

January 4, 1971

Mr. Robert Nelson,  
Director  
C-CAP  
106 N.E. Morris  
Portland, Oregon 97212


Dear Mr. Nelson:

This letter is to confirm our conversation of January 4, 1971 regarding the termination of the Youth Activities and Planning contract with your agency. As this contract terminated on December 31, 1970, the CDA will not be responsible for any indebtedness incurred after that date.

The reports on the compilation of the two surveys that reached my office on December 31, 1970 will have to be compiled and bound in separate reports.

The processing of the final financial statement for payment to you we hope to have completed before the end of this week. You will be notified as soon as this has been done. I would like to call your attention to a CDA regulation regarding records: "All records of Operating Agencies must be retained for a period of three years after completion of the project. The CDA, HUD officials as well as the City of Portland should have access to these records at any time they have use of them."

Sincerely yours,



C. Watts Yancey,  
Social Coordinator

cc: Official Files (2)  
Director/Jordan  
Author/Yancey  
1/4/71 lr

no  
att.

TO: E. C. Ogbuobiri  
Systems Manager

FROM: Charles Jordan  
Director

DATE: March 22, 1971

SUBJECT: Model Neighborhood Youth Services

Originally the Model Neighborhood Youth Services proposal was a conglomerate of youth projects within the Model Neighborhood.

Management by expediency dictated that we utilize the Youth Opportunity School as the operating agency for the following three components:

1. Counseling for Drop-Outs
2. Juvenile Foster Care (to be sub-contracted to Multnomah County)
3. Recreational Component (to be sub-contracted to C\_CAP)

The situation as it now exist, is that:

1. A contract will be effective with Multnomah County to operate the Juvenile Foster Care.
2. A contract with Youth Opportunity School to operate counseling for drop-outs and
3. the funds for the recreational components are in a state of limbo awaiting the development of the Youth Affairs Council (see attached).

In summary, we will have three contracts in effect instead of one.

CJ LSI

cc:  
Official files (2)  
Director  
3/22/71  
gh

TO: Mr. C. Watts Yancey  
FROM: Terry Kent  
DATE: March 11, 1971  
RE: Reporting on Youth Advisory Council

In your memo of March 10, 1971, you requested that I respond to your "oral request of over three weeks past;" to prepare for you an updated report on the status of the Youth Advisory Council.

I have talked with you from time to time in the past several months regarding the Youth Advisory Council. However, there was nothing to report. The State had not approved the corporate papers and very little had changed. I have had no regular contact with Fred Markey, and he has not attended a Recreation & Culture meeting to report on the status of the Council, otherwise a report would have appeared in the Recreation & Culture Committee minutes.

I don't recall your having orally asked me specifically for a report, Mr. Yancey, otherwise, I would have submitted one. I am sorry for this communication gap. Attached is an up-to-date report on the YAC, the first new information I have received since the middle of January.

TK 

cc: Official files (2)  
Director/Jordan  
Author/Kent  
3-11-71  
vsc

**TO: Mr. C. Watts Yancey**

**FROM: Terry Kent**

**DATE: March 11, 1971**

**RE: Status Report on Youth Advisory Council**

An up-to-date report on the YAC follows in the notes I took at a meeting on March 10, at 4:00 p.m. in Fred Markey's office.

**Present: Mike Livingston, Community Agent, Washington High School  
Leon Lincoln, Faculty, Jefferson High School  
Fred Markey  
Terry Kent**

The meeting began at 4:25 p.m. after waiting for Mr. Lincoln to arrive.

Mr. Markey began by reviewing where we are now. The corporate papers were submitted by Lee Kell and have been approved in Salem. Fred still does not have the official papers with seal in hand, however.

Mr. Markey stated that he would be meeting with Price-Waterhouse shortly to set up the fiscal controls. He will also establish a bank account.

After discussion, it was decided that Mr. Markey would get a list of the 8 youth elected from Wilburt LyDay and Reggie Harris, and he will secure certification for them (written copies of minutes of the elections at which they were elected). Mr. Lincoln will meet with these youth on Friday to discuss getting the youth organized.

Mr. Markey will call an official meeting of all <sup>16</sup>~~67~~ board members once this is all in order and officially place authority and responsibility for the council operations in the board's hands.

Mr. Kent brought up the issues of getting the contract signed and how the director would be hired.

Mr. Markey said that he will be working with the City Attorney's office on preparing a contract.

Mr. C.W. Yancey  
March 11, 1971  
Page 2

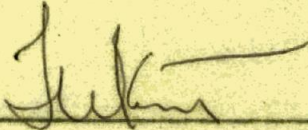
Mr. Kent stated that unless the director of the Youth Recreation Project would not be paid by Model Cities funds, that the position would have to be advertised in accordance with HUD policy.

Mr. Markey asked Mr. Kent to provide for him a copy of the 2nd A.Y. Youth Recreation Project description and another copy of the 1st A.Y. Extension project description.

Mr. Kent was also asked to check on the availability of Frank Chevrolet facilities for a project site.

The meeting was adjourned at 5:20 p.m.

TK



---

cc: ✓ Official Files (2)  
Director/Jordan  
Author/Kent  
3-11-71 vsc & 1r

P.S.: According to Mr. Markey all 8 adult members of the Council have been selected. I am attaching additional copies of the Articles of Incorporation and the Bylaws of the Council.

C-CAP

## Church - Community Action Program

C-CAP OFFICE  
106 N. E. Morris Street  
Portland, Oregon 97212

Phone: 287-3736

OPERATION CONTACT  
3928 N. Williams Avenue  
Portland, Oregon 97227

Rance Spruill  
Phone: 287-1092

April 26, 1971

Mr. Charles Jordan  
Model Cities  
5329 N.E. Union  
Portland, Ore.

Dear Mr. Jordan:

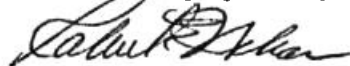
On March 30, 1971 I wrote to you, with a carbon copy to Mr. Ed Warmoth, asking when C-CAP would receive payment for its December expenses on the Youth Planning Project. As yet, I have received a reply from neither of you.

I again ask the question.

Several people have suggested to me that perhaps, the lack of response has something to do with my involvement in the community. I prefer not to believe this.

We do need to bring this project to a conclusion. As soon as the payment for December is received we will make our final accounting.

Sincerely yours,

  
Robert E. Nelson

cc: Mayor Terry Schrunk  
Freedom Bank of Finance  
Eastside Bookkeeping  
Paul Dixon

RECEIVED  
APR 27 1971  
MODEL CITIES

## Inter-Office Memorandum

April 14, 1971

TO: Charles Jordan  
DirectorFROM: Elvin D. Roberts  
Administrative Management Coordinator

SUBJECT: Required Audits in Relation to the Operating Agencies

The CDA should immediately embark upon an inquiry on the operating procedures for operating agencies. There is currently one agency which requires auditing (C-CAP).

CDA Letter #8 pages 39-42, beginning with Item 35, tells the CDA what their responsibilities are. CDA Letter #2, Chapter 10, pages 49-51 gives HUD's requirements on the purpose objective, standards, scope, report, and inspection of work papers of an agency as required by HUD. According to the HUD guidelines previously mentioned, an independent licensed auditor must perform these audits which eliminate the possibility of an internal auditor being placed on staff. The problem now arises as to where the funds will come from to pay for this auditor. Program Administration does not have the funds. The only other legitimate place I can look for the funds is Evaluations and they, also, are not budgeted. There are a few possible answers to this problem: (1) To contract for this audit prior to the close of any given year, thereby committing any surplus funds. (2) The other possible exception, since an auditor has been written into Program Administration budget, these funds may be diverted for audit purposes.

Quite honestly, I am not in favor of disbursing any funds to any agency at the termination of their contract until an audit has been completed. Especially to an agency who, to my knowledge, is no longer in operation. If an audit should determine there are some disallowable expenditures, how then does the CDA recover the overpayment?

Without proper auditing procedures, the CDA and City of Portland is leaving itself open to exceptions by HUD. The CDA could be placed in an embarrassing position of having to repay to HUD any disallowable expenditures as reported by the operating agency.

EDR EDRcc: Official files (2) ✓  
ADMIN-MAN-COORD/Author/Roberts

cew:EDR

no  
att.  
C-CAP

**TO:** E. C. Ogbuobiri  
Systems Manager

**FROM:** Charles Jordan  
Director

**DATE:** March 22, 1971

**SUBJECT:** Model Neighborhood Youth Services

Originally the Model Neighborhood Youth Services proposal was a conglomerate of youth projects within the Model Neighborhood.

Management by expediency dictated that we utilize the Youth Opportunity School as the operating agency for the following three components:

1. Counseling for Drop-Outs
2. Juvenile Foster Care (to be sub-contracted to Multnomah County)
3. Recreational Component (to be sub-contracted to C\_CAP)

The situation as it now exist, is that:

1. A contract will be effective with Multnomah County to operate the Juvenile Foster Care.
2. A contract with Youth Opportunity School to operate counseling for drop-outs and
3. the funds for the recreational components are in a state of limbo awaiting the development of the Youth Affairs Council (see attached).

In summary, we will have three contracts in effect instead of one.

CJ LSI

cc:  
Official files (2)  
Director  
3/22/71  
gh





# Church-Community Action Program

C-CAP OFFICE  
106 N. E. Morris Street  
Portland, Oregon 97212

~~1055 NE 7th Street, Portland, Oregon 97232~~  
Phone: 287-3736

OPERATION CONTACT  
3928 N. Williams Avenue  
Portland, Oregon 97227

Rance Spruill  
Phone: 287-1092

March 30, 1971

Mr. Charles Jordan  
Model Cities  
5329 M.E. Union

Dear Mr. Jordan:

During the summer when we were pushing to keep the Youth Planning Project going we were told that we should not push for such fast payment of funds. It was felt that under regular procedure that things would happen about as fast.

It seemed that every payment period I fussed at your office and the city. I really did not enjoy this and decided that the payment due for Dec 31, 1970 would proceed under regular time schedules. We were late in getting the report in to your office because we were late in receiving funds for November.

At any rate, our December report has been in for more than two months. We would like to have this completed so we can make our final project accounting. Your cooperation will be appreciated.

Sincerely yours,

CHURCH-COMMUNITY ACTION PROJECT

Robert E. Nelson

cc; Ed Warmoth  
Paul Dixon

RECEIVED

MAR 31 1971

MODEL CITIES

RECEIVED

1971

EVALUATION

APR 01 1971

RECEIVED

C-CAP

## Church-Community Action Program

C-CAP OFFICE  
106 N. E. Morris Street  
Portland, Oregon 97212

~~Jessie M. Varner, Program Director~~  
Phone: 287-3736

OPERATION CONTACT  
3928 N. Williams Avenue  
Portland, Oregon 97227

Rance Spruill  
Phone: 287-1092

March 30, 1971

Mr. Charles Jordan  
Model Cities  
5329 M.E. Union

Dear Mr. Jordan:

During the summer when we were pushing to keep the Youth Planning Project going we were told that we should not push for such fast payment of funds. It was felt that under regular procedure that things would happen about as fast.

It seemed that every payment period I fussed at your office and the city. I really did not enjoy this and decided that the payment due for Dec 31, 1970 would proceed under regular time schedules. We were late in getting the report in to your office because we were late in receiving funds for November.

At any rate, our December report has been in for more than two months. We would like to have this completed so we can make our final project accounting. Your cooperation will be appreciated.

Sincerely yours,

CHURCH-COMMUNITY ACTION PROJECT

  
Robert E. Nelson

cc; Ed Warmoth  
Paul Dixon

RECEIVED

MAR 31 1971

MODEL CITIES

RECEIVED

1971

TO: Tom Brumm  
Resource Specialist

FROM: Terry Kent  
Social Specialist

DATE: May 16, 1971

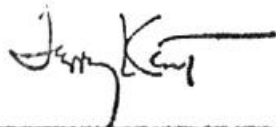
RE: Expenditure of Funds for Youth Recreation Project after June 15.

In reply to your memo of May 14, the following information needs to be reviewed:

The CPB has not to date approved the Youth Affairs Council as an operating agency. The next regularly scheduled meeting of the board is June 1 which, unless a special meeting is called before then, is the nearest date when action of approval can be passed. Following approval, a contract must be drawn, negotiated, and signed before the agency may expend funds.

These combined factors indicate that there is only a narrow chance that any funds at all will be spent before June 15.

My recommendation, therefore, is that a request be made of HUD that the Portland Demonstration Agency receive approval to expend all budgeted funds of the Youth Recreation Project after June 15, and that it be permitted to continue expenditures until all funds are exhausted (probably September or October, 1971).



TWK

cc: Official files (2)  
Director/Jordan  
Coord/Yancey  
Social Planning Asst/Davis  
R & C Chairman/Lincoln  
Author/Kent  
5-18-71  
vsc

C. Cio?

PORTLAND MODEL CITIES - CITY DEMONSTRATION AGENCY

Inter-Office Memorandum

May 14, 1971

TO: Terry Kent  
Social Specialist

FROM: Tom Brumm  
Resource Specialist

SUBJECT: Expenditure of Funds for Youth Recreation Project After June 15

HUD has indicated that in certain special circumstances it will be permissible to spend First Action Year Funds after June 15. The main criteria is that the expenditure be of a "one-shot" nature, i.e., is not recurring in the Second Action Year. Since the Youth Recreation Project is of a "one-shot" nature, I do not anticipate any difficulty in obtaining HUD permission to spend funds after June 15. However, I would like a budget estimate from you as to the amount being spent after June 15. We have to submit to HUD by June 1 a plan for expenditures of our surplus First Action Year Funds. HUD, hopefully, will then approve our expenditure of the First Action Year surplus prior to June 15. Therefore, I need your budget estimate by May 21 in order to meet this deadline.

TAB

cc: Official Files (2) ✓  
Adm Mgt Coord/Roberts  
Director/Jordan  
Social Coord/Yancey

cew:TAB

ARTHUR ANDERSEN & Co.

MORGAN BUILDING  
PORTLAND, OREGON 97205

May 4, 1971

Mr. Charles Jordan, Director  
Portland Model Cities - CDA  
5329 N.E. Union Avenue  
Portland, Oregon 97212

Dear Mr. Jordan:

We met with Mr. Elvin D. Roberts on Friday, April 30, to discuss the audit requirements of various Model Cities operating agencies. Mr. Roberts informed us that an audit of the Church Community Action Program (C-CAP) agency is required at present and that approximately a dozen other agencies would require audits this summer. At his request, we are pleased to submit this proposal of arrangements covering examinations of the financial statements of these agencies.

Scope of Audit Examinations

Our work would be performed in accordance with generally accepted auditing standards and, accordingly, would include such tests of the accounting records and such other auditing procedures as we would consider necessary in the circumstances to enable us to express an opinion on the financial position, and results of operations of said agencies. Our auditing procedures would include, among other things, a review and tests of the accounting procedures and internal controls in effect, tests of documentary evidence supporting the transactions recorded in the accounts and direct confirmation of transactions with outsiders where, and if, applicable.

While certain types of defalcations and similar irregularities may be discovered by examinations of this type, they are not designed for that purpose and will not involve an audit of a sufficiently large portion of the total transactions to afford assurance that all defalcations and irregularities will be uncovered. Generally, primary reliance for such disclosures is placed on an organization's system of internal control and effective supervision of its accounts and procedures. Any irregularities coming to our attention during our examinations would, of course, be reported to you immediately.

RECEIVED

MAY 6 1971

MODEL CITIES

ARTHUR ANDERSEN & Co.

-2-

In addition to examining financial statements, we would make every effort to render professional assistance relating to financial and operating affairs of the agencies. As a part of our examinations, we would review the financial and accounting policies, accounting procedures and internal controls. Any suggestions for improvements in financial policies, simplification of accounting procedures, strengthening the systems of internal control and related matters, would be included in a memorandum submitted to you during or at the conclusion of each year's examination.

Other offices of our firm have performed examinations of the financial statements of Model Cities' agencies in other cities, and we would contact these offices to see if their experience can be of any benefit to, or facilitate our examinations of, the local agencies.

Fee Arrangement

The amount of time which is required to perform examinations such as these varies considerably depending upon the condition of the accounting records and the agency's size and, therefore, we are unable to reasonably determine a fee estimate. Accordingly, our proposal is that we be permitted to examine the financial statements of the Church Community Action Program to obtain familiarity with the records involved. Based upon this experience, we would then negotiate to arrive at a fixed fee which you would consider to be fair from Portland Model Cities' standpoint. Should we fail to reach agreement, there would be no charges rendered for the work performed in examining the Church Community Action Program's financial statements.

It has been our firm's policy to make an investment in programs and organizations which we consider beneficial to the community at large. Accordingly, we would anticipate performing the work for per diem rates lower than our normal rates applicable to commercial enterprises.

It is anticipated that any arrangement would include occasional consultation and meetings throughout the year. Additional services requiring a significant amount of time would be cleared with you before any work was undertaken.

We would consider it a privilege to be of service to your organization. We wish to express our appreciation for being

RECEIVED

MAY 6 1971

ARTHUR ANDERSEN & CO.

-3-

considered for this work and assure you that if the work is entrusted to us, it will be given our close attention. We shall be pleased to discuss this matter further with you and to answer any questions which may arise after you have had an opportunity to give it further study.

Very truly yours,

*Arthur Andersen & Co.*

RECEIVED

MAY 6 1971

8-23-04  
2

C-CAP

## Church-Community Action Program

106 N. E. Morris Street • Portland, Oregon 97212

Phone: 287-3736

November 17, 1972

Mr. Elvin Roberts  
Model Cities  
5329 N.E. Union Ave.  
Portland, Ore 97211

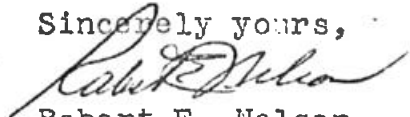
Dear Mr. Roberts:

On July 20, Paul Dixon and I met with you and Mr. Andrew Branch to go over the final audit report of the C-CAP Youth Planning Project. The report stated that \$1,154.86 was still due to C-CAP and that it should be paid.

You said that payment should come through in about 60 days. Later you said it would take another 30 days.

Is there some way this can be processed without further delay? We do need to receive this payment.

Sincerely yours,

  
Robert E. Nelson

copies:

Paul Dixon  
Neil Goldschmidt  
Andrew Raubeson

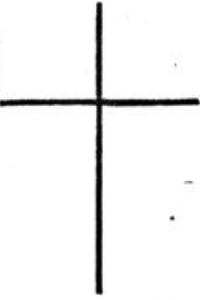
RECEIVED

NOV 20 1972

Deputy Director



C-CAP



## Church-Community Action Program

106 N. E. Morris Street • Portland, Oregon 97212

Phone: 287-3736

March 30, 1973

Mr. Andrew Raubeson  
Model Cities Agency  
5329 N. E. Union Ave.  
Portland, Oregon 97211

Dear Mr. Raubeson:

We have written your office several times about the \$1152.00 due C-CAP from the Youth Planning Project that ended Dec. 31, 1970. The firm that did the audit said this money was due and payable without any further claim on our part. This was last August.

So far we have received no reply to our letters. Phone inquiries have not resulted in any positive action. May we be advised when this money will be paid?

Sincerely yours,

Robert E. Nelson

REN:mja  
CC: Paul Dixon  
Andrew L. Branch  
Mildred Schwab  
Neil Goldschmidt

RECEIVED

APR 2 1973

MODEL CITIES



*Official files*

August 20, 1973

DEPARTMENT OF  
PUBLIC AFFAIRS

MILDRED SCHWAB  
COMMISSIONER

MODEL CITIES  
AGENCY

ANDREW RAUBESON  
ACTING DIRECTOR

5329 N.E. UNION AVE.  
PORTLAND, OR. 97211  
503/288-8261

Paul William Dixon  
C-CAP  
5548 N. Commercial  
Portland, Oregon

Re: Fisrt Action Year Audit - C-CAP Recreation Program  
Contract #12857

Dear Mr. Dixon:

As a result of a meeting held in my office with Mr. Nelson, of C-CAP, and Mr. Roberts, of Model Cities, the City Demonstration Agency feels it must reject a claim of \$857.01 due to your agency for the following reasons:

1. C-CAP's records had to be reconstructed by the CDA auditors because there were no apparent records available. As a result of this reconstruction, this agency had to pay -- not only for the audit but -- for the reconstruction of your records as well.
2. CDA Letter #8, Part II, specifically states that each operating agency shall establish and maintain on a current basis an adequate accounting system on an accrual basis in accordance with generally accepted accounting principles and standards.
3. CDA Letter #8, Part II, also states that if an audit discloses that an operating agency can not comply with maintaining an adequate accounting system, the City is responsible for that maintenance.
4. The City Auditors Office informed you of your bookkeeping deficiencies as late as September, 1970, and your agency gave written assurance of compliance.

If there are any questions regarding this decision, please feel free to contact me.

Sincerely,

  
Andrew Raubeson  
Acting-Director

Attachment