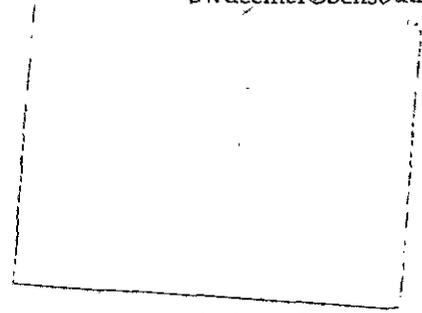


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DEEMER
CPA & CONSULTING
SERVICES, LLC

BRENDEL W. DEEMER, CPA
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ORLEANS METROPOLITAN HOUSING AND COMMUNITY DEVELOPMENT, INC.

**Independent Auditor's Report and Financial Statements
For the Fiscal Year Ended June 30, 2005**

Deemer CPA and Consulting Services, LLC

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 5-17-06

**Orleans Metropolitan Housing and Community Development, Inc.
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Independent Auditor's Report

**To the Board of Directors of
Orleans Metropolitan Housing and Community Development, Inc.:**

I have audited the accompanying statement of financial position of Orleans Metropolitan Housing and Community Development, Inc. (a nonprofit organization) as of June 30, 2005, and the related statement of activities and cash flows for the fiscal year then ended. These financial statements are the responsibility of Orleans Metropolitan Housing and Community Development Inc.'s management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Orleans Metropolitan Housing and Community Development, Inc. and the results of operations and its cash flows for the fiscal year then ended June 30, 2005, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued my report dated May 5, 2006 on my consideration of Orleans Metropolitan Housing and Community Development, Inc.'s internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contract, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

My audit was performed for the purpose of forming an opinion on the financial statements of Orleans Metropolitan Housing and Community Development, Inc. taken as a whole. The schedule of functional expenses is presented on page 8 for purposes of additional analysis and is not a required part of the financial statements of the organization. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Deemer Appand Consulting Services, LLC

New Orleans, Louisiana

May 5, 2006

ORLEANS METROPOLITAN HOUSING AND COMMUNITY DEVELOPMENT, INC.
Statement of Financial Position
As of June 30, 2005

Assets	
Current Assets	
Cash	\$ 4,210
Fixed Assets (Net)	
Land, Buildings, and Improvements	148,415
Office Equipment	15,070
Less: Accumulated Depreciation	<u>(110,155)</u>
Total Fixed Assets (Net)	<u>53,330</u>
Other Assets	
Deposits	<u>1,659</u>
Total Assets	<u><u>\$ 59,199</u></u>
Liabilities and Net Assets	
Current Liabilities	
Accounts Payable	<u>\$ 2,800</u>
Total Current Liabilities	2,800
Net Assets	
Unrestricted	<u>56,399</u>
Total Net Assets	<u>56,399</u>
Total Liabilities and Net Assets	<u><u>\$ 59,199</u></u>

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, 2005

	Unrestricted
Revenues	
Grant Revenues	\$ 232,000
Expenditures	
Program Services	\$ 171,842
Support Services	<u>67,382</u>
Total Expenditures	<u>\$ 239,224</u>
Decrease in Net Assets	<u>(7,224)</u>
Net Assets Beginning of Period	29,864
Prior Period Adjustment	<u>33,759</u>
Net Assets Beginning of Period, Restated	<u>63,623</u>
Net Assets End of Period	<u><u>\$ 56,399</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, 2005

Cash Flows From Operating Activities:

Changes in Net Assets	\$ (7,224)
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	(1,139)
Payroll Liabilities	<u>(912)</u>
Net Cash Provided by Operating Activities	(3,210)

Cash Flows From Investing Activities:

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

Net Cash Used by Financing Activities	<u>(28,652)</u>
Net Cash Decrease for Period	(31,862)
Prior Period Adjustment	33,759
Cash, At Beginning of Period July 1, 2004	<u>2,313</u>
Cash, At End of Period June 30, 2005	<u><u>\$ 4,210</u></u>

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, 2005

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.

Income Taxes – Orleans Metropolitan Housing and Community Development, Inc. has been determined to be tax exempt under Section 501 (c) 3 of the Internal Revenue Code. Therefore, no provision for income taxes is made in the accompanying financial statements.

Use of Estimates

The financial statements of Orleans Metropolitan Housing and Community Development, Inc. are prepared in conformity with generally accepted accounting principles which include estimates made by management. Accordingly, actual results may differ from those estimates.

2. Net Assets

A description of the three types of Net Assets categories is described below:

Unrestricted net assets are comprised of funds without donor-imposed restrictions. The revenues received by Orleans Metropolitan Housing and Community Development, Inc. and expenses incurred are included in this category.

Temporarily restricted net assets include income, gifts, and contributions which have donor-imposed restrictions that may be met either by an action and/or through the passage of time.

Permanently restricted net assets include income, gifts, and contributions which have donor-imposed restrictions to be invested in perpetuity and only the income from those investments can be made available for program operations.

3. Grants Revenue

Orleans Metropolitan Housing and Community Development, Inc. received grant funds in the amount of \$157,000 from the Governor's Office of Urban Affairs and Development and \$75,000 from the State of Louisiana Treasury Department.

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>(110,155)</u>
Net Property, Plant and Equipment	<u>\$ 53,330</u>

6. Prior Period Adjustment

An adjustment was made to the prior period net assets balance due to a satisfied mortgage loan which was previously confirmed as an outstanding balance.

7. Subsequent Event

A natural disaster occurred in the City of New Orleans and its surrounding parishes on August 29, 2005 which substantially impacted the operations of this agency. It damaged certain property and equipment purchased by the agency for use in its program, and displaced many of its program participants. The amount of damages sustained and future impact on agency operations is indeterminable as of the date of this report.

ORLEANS METROPOLITAN HOUSING AND COMMUNITY DEVELOPMENT, INC.
Schedule of Functional Expenses
For the Fiscal Year Ended June 30, 2005

	<u>GOUAD</u>		<u>ACT I</u>	<u>Total</u>
	<u>Program Services</u>	<u>Admin. & Gen'l</u>		
Expenses:				
Payroll Expenses	65,903	53,917	0	119,820
Payroll Taxes	5,965	3,900	0	9,865
Office Supplies	4,645	0	3,454	8,099
Accounting	6,440	0	4,000	10,440
Depreciation	0	6,065	0	6,065
Insurance	612	0	6,812	7,424
Bank Service Charge	314	0	112	426
Contract Labor	0	3,500	48,399	51,899
Travel	1,337	0	0	1,337
Building Materials	6,194	0	11,169	17,363
Miscellaneous	0	0	452	452
Postage & Delivery	48	0	136	184
Utilities & Telephone	3,845	0	2,005	5,850
Total	\$ 95,303	\$ 67,382	\$ 76,539	\$ 239,224

See Independent Auditor's Report.



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**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

I have audited the financial statements of Orleans Metropolitan Housing and Community Development, Inc. (a nonprofit organization) as of and for the year ended June 30, 2005, and have issued my report thereon dated May 5, 2006. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing my audit, I considered Orleans Metropolitan Housing's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Orleans Metropolitan Housing and Community Development, Inc.'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion.

The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the audit committee, management, Board of Directors, Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Deemer CPA and Consulting Services, LLC

New Orleans, Louisiana
May 5, 2006

Orleans Metropolitan Housing and Community Development, Inc.
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2005

There are no current year findings or questioned costs.

Orleans Metropolitan Housing and Community Development, Inc.
Status of Prior Year Findings
For the Fiscal Year Ended June 30, 2005

There were no prior year findings and/or questioned costs.