

October 1, 1975



**OREGON**

BUREAU OF  
FINANCIAL AFFAIRS

K. M. HAMMON  
FINANCE OFFICER

1220 SW FIFTH AVE.  
PORTLAND, OR. 97204  
503 248-4000

MEMO

TO: Commissioner Charles Jordan

FROM: Ken Hammon, *KH*  
Finance Officer

SUBJECT: Contractors Management Association (CMA) Audit

The Bureau of Financial Affairs has reviewed Model Cities' recommendations relative to the final audit conducted by Andrew L. Branch & Co., P.S. covering the period April 1, 1975 through June 30, 1975 on Contractors Management Association, Inc. (CMA) Project.

Model Cities' recommendations appear to be in order and are acceptable to this Bureau.

Thank you.

KMH/me

CC: Marino Bual

Al Jamison

**MEMORANDUM**

**DATE:** September 12, 1975

**TO:** Ken Hammon, Finance Officer

**FROM:** Al Jamison, Director  
Model Cities Agency

**RE:** Audit/Contractors Management  
Association (CMA)

The following are Model Cities' recommendations to the City of Portland concerning the audit findings for CMA. The audit, prepared by Andrew L. Branch & Company (Attachment A), covers the period from April 1, 1975 through June 30, 1975.

The Project director's response is also enclosed (Attachment b).

**Finding Number 1 - Contract Services -** Model Cities holds the view that the \$250 of accounting services that was billed during July, 1975, after the contract expiration date, was a cost of the program during the contract period. The Project should have set this charge up as an encumbered amount; as a legitimate cost of closing the books at the close of the contract period. Model Cities concurs with the auditors treating this as an eligible expense and therefore recommends no further action be taken concerning this Finding.

**Finding Number 2 - Unpaid Liabilities -** The auditors noted that the unpaid liabilities listed were bona-fide invoices. It is Model Cities' opinion that as legitimate invoices the expenses represent eligible costs. Because the invoices are bona-fide, it can be assumed that the vendors will collect the amount due. If the debt is forgiven, there is the question of donated services which is not Model Cities' concern. Because there is no equitable way to trace the ultimate disposition of these funds, Model Cities recommends no further action be taken by the City concerning these liabilities.

**Finding Number 3 - Unbudgeted Expenses -** The \$587.36 of attorney's fees relate directly to the well-being of the Project during the contract period. Model Cities, therefore concurs with the auditors' treatment of the expense as an eligible cost. Model Cities recommends no further action be taken by the City on this Finding.

# CONTRACTORS MANAGEMENT ASSOCIATION, INC.

3933 N.E. UNION  
PORTLAND, OREGON 97212  
(503) 288-8469

12 September 1975

Al Jamison, Director  
Model Cities Agency  
5329 N.E. Union  
Portland, Oregon 97211

Dear Mr. Jamison:

This is in response to the final audit report prepared by Andrew L. Branch & Co., P.S. for the period 1 April 1975 through 30 June 1975.

## PART I

The following represents Contractors Management Association's response:

- 1) Items listed under "Balance Sheet - 30 June 1975" (page one).  
Acknowledged and accepted as noted.
- 2) Items listed under "Schedule of Program Costs for the period from 1 April 1975 Through 30 June 1975 (Close of Project)" (page three).  
Acknowledged and accepted as noted.
- 3) Accompanying "Notes to Balance Sheet and Schedule of Program Costs" (pages 4 through 6).

### Note 1 - Organization and Contractual Relationship

Acknowledged and accepted as noted.

### Note 2 - Method of Accounting

Acknowledged as noted.

### Note 3 - Accounts Receivable - Miscellaneous

Acknowledged and accepted as noted.

### Note 4 - Notes Payable

Acknowledged as noted.

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Note 5 - Non Model Cities Fund Balance

Acknowledged as noted

Note 6 - Ineligible Costs

Acknowledged and accepted as noted.

Note 7 - Reconciliation of Schedule of Program Costs with Costs Reported to the City of Portland

Acknowledged and accepted as noted.

PART II

AUDIT FINDINGS AND RECOMMENDATIONS

(pages 7 through 10)

Audit Findings and Recommendations, Internal Controls

Acknowledged as stated. Circumstances relating to Albina Contractors Association close out process and the start up process of Contractors Management Association did produce controlled weakness.

Finding Number 1 - Contract Services

Acknowledged as stated. The accountant service was essential to the project, Model Cities, City of Portland and made possible this audit in a financially exacting form.

Recommendation: Acknowledged and accepted.

Finding Number 2 - Unpaid Liabilities

Acknowledged as stated.

Recommendation: Acknowledged, however administrative prioritizing related to keeping the project alive will be exercised by Contractors Management Association.

Finding Number 3 - Unbudgeted Expenses

Acknowledged as stated.

Recommendation: Acknowledged and accepted.

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Finding Number 4 - Other

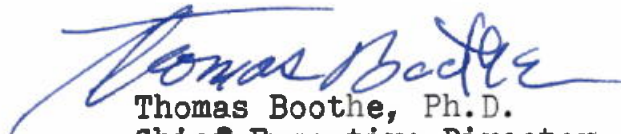
Acknowledged and accepted.

Recommendation: Acknowledged and accepted

We appreciate the accuracy, speed and courtesy by which this audit was performed.

Very truly yours,

CONTRACTORS MANAGEMENT ASSOCIATION, INC.



Thomas Boothe, Ph.D.  
Chief Executive Director

TB/ns

cc: Andrew L. Branch & Company  
Ken Hammon, Finance Officer  
Commissioner Charles Jordan

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SEP 12 1975

RANKIN, WALSH, RAGEN & ROBERTS

620 MORGAN BUILDING  
PORTLAND, OREGON 97205  
TELEPHONE 224-4422

June 10, 1975

To Contractors Management Association, Inc.  
3933 N. E. Union Avenue  
Portland, Oregon 97212

Legal services in re Contractors Management Association, Inc.  
including:

Numerous conferences with Dr. Boothe,  
personnel from United Pacific/Reliance;  
lawyers for bonding company; letters  
to client and bonding company; conference  
with Commissioner Jordan and Dr. Boothe.

Legal services in re claim of Eugene Jackson  
including:

Review of pleadings; conference with  
State Attorney General's office;  
File Answer.

To Professional Fees . . . . . \$375.00

Costs advanced:

Mileage and parking . . \$10.00

Telephone tolls . . . . . 2.36 12.36

Total . . . . . \$387.36

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STATIME

LAW OFFICES

RANKIN, WALSH, RAGEN & ROBERTS

620 MORGAN BUILDING  
PORTLAND, OREGON 97205

TELEPHONE 224-4422

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RECEIVED  
SEP 09 1975

## RANKIN, WALSH, RAGEN &amp; ROBERTS

620 MORGAN BUILDING  
PORTLAND, OREGON 97205

TELEPHONE 224-4422

July 1, 1975

To Albina Contractors Association, Inc.  
c/o Contractors Management Association, Inc.  
3933 N.E. Union Avenue  
Portland, Oregon 97212

LEGAL SERVICES since May 31, 1975 in re  
claim against fidelity bonding company,  
including negotiations with lawyer for  
bonding company; telephone calls and  
personal conferences with lawyer and client;  
review of Loan Receipt document and letters  
to lawyer for bonding company and client

\$ 200.00  
387.36  
587.36

TB .019 -

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P/K# 040  
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THE CITY OF  
**PORTLAND**



**OREGON**

DEPARTMENT OF  
PUBLIC SAFETY

CHARLES JORDAN  
COMMISSIONER

MODEL CITIES  
AGENCY

ALONZO JAMISON, JR.  
DIRECTOR

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

September 4, 1975

Dr. Thomas Boothe  
Contractors Management Association  
Incorporated  
3933 NE Union Avenue  
Portland, Oregon 97212

Dear Dr. Boothe:

You will receive the final audit report performed by Andrew L. Branch & Company, PS., approximately Tuesday, September 9, 1975. This audit will cover the period from April 1, 1975 through June 30, 1975 (close of project).

Please address the findings in this audit in writing, outlining the resolutions of those matters of concern included in the audit report. Your response should be mailed to Model Cities within one day of receipt of the audit report.

Thank you.

*Phil Eggers for*  
Al Jamison  
Director

CC: Andrew L. Branch & Company  
Ken Hammon, Finance Officer  
Commissioner Charles Jordan  
~~Administration/Model Cities~~  
Official Files/Model Cities