, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget (OMB) Circular A-133, "Audits of Institutions of Higher Education and Other Non-profit Organizations." These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the grant fund is the responsibility of the OMH's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the OMH's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of OMH's Board of Directors, management, the City of New Orleans and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.


New Orleans, Louisiana
October 16, 1997



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of
Orleans Metropolitan Housing & Community Development, Inc.

We have audited the financial statements of Orleans Metropolitan Housing & Community Development, Inc. (OMHD) (a nonprofit organization) as of and for the year ended June 30, 1997, and have issued our report thereon dated October 15, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States and the provisions of Office of Management and Budget (OMB) Circular A-133, "Audit of Institutions of Higher Education and Other Nonprofit Organizations." These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of OMHD is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are recorded in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of OMHD for the year ended June 30, 1997, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted a certain matter involving the internal control structure and its operation that we consider to be a reportable condition under the standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

• **Bank Reconciliations not performed**

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. We believe that the reportable condition described above is a material weakness.

This report is intended for the information of OMB's Board of Directors, management, the City of New Orleans and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.



Robert S. DeLo
New Orleans, Louisiana
October 16, 1997



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL
CONTROL STRUCTURE USED IN ADMINISTERING FEDERAL AWARDS**

To the Board of Directors of
Orleans Metropolitan Housing & Community Development, Inc.

We have audited the financial statements of Orleans Metropolitan Housing & Community Development, Inc. (OMH) (a nonprofit organization) as of and for the year ended June 30, 1997, and have issued our report thereon dated October 16, 1997.

We conducted our audit in accordance with generally accepted auditing standards, *Government Auditing Standards* issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions." These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing our audit for the year ended June 30, 1997, we considered the internal control structure of OMH in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements of the organization and to report on the internal control structure in accordance with OMB Circular A-133. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal award programs. We have addressed internal control structure policies and procedures relevant to our audit of the financial statements in a separate report dated October 16, 1997.

The management of OMH is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are recorded in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that federal award programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For purposes of this report, we have classified the significant internal control structure policies and procedures used in administering federal award programs in the following categories:

Accounting Controls:

- Grant Revenues and Cash Receipts
- Purchases and Cash Disbursements
- General Ledger and Financial Reporting
- Grant Accounting

Controls used in administering compliance with Laws and Regulations:

General Requirements:

- Political Activity
- Civil Rights
- Drug-Free Workplace Act
- Federal Financial Reports
- Allowable Costs/Cost Principles
- Administrative Requirements

Specific Requirements:

- Types of Services
- Advances and reimbursements
- Reporting

For all of the internal control structure categories listed in the preceding paragraph, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended June 30, 1997, the organization had two major program and expended 100 percent of its total federal awards under its major programs.

We performed tests of controls, as required by OMB Circular A-113, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to the aforementioned major programs. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

We noted a certain matter involving the internal control structure and its operation that we consider to be reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect OMBF's ability to administer federal award programs in accordance with applicable laws and regulations.

- Bank Reconciliations not performed

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. We believe that the reportable condition described above is a material weakness.

This report is intended for the information of OMBF's Board of Directors, management, the City of New Orleans and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.



New Orleans, Louisiana
October 18, 1997



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH THE GENERAL REQUIREMENTS APPLICABLE
TO FEDERAL AWARD PROGRAMS**

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

We have audited the financial statements of Orleans Metropolitan Housing & Community Development, Inc. (OMH) (a nonprofit organization) as of and for the year ended June 30, 1997, and have issued our report thereon dated October 16, 1997.

We have applied procedures to test OMH's compliance with the following requirements applicable to its federal award programs, which are identified in the accompanying Schedule of Federal Awards, for the year ended June 30, 1997: political activity, civil rights, allowable costs, Drug-Free Workplace Act, Federal financial reports, and administrative requirements.

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Audits of Institutions of Higher Learning and Other Non-Profit Institutions." Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on OMH's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of our procedures disclosed no material instances of non-compliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that OMH had not complied, in all material respects, with these requirements.

This report is intended for the information of OMH's Board of Directors, management, the City of New Orleans and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.

New Orleans, Louisiana
October 16, 1997



LUTHER C. SPEIGHT & COMPANY

A Corporation of Certified Public Accountants
and Management Consultants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR FEDERAL AWARD PROGRAMS

To the Board of Directors of
Orleans Metropolitan Housing & Community Development, Inc.

We have audited the financial statements of Orleans Metropolitan Housing & Community Development, Inc. (OMH) (a nonprofit organization) as of and for the year ended June 30, 1997, and have issued our report thereon dated October 16, 1997.

We have also audited the compliance of OMH with the requirements governing types of services allowed or unallowed, reporting, claims for advances and reimbursements, and amounts claimed that are applicable to each of its major federal award programs, which are identified in the accompanying Schedule of Federal Awards, for the year ended June 30, 1997. The management of OMH, Inc. is responsible for the organization's compliance with these requirements. Our responsibility is to express an opinion on compliance with these requirements based on our audit.

We conducted our audit of compliance with these requirements in accordance with generally accepted auditing standards, *Governments Auditing Standards*, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions." These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to in the second paragraph occurred. An audit includes examining, on a test basis, evidence about the organization's compliance with these requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed no material instances of noncompliance with the requirements referred to above.

In our opinion, OMH complied, in all material respects, with the specific requirements referred to in the second paragraph that are applicable to each of its major federal award programs for the year ended June 30, 1997.

This report is intended for the information of OMH's Board of Directors, management, the City of New Orleans and Legislative Auditor of the State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.

Michael J. Speight
New Orleans, Louisiana
October 16, 1997

**ORLEANS METROPOLITAN HOUSING &
COMMUNITY DEVELOPMENT, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 1997**

FINDING #1: BANK RECONCILIATIONS NOT PREPARED

QUESTIONED COST:

CONDITION:

During our audit it was noted that CMH did not perform monthly cash reconciliations for all bank accounts.

EFFECT OF CONDITION:

The effect of this condition is the organization's noncompliance with the requirements in the grant agreement.

CRITERIA:

In the grant agreement, "the provider agrees to employ reconciling and receipt procedures which will provide an audit trail for expenditures and income received."

RECOMMENDATION:

We recommend that the organization perform cash reconciliations on a monthly basis.



LUTHER C. SPEIGHT & COMPANY

A Corporation of Certified Public Accountants
and Management Consultants

58112-00 01 9140

Management Letter

March 3, 1998

Mr. Eric Jones, Executive Director
Orleans Metropolitan Housing & Community Development, Inc.
2021 Jackson Avenue
New Orleans, LA 70113

Dear Mr. Jones:

In planning and performing our audit of the financial statements of Orleans Metropolitan Housing & Community Development, Inc., for the year ended June 30, 1997, (on which we have issued our report dated December 21, 1997), we noted the following observation concerning certain matters related to its internal control structure, accounting, administrative, and operating matters.

OBSERVATION

The audit of the financial statements of Orleans Metropolitan Housing & Community Development, Inc., for the year ended June 30, 1997, was not completed in a timely manner.

RECOMMENDATION

Orleans Metropolitan Housing & Community Development, Inc. should ensure that auditors are provided in such a manner, which enables the auditor to issue his report, with all appropriate qualifications, within six months of the close of the auditor's fiscal year. The client should provide administrative support to ensure that the engagement is completed in a timely manner. (Louisiana Governmental Audit Guide, Engagement Completion, Section 529.61, p. 317)

This report is intended solely for the information and use of management and others within the organization.

We will be pleased to discuss these comments with you and, if desired, to assist you in implementing any of the suggestions.

Yours truly,



Luther C. Speight & Company

cc: Dr. Daniel Kyle, CPA, CFF
Legislative Auditor