

CHARMAINE PHILIPS-PLATENBURG
Certified Public Accountant

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Audited Financial Statements

of

*Opportunities Industrialization Center
of Greater New Orleans, Inc.*

As of and For the Year Ended

September 30, 1999

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 JUN 07 2000

Table of Contents

	Page
Independent Auditor's Report.....	1-2
Statement of Financial Position	3
Statement of Activities.....	4
Statement of Cash Flows	5
Notes to the Financial Statements.....	6-9
Schedule of Expenditures of Federal Awards.....	10-11
Independent Auditor's Report On Internal Compliance and Internal Control Over Financial Reporting Based On An Audit Of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>	12-13
Independent Auditor's Report On Compliance With Requirements Applicable To Each Major Program And On Internal Control Structure Over Compliance in Accordance With OMB Circular A-133	14-15
Schedule of Findings and Questioned Costs.....	16-23
Status of Prior Year Audit Findings.....	24

CHARMAINE PHILIPS-PLATENBURG
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Opportunities Industrialization Center
of Greater New Orleans, Inc.

I have audited the accompanying statement of financial position of Opportunities Industrialization Center of Greater New Orleans, Inc. (OIC, Inc.) (a non-profit corporation) as of September 30, 1999 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of Opportunities Industrialization Center of Greater New Orleans, Inc.'s management. My responsibility is to express an opinion on these financial statements based on my audits.

Except as discussed in the following paragraph, 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 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. I believe that my audit provides a reasonable basis for my opinion.

I was unable to obtain adequate support documentation regarding OIC, Inc.'s accounts payable balance stated at \$46,117, nor was I able to satisfy myself of the balance by performing other auditing procedures.

In my opinion, except for the affects of such adjustments, if any, as might have been determined to be necessary had I been able to examine evidence regarding accounts payable, the financial statements referred to above present fairly, in all material respects, the financial position of Opportunities Industrialization Center of Greater New Orleans, Inc. as of September 30, 1999, and the changes in its net assets and its cash flows for the year then ended in conformity with the generally accepted accounting principles.

My audit was made for the purpose of forming an opinion on the basic financial statements of Opportunities Industrialization Center of Greater New Orleans, Inc. taken as a whole. The accompanying supplemental information listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements of Opportunities Industrialization Center of Greater New Orleans, Inc. The Schedule of Expenditures of Federal Awards is required by the U. S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profits Organizations." 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 basic financial statements taken as a whole.

As discussed in Note L to the financial statements, the Organization has expended certain federal grant funds in a manner that may have violated certain restrictive provisions of the related grants. The possible outcome of these matters, which have been reported to the appropriate officials is uncertain at this time. Accordingly, no provision for any liability has been made in the financial statements for possible claims for refunds of those grant proceeds.

In accordance with Government Auditing Standards, I have also issued a report dated April 28, 2000 on my consideration of Opportunities Industrialization Center of Greater New Orleans, Inc.'s internal control structure over financial reporting and my test of its compliance with certain provisions of laws, regulations, contracts and grants.

Charmaine Philips-Platenburg, CPA

Charmaine Philips-Platenburg, CPA

New Orleans, LA
April 28, 2000

**OPPORTUNITIES INDUSTRIALIZATION CENTER
OF NEW ORLEANS, INC.
Statement of Financial Position
As of September 30, 1999**

Assets		
Cash and Cash Equivalents		\$ 134,870
Grants Receivable	130,290	
Accounts Receivable	6,347	<u>136,637</u>
Fixed Assets		
Buildings and Land	685,507	
Furniture, Fixtures and Equipment	2,284	
Less: Accumulated Depreciation	<u>(12,789)</u>	<u>675,002</u>
Other Assets		
Due from Others	14,070	
Salary Advances	1,026	
Deposits	<u>225</u>	<u>15,321</u>
Total Assets		<u><u>\$ 961,830</u></u>
Liabilities & Net Assets		
Accounts Payable		\$ 46,117
Deferred Revenue		120,129
Notes Payable		50,000
Due to Funding Source		48,556
Payroll Taxes Payable		7,959
Deposits from Tenants		<u>1,474</u>
Total Liabilities		<u>274,235</u>
Net Assets:		
Unrestricted		58,512
Temporarily Restricted		<u>629,083</u>
Total Net Assets		<u>687,595</u>
Total Liabilities & Net Assets		<u><u>\$ 961,830</u></u>

**OPPORTUNITIES INDUSTRIALIZATION CENTER
OF NEW ORLEANS, INC.**

**Statement of Activities
For the Year Ended September 30, 1999**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues:			
Grant Appropriations	\$ -	\$ 990,736	\$ 990,736
Rental Income	-	44,253	44,253
Other Income	13,904	-	13,904
Net Assets released from restrictions	707,311	(707,311)	-
	<hr/>	<hr/>	<hr/>
Total Revenues	721,215	327,678	1,048,893
Expenses:			
Payroll Expenses	265,952	-	265,952
Professional Fees	95,609	-	95,609
Payroll Taxes & Fringes	52,240	-	52,240
Insurance	33,064	-	33,064
Contract Labor	27,471	-	27,471
Construction Materials	26,297	-	26,297
Miscellaneous	20,707	-	20,707
Office Expenses	18,102	-	18,102
Utilities	16,329	-	16,329
Repairs & Maintenance	15,929	-	15,929
Rent	15,001	-	15,001
Telephone	8,098	-	8,098
Depreciation Expense	7,641	-	7,641
Equipment/Equipment Rental	5,656	-	5,656
Program Materials	5,559	-	5,559
Meetings & Conferences	5,112	-	5,112
Interest Expense	2,704	-	2,704
Other Costs	11,899	-	11,899
	<hr/>	<hr/>	<hr/>
Total Expense	633,370	-	633,370
Increase in Net Assets	87,845	327,678	415,523
Net Assets, Beginning Balance	(29,333)	301,405	272,072
	<hr/>	<hr/>	<hr/>
Net Assets, Ending Balance	<u>\$ 58,512</u>	<u>\$ 629,083</u>	<u>\$ 687,595</u>

**OPPORTUNITIES INDUSTRIALIZATION CENTER
OF NEW ORLEANS, INC.
Statement of Cash Flows
For the Year Ended September 30, 1999**

Cash Flows from Operating Activities:

Increase in Net Assets	\$ 415,523
Adjustments to reconcile increase net assets to net cash used in operating activities:	
Depreciation Expense	7,641
Increase in Receivables	(107,337)
Increase in Other Assets	(15,321)
Increase in Accounts Payable & Other Liabilities	<u>7,920</u>
Net Cash Provided by Operations	308,426

Cash Flows from Investing Activities:

Purchase of Real Property	(394,794)
Purchase of Furniture, Fixtures and Equipment	<u>(2,284)</u>
Net Cash Used In Investing Activities	(397,078)

Cash Flows from Financing Activities:

Principal Receipts from Notes Payable, net of payments	<u>50,000</u>
Net Cash Provided by Financing Activities	<u>50,000</u>
Net Decrease In Cash and Cash Equivalents	(38,652)
Cash and Cash Equivalents at Beginning of Year	<u>173,522</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 134,870</u></u>

NOTES TO THE FINANCIAL STATEMENTS
Opportunities Industrialization Center of
Greater New Orleans, Inc.
September 30, 1999

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements are listed as follows:

Nature of Activities

Opportunities Industrialization Center of Greater New Orleans, Inc. is a nonprofit corporation organized under the laws of the State of Louisiana. The Organization addresses an array of issues for low to moderate-income individuals. The mission of the Organization is to provide manpower training services to the unemployed and economically disadvantaged members of the community to afford them the opportunity to acquire job related skills that will make them more marketable in the job world. The Organization also provides affordable and safe quality housing through rehabilitation and new construction.

The corporation is supported primarily through government contracts. Accordingly, 94% of the corporation's support for the year ended September 30, 1999 came from government contracts.

Financial Statement Presentation

The financial statements are presented in accordance with requirements established by the Financial Accounting Standards Board (FASB) as set forth in the Statement of Financial Accounting Standards No. 117, "Financial Statements of Not-For-Profit Organization,". This statement requires reporting, the Organization's financial position and activities according to three classes of net assets: (a) unrestricted net assets, (b) temporarily restricted net assets, and (c) permanently restricted net assets. There are no permanently restricted net assets.

Revenue Recognition

Contributed support is reported as unrestricted or restricted depending on the existence of donor stipulations that limit the use of the support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are classified to unrestricted net assets and reported in the statement of activity as "net assets released from restrictions".

Grants Receivables

The Organization considers grants receivable to be fully collectible since the balance consists principally of payments due under governmental contracts.

NOTES TO THE FINANCIAL STATEMENTS
Opportunities Industrialization Center of
Greater New Orleans, Inc.
September 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Building and Improvements

Opportunities Industrialization Center of Greater New Orleans, Inc. records property acquisitions at cost. Donated assets are recorded at estimated value at date of donation. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets. Depreciation expense for the year ended September 30, 1999 totaled \$7,641.

Maintenance and repairs are charged to expense as incurred; major renewals and betterments are capitalized when the acquisition cost exceeds \$5,000. When items of property are sold or retired, the related cost and accumulated depreciation are removed from the accounts and gain or loss is included in the changes in net assets.

Cash and Cash Equivalents

The Organization considers all highly liquid investments available for current use with an original maturity of three months or less to be cash equivalents.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements and accompanying notes. Accordingly, actual results could differ from those estimates.

NOTE B - ACCOUNTS RECEIVABLE

The Organization considers accounts receivable to be fully collectible. The balance consists principally of payments due under rental contracts.

NOTE C - DUE FROM OTHERS

The Organization considers amounts due from others to be fully collectible. The balance consists principally of payments due from over payments of payroll taxes.

NOTES TO THE FINANCIAL STATEMENTS
Opportunities Industrialization Center of
Greater New Orleans, Inc.
September 30, 1999

NOTE D – LAND AND BUILDING

Land and building at September 30, 1999 consists of the following:

Building and Land	\$ 685,507
Furniture, Fixtures and Equipment	2,284
Less accumulated depreciation	<u><12,789></u>
	<u>\$ 675,002</u>

Depreciation expense for the year ended September 30, 1999 was \$7,641.

NOTE E - INCOME TAXES

Opportunities Industrialization Center of Greater New Orleans, Inc. is exempt from corporate income taxes under Section 501(c)(3) of the Internal Revenue Code.

NOTE F – BOARD OF DIRECTORS COMPENSATION

The board of directors is a voluntary board; therefore, no compensation was paid to any board member during the year ended September 30, 1999.

NOTE G – NOTES PAYABLE

The Organization has three unsecured lines of credit with a local financial institution. As of September 30, 1999, the outstanding balance of the lines of credit was \$50,000.

NOTE H – DEFERRED REVENUE

These amounts represent unexpended grant funds that can be utilized in subsequent program periods.

NOTE I – DUE TO FUNDING AGENCY

These amounts represent unexpended grant funds that are required to be returned to the funding source.

NOTES TO THE FINANCIAL STATEMENTS
Opportunities Industrialization Center of
Greater New Orleans, Inc.
September 30, 1999

NOTE J – ECONOMIC DEPENDENCY

The Organization receives a majority of its revenue from funds provided through contracts administered by federal, state and local government agencies. The grant amounts are appropriated each year by the federal and local governments. If significant budget cuts are made at the federal and/or local level, the amount of the funds the Organization receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Organization will receive in the next fiscal year.

NOTE K – CONTRIBUTIONS AND DONATIONS

The Organization receives funds from various contributors. The additional funds are used for administrative items for the Organization.

NOTE L – COMMITMENTS & CONTINGENCIES

My audit disclosed certain items and transactions as findings. The accompanying Schedules of Expenditures of Federal Awards have not been adjusted for disallowed costs that could result from those items. The ultimate resolution or determination as to whether the cost will be allowed or disallowed under the affected grants will be made by the various funding sources.

SUPPLEMENTAL INFORMATION

CHARMAINE PHILIPS-PLATENBURG
Certified Public Accountant

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

To the Board of Directors of
Opportunities Industrialization Center of
Greater New Orleans, Inc.

I have audited the financial statements of Opportunities Industrialization Center of Greater New Orleans, Inc. (a non-profit corporation) as of and for the fiscal year ended September 30, 1999, and have issued my report thereon dated April 28, 2000. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Opportunities Industrialization Center of Greater New Orleans, Inc.'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 instances of noncompliance that are required to be reported under Governmental Auditing Standards and which are described in the accompanying schedule of Findings and Questioned Costs as items 99-5, 99-6, 99-7 and 99-8.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Opportunities Industrialization Center of Greater New Orleans, Inc.'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 assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgement, could adversely affect New Orleans Affordable Homeownership Inc.'s ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 99-1, 99-2, 99-3 and 99-4.

A material weakness is a 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 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 the employees in the normal course of performing their assigned functions. My consideration of the internal control over financial reporting 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. However, of the reported conditions described above, I consider item 99-1, 99-2, 99-3 and 99-7 to be a material weakness.

This report is intended solely for the information of the audit committee, management, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Charmaine Philips-Platenburg, CPA

Charmaine Philips-Platenburg, CPA

New Orleans, LA
April 28, 2000

CHARMAINE PHILIPS-PLATENBURG

Certified Public Accountant

1340 Poydras Street • Suite 2130
New Orleans, LA 70112

CHARMAINE PHILIPS-PLATENBURG
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL STRUCTURE
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors of
Opportunities Industrialization Center
of Greater New Orleans, Inc.

Compliance

I have audited the compliance of Opportunities Industrialization Center of Greater New Orleans, Inc. (OIC, Inc.) with the types of compliance requirements described in the "U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" that are applicable to each of its major federal programs for the fiscal year ended September 30, 1999. OIC, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements, laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Opportunities Industrialization Center of Greater New Orleans, Inc.'s management. My responsibility is to express an opinion on the Organization's compliance based on my audit.

I conducted my audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Opportunities Industrialization Center of Greater New Orleans, Inc.'s compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination of Opportunities Industrialization Center of Greater New Orleans, Inc.'s compliance with those requirements.

As described in items 99-3, 99-4 and 99-7 in the accompanying schedule of findings and questioned costs, Opportunities Industrialization Center of Greater New Orleans, Inc. did not comply with the requirements regarding Cash Management, Allowable Costs and Record Maintenance that are applicable to its major federal program titled "HOME 99-006". Compliance with such requirements is necessary, in my opinion, for the Organization to comply with requirements applicable to that program.

In my opinion, except for the noncompliance described in the preceding paragraph, Opportunities Industrialization Center of Greater New Orleans, Inc. complied, in all material respects, with the

requirements referred to above that are applicable to each of its major federal programs for the fiscal year ended September 30, 1999.

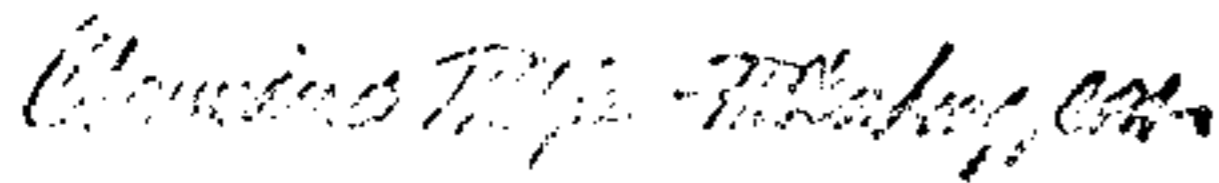
Internal Control Over Compliance

OIC, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

I noted certain matters involving the internal control over compliance and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in my judgement, could adversely affect Opportunities Industrialization Center of Greater New Orleans, Inc.'s ability to administer a federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 99-1, 99-2, 99-3, 99-4 and 99-5.

A material weakness is a 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 noncompliance with the applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, I consider items 99-1, 99-4, 99-5 and 99-8 to be material weaknesses.

This report is intended for the information of the audit committee, management, and federal awarding agencies and pass-through entities. However, this report is a matter of public record, and its distribution is not limited.



Charmaine Philips-Platenburg, CPA

New Orleans, LA
April 28, 2000

CHARMAINE PHILIPS-PLATENBURG

Certified Public Accountant
1340 Poydras Street • Suite 2130
New Orleans, LA 70112

**OPPORTUNITIES INDUSTRIALIZATION CENTER
OF GREATER NEW ORLEANS, INC.**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended September 30, 1999

A. SUMMARY OF AUDIT RESULTS.

1. A qualified opinion was issued on the financial statements of the auditee.
2. Reportable conditions in internal control were disclosed by the audit of the financial statements. The reportable conditions identified during the audit were deemed to be material weaknesses.
3. The audit disclosed instances of noncompliance. These instances were deemed to be material to the financial statements.
4. Reportable conditions in internal control over major programs were disclosed by the audit. The reportable conditions were deemed to be material weaknesses.
5. A qualified opinion was issued on the report of compliance for major programs.
6. The audit findings required to be reported under Section 510(a) of Circular A-133 are reported in Part B of this schedule.
7. The major programs for the year ended September 30, 1999 consists of the following:

HOME	CFDA No. 14.239
------	-----------------
8. The dollar threshold to distinguish between Type A and Type B programs was \$300,000.
9. The auditee did not qualify as a low-risk auditee.

**OPPORTUNITIES INDUSTRIALIZATION CENTER
OF GREATER NEW ORLEANS, INC.**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS-CONTINUED

For the year ended September 30, 1999

B. FINDINGS-FINANCIAL STATEMENTS AUDIT

Reportable Conditions

99-1. Developer's Fees

Statement of Condition:

Developer's fees exceeded the U. S. Department of Housing & Urban Development maximum limitation.

Criteria:

Developer's fees should not exceed 15% of the actual construction cost per project.

Effect of Condition:

Developer's fees were overstated for the year ended September 30, 1999.

Questioned Costs:

HOME 99-006 \$ 14,448

Cause of Condition:

Developer's fees were calculated based on the contract amount instead of actual expenses.

Recommendation:

Developer's fees should be calculated based on the actual project cost and not the contract amount. Therefore, actual expenditures should be monitored to assure that the appropriate amount of developer's fees are requested from the funding source.

Response:

See corrective action plan.

**OPPORTUNITIES INDUSTRIALIZATION CENTER
OF GREATER NEW ORLEANS, INC.**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS-CONTINUED

For the year ended September 30, 1999

99-2. Accounts Payable

Statement of Condition:

The accounts payable balance was not reconciled for the period ended 9/30/99.

Criteria:

The accounts payable should consist of valid current payables.

Effect of Condition:

The financial statements could be materially incorrect based upon the true balance not being disclosed.

Questioned Costs:

None

Cause of Condition:

Accounts payable listing was not properly maintained to assure that liabilities were properly stated in the account payable listing.

Recommendation:

Accounts payable should be reviewed monthly and adjusted accordingly. The financial statements should reflect all items that represent valid payables and should be reviewed thoroughly to assure their accuracy.

Response:

See corrective action plan.

**OPPORTUNITIES INDUSTRIALIZATION CENTER
OF GREATER NEW ORLEANS, INC.**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS-CONTINUED

For the year ended September 30, 1999

99-3. Excess Reimbursements

Statement of Condition:

It was noted during our testing of actual expenditures that management requested and received \$49,695 of funds in excess of costs.

HOME 99-006	Housing Admin	Salaries & Fringes	\$ 44,939
HOME 99-006	Housing Admin.	Contractual Services	4,459
LA Office of Community Service	Weatherization	Salaries	82
LA Office of Community Service	Weatherization	Payroll Taxes	_____ 215
Total Excess Reimbursements			<u><u>\$ 49,695</u></u>

Criteria:

OMB Circular A-133 Compliance Supplement Part 3, Section C states that when funds are advanced, recipients must follow procedures to minimize the time elapsed between the transfer of funds from the disbursing agency to the disbursing of those funds.

Effect of Condition:

Management failed to reconcile to reimbursements to actual expenses.

Questioned Costs:

\$49,895

Cause of Condition:

The Organization received grant funds in excess of actual expenses.

Recommendation:

Management should request only actual funds incurred by the program. Furthermore, management should take the necessary steps to reduce the lapse of time from receipt of an advance to disbursing the funds for allowable costs.

Response:

See corrective action plan.

**OPPORTUNITIES INDUSTRIALIZATION CENTER
OF GREATER NEW ORLEANS, INC.**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS-CONTINUED

For the year ended September 30, 1999

99-4 Accounting Records

Statement of Condition:

The Organization failed to maintain a separate general ledger for each federal program.

Criteria:

In accordance with the "Accounting and Financial Management Procedures, Section 5. Description of Accounts", the Organization is required to maintain a general ledger account title consistent with the program under the agreement with the City of New Orleans.

Effect of Condition:

The Organization failed to comply with the requirements as set forth in the agreement with the City of New Orleans.

Questioned Costs:

None

Cause of Condition:

The Organization failed to maintain an accounting system that in the required format that was mandated in the agreement with the City of New Orleans.

Recommendation:

The Organization should establish an accounting system that maintains a separate general ledger for each program administered.

Response:

See corrective action plan.

**OPPORTUNITIES INDUSTRIALIZATION CENTER
OF GREATER NEW ORLEANS, INC.**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS-CONTINUED

For the year ended September 30, 1999

C. ADMINISTRATIVE REQUIREMENTS

99-5. Audit Requirements

Statement of Condition:

The Organization did not have an audit of their financial statements completed in a timely manner for the fiscal period ended 9/30/99.

Criteria:

The State of Louisiana requires the audit to be completed by six months after the end of the organization's fiscal period.

Effect of Condition:

Organization was not in compliance with audit requirements established by the State of Louisiana's Office of Legislative Auditor.

Questioned Costs:

None

Cause of Condition:

The Organization did not engage an auditor to complete and issue the auditor's report within 6 months of the close of its fiscal year end.

Recommendation:

An audit of the financial statements should be performed in accordance with regulations established by the regulatory agencies.

Response:

See corrective action plan.

**OPPORTUNITIES INDUSTRIALIZATION CENTER
OF GREATER NEW ORLEANS, INC.**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS-CONTINUED

For the year ended September 30, 1999

99-6. Bidding Process

Statement of Condition:

The Organization did not comply with the procurement procedures established by the U. S. Department of Housing and Urban Development under HOME projects.

Criteria:

The U. S. Department of Housing and Urban Development requires subrecipients to perform certain procurement procedures to obtain contractors for contracts that exceed \$5,000 and \$10,000.

Effect of Condition:

Organization was not in compliance with the requirements established by the U. S. Department of Housing and Urban Development (HUD).

Questioned Costs:

None

Cause of Condition:

The Organization did not publicly solicit contractors it used in HUD funded programs.

Recommendation:

Management should perform and document proper procurement procedures in compliance with HUD regulations.

Response:

See corrective action plan.

**OPPORTUNITIES INDUSTRIALIZATION CENTER
OF GREATER NEW ORLEANS, INC.**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS-CONTINUED

For the year ended September 30, 1999

99-7. Measurable Deliverables

Statement of Condition:

The Organization did not adhere to the requirement as stated in the agreement between the City of New Orleans and OIC, Inc. regarding measurable deliverables for its HOME 99-006 Program.

Criteria:

The agreement with the City of New Orleans required OIC, Inc. to rehabilitate eight (8) blighted properties.

Effect of Condition:

Organization was not in compliance with the requirements established in the agreement with the City of New Orleans.

Questioned Costs:

None

Cause of Condition:

The Organization only completed three (3) duplexes (6 properties) for its HOME 99-006 Program.

Recommendation:

Management should routinely monitor projects to assure that all requirements are met.

Response:

See corrective action plan.

**OPPORTUNITIES INDUSTRIALIZATION CENTER
OF GREATER NEW ORLEANS, INC.**

STATUS OF PRIOR YEAR FINDINGS

For the year ended September 30, 1999

<u>Reportable Conditions</u>	<u>Resolved</u>	<u>Unresolved</u>	<u>Current Findings</u>
Excess Requirements		X	99-4
Cost Allocation -- Rent and Utilities	X		
Administrative Personnel Costs		X	99-4
Cost Allocation -- Workmen's Compensation	X		
Due to Funding Source		X	
Financial Records and Accounts		X	99-5
Excess Reimbursement		X	99-4

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1972-2000



Executive Director
PHILIP M. BAPTISTE

May 25, 2000



**OPPORTUNITIES INDUSTRIALIZATION CENTER
OF GREATER NEW ORLEANS, INC.**

2701 Piety Street, New Orleans, Louisiana 70126

Phone: 949-4421 • Fax: 945-1961

Ms. JoAnn Sanders
Audit Manager
Mr. Daniel Kyle
Louisiana Legislative Auditor
Post Office Box 94397
Baton Rouge, LA 70804-9397

Dear Ms. Sanders:

This is in answer to the audit as prepared by Charmaine Philips-Platenburg, Certified Public Accountant for Opportunities Industrialization Center of Greater New Orleans, Inc. as for the Fiscal Year Ended, September 30, 1999.

We are hereby responding to the findings thereof. OIC at this time wishes to respond accordingly:

Page 17 (99-1) Developer's Fees

Criteria:

Developer's fees should not exceed 15% of the actual construction cost per project.

Response:

This is a cost that was allowed by the Division of Housing and Urban Development through the HOME Contract, representing 15% of the total cost of construction of the \$400,000 as approved. Therefore, the questioned cost of \$14,448 as stands as a questioned cost have been approved as of this date by the Division of Housing and Urban Development under the New Director of Housing, Wayne Clark.

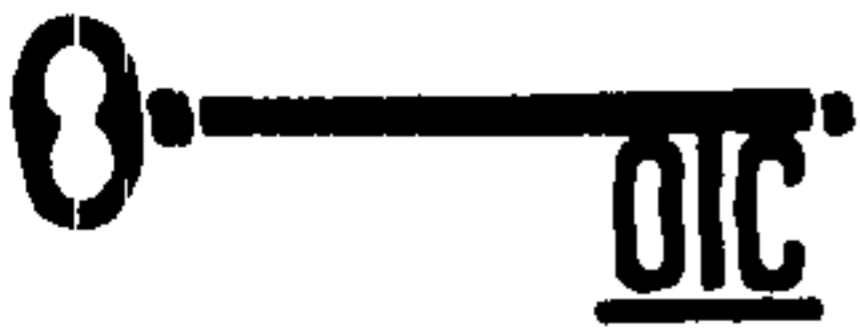
Corrective Action:

In future contracts, we shall adhere to the recommendation that the Developer's fees should be calculated based on the actual project cost and not the contract amount.

Therefore, actual expenditures will be monitored to assure that the appropriate amounts of the developer's fees are requested from the funding source.

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RECEIVED
COMMUNITY DEVELOPMENT
MAY 25 2 41 PM '00



Page 19 (99-3) Accounts Payable

Response:

We shall follow the recommendation under Accounts Payable, whereby accounts payment should be reviewed monthly and adjusted accordingly. The financial statements should reflect all items that represent valid payables and will be reviewed thoroughly to assure their accuracy.

Page 20 (99-4) Excess Reimbursements

State of Condition:

The total amounts of excess reimbursements of \$49,895 are as follows:

HOME 99-006	Housing Admin	Salaries & Fringes	\$44,939
HOME 99-006	Housing Admin	Contractual Services	4,459
Office of Comm. Serv.	Weatherization	Salaries	82
Office of Comm. Serv.	Weatherization	Payroll Taxes	<u>215</u>
Total Excess Reimbursements			\$44,895

The HOME, Housing Administrative Cost for Salaries and Fringes of \$44,939 has been addressed accordingly.

The HOME, Housing Administrative Cost, for Contractual Services of \$4,459, Office of Community Services Weatherization Salaries of \$82.00 and Payroll Taxes of \$215.00 have been agreed upon and to be paid accordingly.

Response:

The recommendation that management should request only actual funds incurred by the program and the management will take the necessary steps to reduce the lapse of time from receipt of an advance to disbursing of funds for allowable costs thereof. In addition, this has been a problem throughout the existing of doing contracts with both the City and State and other funding sources. All invoices for reimbursements are submitted no later than the second or third working day of each month for reimbursement. However, often times reimbursements by the funding sources are delayed sometimes thirty to forty days maybe sixty days, therefore accounts that are payable will cause loans of due to and due from will be necessary to meet on-going expenses and accounts are paid back when monies are received. This corrective plan of action shall be adhered to.

Page 21 (99-5) Accounting Records

Statement of Condition:

The organization failed to maintain a separate general ledger for each federal program.



Response:

As per the attached Inter Office Memo, we have now offered to you the coding for all OICs General Ledger accounts effective as of the previous audit ending September, 1999 and to-date May of 2000 and they are coded as such, indicating the General Ledgers as follows: (See Attachment #1)

- 1100 – Operations
- 2200 – Housing Construction
- 3300 – Bank Teller
- 4400 – Real Estate
- 5500 – Weatherization
- 6600 – NuCoat
- 7700 – Housing Administration
- 8800 – Welfare to Work
- 9900 – Find Work (P.I.)

This has been a stickler for audits over the years, and today now with the assistance of Leo Dunn, of Carriere & Dunn Accounting Services we now have the ledgers for all programs as is indicated thereof.

Page 22 (99-6) Audit Requirements:

Effective of Condition:

Organization was not in compliance with audit requirements established by the State of Louisiana's Office of Legislative Auditor.

Response:

OIC did all in its power to meet the deadline for audit request, by first of all soliciting audit cost from the following. Of the five (5) solicitations, only two (2) responses were given, first by Charmaine P. Platenburg and secondly, by Luther Speight & Company.

The request for audit fees by Luther Speight & Company was received following the first bid of Charmaine P. Platenburg. We were pressed for time and we have contracted with Platenburg in the amount of \$14,500 as per the attached invoice and the breakdown of the cost per program accordingly.

1. Charmaine P. Platenburg
2. Luther Speight & Company
3. Archie Sanchez, Jr., CPA
4. Ernest Folse, III, CPA
5. Justin Scanlan, CPA



OIC promises and states empathetically that all audits for the year ending September 2000 would be well in place and auditors selected so that the State Legislative Auditor's office get the audits on time in a timely fashion to comply thereof. (See Attachment #2)

OIC will follow the recommendation of an audit of the financial statements will be performed in accordance with regulations established by the regulatory agencies from this date on.

Page 23 (99-7) Bidding Process:

Effective of Condition:

Organization was not in compliance with audit requirements established by the U. S. Department of Housing and Urban Development (HUD)

Response:

OIC has attempted in many of its program to go through the Bid process. However, many factors have been involved which has necessitated us going along with the general contractor, as Small Disadvantaged Contractors. OIC has established a Line of Credit to better prepare payments to meet the needs of the Contractors, Sub-contractors and Creditors all on a timely basis, due to the lack and untimely responses and reimbursements from the agency as mentioned thereof, in order to keep an actual cash flow accordingly. (See Attachment #3)

In addition, OIC has applied and received a number of credit cards, namely American Express and credit through the various suppliers such as, Home Depot, Crescent Plywood, and West Brothers.

This has become necessary due to the fact that when inquiry for bids for services and materials often times OIC is denied because of the slow payment of reimbursements either by the City or State in meeting the monetary obligations of those suppliers that have furnished us with supplies accordingly. Therefore, we have to keep the contract on time and finish in a timely manner as per the services to the creditors as mentioned above. This will follow until such time as OIC may be able to establish credits by contracts with City, State and other funding sources thereof.

Page 24 (99-8) Measurable Deliverables:

Statement of Condition:

The organization did not adhere to the requirements as stated in the agreement between the City of New Orleans and OIC, Inc. regarding measurable deliverables for its HOME 99-006 Program.



Response:

OIC did adhere to the requirements of the Contract under Housing. This was a contract reissued through Housing for the fiscal year in that the project was slated for renovation of the properties at 1929, 1931 and 1933-39 Iberville Street. The hold-ups and regulations of the Historic Preservation in Baton Rouge, OIC would not have been able to fulfill the terms of the contract during the fiscal year 1999 until such time as approval from the State Historic Preservation Officer. Therefore, the three (3) properties as mentioned, 5428-30 Law Street, 2634-36 Flood Street and 6223-25 North Dorgenois Street were approved by the City and was paid accordingly in six (6) equal payments in order to utilized the funds accordingly. (See Attachment #4)

The three- (3) doubles were purchased from one (1) owner and all work was completed inspected, approved and occupied during the period of contract making the homes livable and affordable to those who met the criteria thereof. This was just a matter of utilizing monies for the fiscal year with the approval of the Division of Housing and Urban Development and the City of New Orleans.

The management will routinely monitor projects to assure that all requirements are met, both management of OIC and hopefully that of the funding sources thereof.

All of the reportable conditions have been resolved to-date, namely the following:

1. Excess Requirements
2. Cost Allocation-Rent and Utilities
3. Administrative Personnel Costs
4. Cost Allocation-Workmen's
5. Compensation
6. Due to Funding Source
7. Financial Records and Accounts
8. Excess Reimbursement

Many thanks for affording us the opportunity to serve the City of New Orleans and the State of Louisiana and its program and hopefully this will be the last in vain at all where there will be discrepancies with the audits for the fiscal year ending September 2000.



Page 6

Should there be a further need for discussion, please contact us accordingly.

Sincerely,

A handwritten signature in black ink, appearing to read 'Philip M. Baptiste'. The signature is fluid and cursive, with a large, prominent loop at the end.

Philip M. Baptiste
Executive Director

PMB:hsc

Attachments

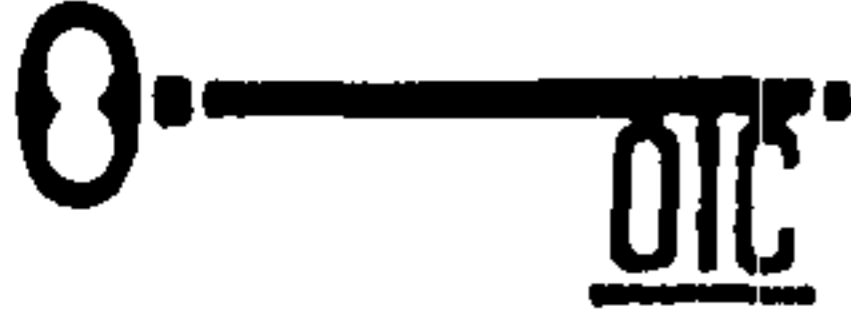
cc: Charmaine Philips-Platenburg

INTER OFFICE MEMO

TO: MR. BAPTISTE
FROM: MR. DUNN AND
MRS. MCGOWAN *Ymc*
DATE: MAY 25, 2000

Enclosed with this memo is a copy of Mr. Dunns' Codings of all OIC General Ledger Accounts. The lists is as follows;

- #'s 1100 represents Operations
- 2200 represents Housing Construction
- 3300 represents Bank Teller
- 4400 represents Real Estate
- 5500 represents Weatherization
- 6600 represents Nucoat
- 7700 represents Housing Administration
- 8800 represents Welfare To Work
- 9900 represents Find Work (P.I.)

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1972-2000

Executive Director
PHILIP M. BAPTISTE



**OPPORTUNITIES INDUSTRIALIZATION CENTER
OF GREATER NEW ORLEANS, INC.**

2701 Piety Street, New Orleans, Louisiana 70126

Phone: 949-4421 • Fax: 945-1961

January 14, 2000

Ernest Folse, III, CPA
2304 St. Bernard Avenue
New Orleans, LA 70119

Dear Sir/Madam:

This letter is to request an audit proposal to conduct the audit of Opportunities Industrialization Center of Greater New Orleans, Inc. for the year ending September 30, 1999. Mr. Leon Dunn of Carriere & Dunn, Tax & Accounting Services is currently maintaining our accounting records.

If you have any questions concerning our records, you can direct them to Mr. Dunn at 949-3095.

Our prior auditors for the years ending September 30, 1998, 1997 and 1996 was Bruno & Tervalon, Certified Public Accountants. The Firm will not be conducting the audit for September 30, 1999 because a member of the Firm is being considered for a position on our Board. This request for proposal is being submitted to the following Firms:

Platenburg & Associates	1340 Poydras Street	70112
Luther Speight & Company	10001 Lake Forest Blvd.	70127
Archie Sanchez, Jr., CPA	1209 St. Charles Avenue	70130
Ernest Folse, III, CPA	2304 St. Bernard Avenue	70119
Justin Scanlan, CPA	4769 St. Roch Avenue	70122

As you know our audit is due to the State Legislative Auditor's office before March 31, 2000.

Celebrating

28th Anniversary
1972-2000



Executive Director
PHILIP M. BAPTISTE



**OPPORTUNITIES INDUSTRIALIZATION CENTER
OF GREATER NEW ORLEANS, INC.**

2701 Piety Street, New Orleans, Louisiana 70126

Phone: 949-4421 • Fax: 945-1961

January 14, 2000

Archie Sanchez, Jr., CPA
1209 St. Charles Avenue
New Orleans, LA 70130

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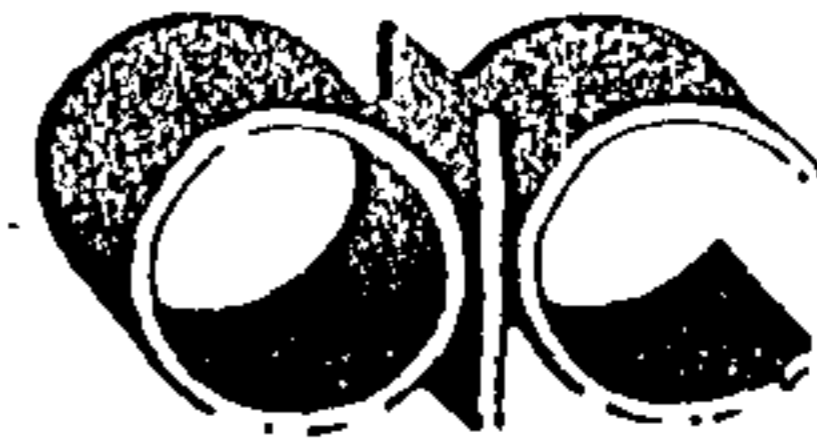
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Executive Director
PHILIP M. BAPTISTE



**OPPORTUNITIES INDUSTRIALIZATION CENTER
OF GREATER NEW ORLEANS, INC.**

2701 Piety Street, New Orleans, Louisiana 70126
Phone: 949-4421 • Fax: 945-1961

January 14, 2000

Platenburg & Associates
1340 Poydras Street
New Orleans, LA 70112

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Executive Director
PHILIP M. BAPTISTE



**OPPORTUNITIES INDUSTRIALIZATION CENTER
OF GREATER NEW ORLEANS, INC.**

2701 Piety Street, New Orleans, Louisiana 70126
Phone: 949-4421 • Fax: 945-1961

January 14, 2000

Luther Speight & Company
10001 Lake Forest Blvd.
New Orleans, LA 70127

Dear Sir/Madam:

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Phone: 949-4421 • Fax: 945-1961



Executive Director
PHILIP M. BAPTISTE

January 14, 2000

Justin Scanlan, CPA
4769 St. Roch Avenue
New Orleans, LA 70122

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As you know our audit is due to the State Legislative Auditor's office before March 31, 2000.

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Page 2

If you have any questions regarding the range of the audit fee and our expected delivery date of March 31, 2000, please do not hesitate to contact me.

Sincerely yours,



Philip M. Baptiste
Executive Director

PMB:hsc

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1972-1998



ATTACHMENT 4



**OPPORTUNITIES INDUSTRIALIZATION CENTER
OF GREATER NEW ORLEANS, INC.**

2701 Piety Street, New Orleans, Louisiana 70126

Phone: 949-4421 • Fax: 945-1961

Executive Director
PHILIP M. BAPTISTE

July 26, 1999

Ms. Gerri Hobdy
Assistant Secretary
State of Louisiana
Office of Cultural Development
Division of Historic Preservation
1051 N. Third Street
Baton Rouge, LA 70804

Dear Ms. Hobdy:

I am herein enclosing a correspondence from Mr. Winston Reid, Director of Housing in that we do not have anything in writing from your office indicating the start-up date on this project.

Please notify me in writing accordingly, as you have done verbally that this is a go ahead on this project.

Awaiting a reply, I remain

Sincerely,

Philip M. Baptiste
Executive Director

PMB:hsc

Attachments

cc: Winston Reid
Vincent Sylvain
Barbara Bacot



CITY OF NEW ORLEANS
 DIVISION OF HOUSING AND NEIGHBORHOOD DEVELOPMENT

MARC H. MORIAL
 Mayor

VINCENT T. SYLVAIN
 Executive Assistant
 to the Mayor

July 20, 1999

RECEIVED
JUL 22 1999

Ms. Gerri Hobdy
 Assistant Secretary
 State of Louisiana
 Office of Cultural Development
 Division of Historic Preservation
 P.O. Box 44247 (1051 N. Third Street)
 Baton Rouge, LA 70804

Dear Ms. Hobdy:

Enclosed you will find revised plans for the redevelopment of properties at 1929-1939 Iberville Street. This project was previously submitted by the City on April 6, 1999. Modification to the original proposal have been made to conform to the Federal rehabilitation standards. The properties will be redeveloped by Opportunities Industrialization Center of Greater New Orleans, Incorporated (OIC) for rental housing. This project is located in the Mid City Historic District and the scope of work requires SHPO approval. The revised plans will rehabilitation the existing three structures, 1929, 1931, and 1933-39 Iberville Street.

This project has short time lines, and as such, we would like your comments as soon as possible. Feel free to contact Craig Foundas at (504) 826-1728 to inform him verbally or by fax (504) 827-3876, concerning your Section 106 determination.

Your prompt attention to this matter is greatly appreciated.

Rebuilding New Orleans Now, I remain,

Sincerely,

Winston H. Reid
 Director of Housing

WH/CF/caf

cc: Vincent T. Sylvain
 Glenis M. Scott
 Philip Baptiste
 Barbara Bacot

GLENIS M. SCOTT, SR.
 Assistant to the Mayor for Housing and Neighborhood Development

JOHN V. ROUSSELL, JR.
 Director of Fiscal Affairs

ELLEN M. LEE
 Director of Neighborhood
 Development

WINSTON H. REID
 Director of Housing



MARC H. MORIAL
Mayor

CITY OF NEW ORLEANS
DIVISION OF HOUSING AND NEIGHBORHOOD DEVELOPMENT

VINCENT T. SYLVAIN
Executive Assistant
to the Mayor

April 6, 1999

RECEIVED
MAY 04 1999

Ms. Gerri Hobdy
Assistant Secretary
State of Louisiana
Office of Cultural Development
Division of Historic Preservation
P.O. Box 44247 (1051 N. Third Street)
Baton Rouge, LA 70804

Attention: Elizabeth Moore

Dear Ms. Hobdy:

Enclosed you will find plans for the redevelopment of properties at 1929-1939 Iberville Street. The properties will be redeveloped by Opportunities Industrialization Center of Greater New Orleans, Incorporated (OIC) for rental housing. This project is located in the Mid City Historic District and the scope of work requires SHPO approval. The three individual units' 1929, 1931, 1933-39 Iberville Street will be renovated to place all three units under a common roof line and ultimately appear as one structure from the street.

Elizabeth Moore, from your staff, made a site visit to the project on Wednesday, March 31, 1999. Some concerns were noted by Ms. Moore, however, the developer would like to continue the project as designed.

This project has short time lines, and as such, we would like your comments as soon as possible. Feel free to contact Craig Foundas at (504) 826-1728 to inform him verbally or by fax (504) 827-3876 concerning your Section 106 determination.

Your prompt attention to this matter is greatly appreciated.

Rebuilding New Orleans Now, I remain,

Sincerely,

Winston H. Reid
Director of Housing

WH/CF/caf

cc: Vincent T. Sylvain
Glenis M. Scott
Philip Baptiste

GLENIS M. SCOTT, SR.
Assistant to the Mayor for Housing and Neighborhood Development

JOHN V. ROUSSELL, JR.
Director of Fiscal Affairs

ELLEN M. LEE
Director of Neighborhood
Development

WINSTON H. REID
Director of Housing

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2400 Canal Street • Suite 500 • New Orleans, LA 70119 • (504) 826-1615



KATHLEEN BABINEAUX BLANCO
LIEUTENANT GOVERNOR

STATE OF LOUISIANA
OFFICE OF THE LIEUTENANT GOVERNOR
Department of Culture, Recreation and Tourism
OFFICE OF CULTURAL DEVELOPMENT
DIVISION OF HISTORIC PRESERVATION

PHILLIP J. JONES
SECRETARY

GERRI HOBODY
ASSISTANT SECRETARY

May 10, 1999

Mr. Winston H. Reid
Director of Housing
City of New Orleans
Division of Housing and Neighborhood Development
2400 Canal Street, Suite 500
New Orleans, Louisiana 70119

Re: Redevelopment of 1929, 1931, 1933-1939 Iberville Street
New Orleans, Orleans Parish, LA

Dear Mr. Reid:

We have received your recent letter dated April 6, 1999 (received April 16, 1999) regarding the above-referenced project. Our staff has reviewed the project and has the following comments.

As you are aware, this project is located within the Mid-City Historic District, which is listed on the National Register of Historic Places. Elizabeth Moore of our staff visited the project site on March 31, 1999 with Craig Foundas of your staff. As currently proposed, the project plans include the enclosure of the three structures referenced above within new façades and a modified roof pitch, as depicted on the drawings submitted with your letter.

Each of the three buildings are considered to be contributing elements to the Mid-City Historic District. The proposed work would essentially destroy the remaining historic fabric by concealing the buildings' historic facades beneath a completely new "shell." While the goals of the proposed project are certainly commendable, the work itself does not meet the Secretary of the Interior's Standards for the Treatment of Historic Properties; we therefore believe that the proposed work would constitute an adverse effect on these historic properties. Our primary recommendation for modification of this project is that the three buildings be rehabilitated individually according to the Secretary's Standards, rather than creating a single large structure.

We look forward to receiving a revised proposal for this project. If you have any questions in the meantime, please contact Elizabeth Moore in the Division of Historic Preservation.

Sincerely,

Gerri Hobdy
State Historic Preservation Officer

GH/EAM/cam



KATHLEEN BABINEAUX BLANCO
LIEUTENANT GOVERNOR

STATE OF LOUISIANA
OFFICE OF THE LIEUTENANT GOVERNOR
Department of Culture, Recreation and Tourism
OFFICE OF CULTURAL DEVELOPMENT
DIVISION OF HISTORIC PRESERVATION

PHILLIP J. JONES
SECRETARY

GERRI HOBODY
ASSISTANT SECRETARY

August 19, 1999

Mr. Winston H. Reid
Director of Housing
Division of Housing and Neighborhood Development
City of New Orleans
2400 Canal Street, Suite 500
New Orleans, Louisiana 70119

Re: Rehabilitation of 1929, 1931 and 1933-1939 Iberville Street
New Orleans, Orleans Parish, LA

Dear Mr. Reid:

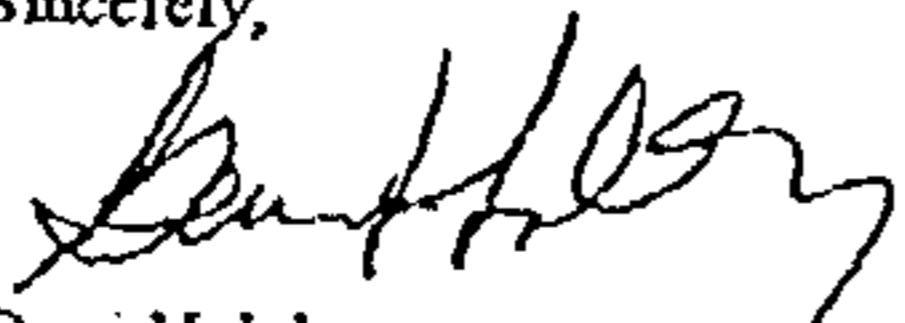
We have received your letter dated July 20, 1999 (received July 22, 1999) as well as a letter from Mr. Philip M. Baptiste dated July 26, 1999. Our staff has reviewed the information submitted to our office and has the following comments.

Our staff has left several messages with the Division of Housing and Neighborhood Development in an effort to clarify certain aspects of this project. Notably, no drawings of the N. Roman Street elevation were included. It is our understanding, per your office's and Mr. Baptiste's conversations with Barbara Bacot of this office, that an addition is planned at the rear of the buildings.

We are encouraged to see that our office's initial recommendations for this project (dated May 10, 1999) have been implemented, resulting in a vastly modified proposal. Although no specifications for the project were included, it is assumed that the work is going to be completed in accordance with our Programmatic Agreement with the City—wood siding should be used on street facing elevations and the original wood windows and doors repaired rather than replaced.

Our current concern focuses on the nature of the planned addition. However, if the above stipulations to the work are followed, then it is our belief that this project will have no adverse effect on the historic buildings involved or the Mid-City Historic District. If you have any questions, please direct them to Elizabeth Moore, Section 106 reviewer for the Division of Historic Preservation.

Sincerely,


Gerri Hobdy
State Historic Preservation Officer

GH/EAM/cam

CHARMAINE PHILIPS-PLATENBURG
Certified Public Accountant

RECEIVED
00 JUL 2 1999
MAIL ROOM: 02

To the Board of Directors of
Opportunities Industrialization Center of Greater New Orleans, Inc.

In planning and performing my audit of the financial statements of Opportunities Industrialization Center of Greater New Orleans, Inc. (the Organization) for the year ended September 30, 1999, I considered the Organization's internal control structure to determine my auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control structure.

However, during my audit, I noted certain matters involving the internal control structure and other operational matters that are presented for your consideration. My comments and recommendations, all of which have been discussed with the appropriate members of management, are intended to improve the internal control structure and/or enhance in other operating efficiencies. I will be pleased to discuss these comments in further detail at your convenience, to perform any additional studies of these matters, or to assist you in implementing the recommendations. My comments are summarized as follows:

Current Year Findings

Timesheets

Although timecards were maintained, the Organization did not maintain timesheets that reflected the actual time that employees spent on various programs. Management should devise a system that would account for the time spent on each program. By incorporating this step into your payroll process, the Organization will be able to accurately allocate the salaries and related fringes to the appropriate programs.

Bank Reconciliation

It was discovered that during the testing of cash disbursements that transactions were erroneously excluded from the financial statements. In addition, the balance of the bank reconciliations did not agree to the balance in the general ledger. To reduce the risk of omitting transactions, management should review supplementary reports and agree such reports to the financial statements before the financial statements are approved. All large and unusual reconciling items should be thoroughly explained and accompanied with adequate supporting documentation.

Organizational Structure

The size of the organization's accounting and administrative staff precludes certain internal controls that would be preferred if the office staff was large enough to provide optimum segregation of duties. This situation dictates that the Board of Directors remains involved in the financial affairs of the organization to provide oversight and independent review functions.

I would like to thank Mr. Philip Baptiste and his staff for their support and assistance during my audit.

This report is intended solely for the information and use of the Board of Directors, management, City of New Orleans, Department of Housing and Neighborhood Development and U. S. Department of Housing and Urban Development.

Charmaine Philips-Platenburg, CPA

Charmaine Philips-Platenburg, CPA

New Orleans, LA
April 28, 2000

CHARMAINE PHILIPS-PLATENBURG

Certified Public Accountant

1340 Poydras Street • Suite 2130
New Orleans, LA 70112

Celebrating
28th Anniversary
1972-2000



Executive Director
PHILIP M. BAPTISTE



**OPPORTUNITIES INDUSTRIALIZATION CENTER
OF GREATER NEW ORLEANS, INC.**

2701 Piety Street, New Orleans, Louisiana 70126

Phone: 949-4421 • Fax: 945-1961

June 6, 2000

Ms. JoAnn Sanders
Audit Manager
Louisiana Legislative Auditor
1600 North Third Street
Baton Rouge, LA 70804

Dear Ms. Sanders:

This is in response to the attached letter written to the Board of Directors of Opportunities Industrialization of Greater New Orleans, Inc., as a result of the Audit ending September 30, 1999.

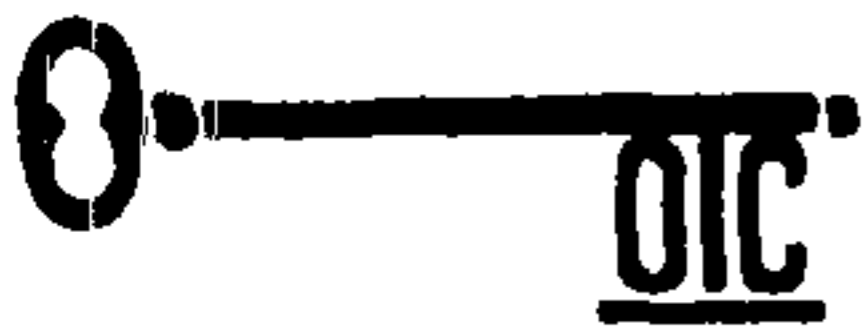
Under your Current Year Findings we are answering accordingly.

Timesheets

Although timecards were maintained, the Organization did not maintain timesheets that reflected the actual time that employees spent on various programs. Management should devise a system that would account for the time spent on each program. By incorporating this step into your payroll process, the Organization will be able to accurately allocate the salaries and related fringes to the appropriate programs.

Answer:

OIC will endeavor to maintain timesheets reflected of the actual time that employees spent on various programs. We will do this over a spreadsheet and allocate the time accordingly, indicating time spent on each program in conjunction with the gross salary thereof. Hopefully this would make the payroll process more accurately in the allocations of salaries, and related fringes to each appropriate program.



Page 2

Bank Reconciliation

It was discovered that during the testing of cash disbursements that transactions were erroneously excluded from the financial statements. In addition, the balance of the bank reconciliation did not agree to the balance in the general ledger. To reduce the risk of omitting transactions, management should review supplementary reports and agree such reports to the financial statements before the financial statements are approved. All large and unusual reconciling items should be thoroughly explained and accompanied with adequate supporting documents.

Answer:

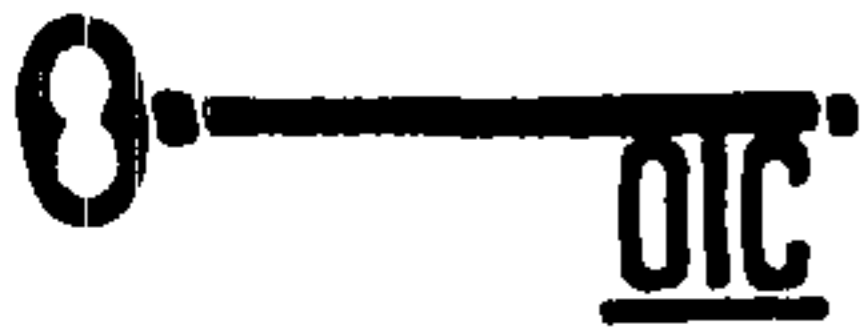
Cash disbursements being erroneously excluded from the financial statements will be corrected and the balance of the bank reconciliations will agree with the balance of the general ledger now that we have the general ledgers as indicated for each program by the code number hereof, and they will be reviewed before the financial statements are approved by its Executive Director and the In-house Accountant.

OIC General Ledger Coding Accounts

- 1100 – Operations
- 2200 – Housing Construction
- 3300 – Bank Teller
- 4400 – Real Estate
- 5500 – Weatherization
- 6600 – NuCoat
- 7700 – Housing Administration
- 8800 – Welfare to Work
- 9900 – Find Work (P.I.)

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Page 3

Answer:

OIC does have the immensities of a luxury staff, though small due to limited institutional funding in accomplishing task, other than those as solicited and approved through RFPs with a minimum total budget. Therefore, all staff plays a major role in fulfilling program operations thereof. The Board would become more involved accordingly.

Trusting our answers is acceptable. We are endeavoring to have the letter of suspension of the programs lifted, in order that OIC may continue its twenty-nine years operation of serving the community in areas of Jobs, Job Readiness, Job Training and Job Placement and its total involvement with those who need our services the most.

Thanking you in advance, I remain

Sincerely,

A handwritten signature in black ink, appearing to read 'Edward Lang', written in a cursive style.

Edward Lang
OIC Board Chairman

EL:hsc

cc: Charmaine Philips-Platenburg
Philip M. Baptiste, OIC Director