

OPPORTUNITIES INDUSTRIALIZATION CENTER  
OF  
GREATER NEW ORLEANS, INC.

NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 3 - Income Taxes:

OIC is exempt from corporate income taxes under Section 501(c)(3) of the Internal Revenue Code.

NOTE 4 - Commitments and Contingencies -  
Administration of Grants and Programs:

OIC administers and participates in various grants/programs. In connection with the administration and operation of these programs, OIC is to expend grant funds and allocations in accordance with the program's guidelines and regulations. However, should OIC have operated/administered these grants/programs in a manner which would be in non-compliance with the grant guidelines and regulations, OIC may be asked by the funding sources to repay some portion or all of the grant funds received.

OIC is presently involved in litigation with respect to a workman's compensation ruling by the State of Louisiana in the amount of \$6,000. Management has indicated that a favorable outcome is expected and as such a liability for the amount has not been recorded in the financial statements.

On July 1, 1984, OIC entered into two separate lease agreements (OIC/OIC and Proj/sect Independence/OIC) with the Beaire Community Housing Corporation (BCHC) which provided for two separate payments of \$555 per month. Each lease agreement was each for a one year period with one five-year option to renew the leases at re-negotiated terms. Future minimum lease payments for the period commencing October 1, 1984 approximated \$555 per month for each lease agreement. The BCHC has indicated that the difference between actual rent payments and the lease agreement amounts have been forgiven.

**OPPORTUNITIES INDUSTRIALIZATION CENTER  
OF  
GREATER NEW ORLEANS, INC.**  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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**NOTE 5 - Accounts Payable:**

This amount includes a liability to the State of Louisiana - Department of Labor of \$28,557 which represents disallowed costs as a result of an audit of the Job Training Partnership Act which was managed by OIC. During 1993, OIC received approval from the Department of Labor to enter into a contractual arrangement with DPIC to provide for training additional students as a method of repaying the State of Louisiana.

A final determination of this matter has not been provided by the Department of Labor.

**NOTE 6 - Note Payable:**

	09/30/96	09/30/95
<b>Start Program</b>		
Note payable, interest at 10.5%, due 06/29/96	\$ -0-	\$10,098
Note payable, interest at 10.5%, due 10/01/96	10,617	10,368
<b>Project Independence Program</b>		
Note payable, interest at 10.5%, due 10/02/96	29,500	-0-
<b>Special Program</b>		
Note payable, interest at 8.5%, due 05/15/97	___882	___-0-
<b>total</b>	<b>\$40,897</b>	<b>\$20,466</b>

**NOTE 7 - Fair Value of Financial Instruments:**

The estimated fair value of all significant financial assets have been determined by OIC using available market information and appropriate valuation methodologies. OIC considers the carrying amounts of cash, accounts receivable, grants receivable, and notes payable to be fair value.

**SUPPLEMENTARY INFORMATION**

**OPPORTUNITIES INDUSTRIALIZATION CENTER OF GREATER NEW ORLEANS, INC.**  
**SUPPLEMENTAL BALANCE SHEET**  
**SEPTEMBER 30, 1996**

	Grants		Project		City of		Housing		Source		Fy		Civ		Bene		Total	
	General	Special	Micro-enter	Start-ups	Start-ups	Start-ups	Authority	Authority	Grants	Grants	Grants	Grants	Grants	Grants	Grants	Grants	Grants	Grants
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Accounts receivable	4,408	-	11,428	-	2,280	-	-	-	2,280	278	3,265	-	-	-	-	-	-	12,971
Due from funding sources (NOTE 1)	-	-	1,947	-	2,488	-	-	-	48	48	3,000	-	-	-	-	-	-	12,978
Due from other programs (NOTE 2)	12,283	-	25,476	-	23,311	-	1,128	-	22,183	22,183	24,000	-	-	-	-	-	-	112,294
<b>Total assets</b>	<b>18,119</b>	<b>12,689</b>	<b>38,841</b>	<b>12,280</b>	<b>31,079</b>	<b>14,812</b>	<b>1,421</b>	<b>1,421</b>	<b>52,653</b>	<b>24,659</b>	<b>30,265</b>	<b>1,241</b>	<b>1,241</b>	<b>1,241</b>	<b>1,241</b>	<b>1,241</b>	<b>1,241</b>	<b>148,112</b>
<b>Liabilities</b>																		
Accounts payable (NOTE 3)	524,257	\$ 471	-	\$ 3,348	-	-	-	-	-	-	241,923	-	-	-	-	-	-	770,179
Advances from funding sources	-	-	20,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,000
Due to funding sources (NOTE 1)	-	-	-	4,281	-	-	3,784	-	-	-	-	-	-	-	-	-	-	11,749
Due to other programs (NOTE 2)	81,296	11,271	24,148	19,329	-	-	-	-	3,812	3,812	2,400	-	-	-	-	-	-	101,134
Notes payable (NOTE 3)	-	-	-	-	-	-	-	-	-	-	24,615	-	-	-	-	-	-	24,615
<b>Total liabilities</b>	<b>136,553</b>	<b>12,742</b>	<b>24,148</b>	<b>22,677</b>	<b>12,280</b>	<b>14,812</b>	<b>3,784</b>	<b>3,784</b>	<b>13,211</b>	<b>13,211</b>	<b>274,948</b>	<b>24,615</b>	<b>24,615</b>	<b>24,615</b>	<b>24,615</b>	<b>24,615</b>	<b>24,615</b>	<b>388,127</b>
<b>Commitments and Contingencies</b>																		
<b>NET ASSETS</b>																		
Unexpended	60,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	60,000
Expended	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total net assets</b>	<b>60,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>60,000</b>
<b>Total liabilities and net assets</b>	<b>197,053</b>	<b>12,742</b>	<b>38,841</b>	<b>12,280</b>	<b>31,079</b>	<b>14,812</b>	<b>1,421</b>	<b>1,421</b>	<b>52,653</b>	<b>24,659</b>	<b>30,265</b>	<b>1,241</b>	<b>1,241</b>	<b>1,241</b>	<b>1,241</b>	<b>1,241</b>	<b>1,241</b>	<b>148,112</b>

See the Independent Auditor's Report on accompanying information.

OPPORTUNITIES INDUSTRIALIZATION CENTER  
OF  
GREATER NEW ORLEANS, INC.

NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 2 - Summary of Significant Accounting Policies.  
Continued:

Fund Accounting, Continued

For the purpose of this report the various funds of OIC have been grouped into the following categories:

o Unrestricted Fund

The OIC General Fund is used to account for all activities and transactions that are not directly covered by specific programs or grants administered by OIC.

o Restricted Funds

The Restricted Funds of OIC represent a consolidation of all the grants administered by OIC. As previously mentioned, each program or grant administered is maintained in a separate fund.

Equipment

The cost of equipment is charged to the appropriate grant in the year of acquisition. Any equipment that does not have a replacement provision is capitalized and depreciated over a five year time span.

Inter-Fund Activity

All inter-fund activities have been recorded as due to or due from other programs and represent any loans to or expenses paid by one program on behalf of another.

Advances from Funding Agency

These amounts represent funds advanced to OIC by the funding agency.

Due from Funding Agency

These amounts represent re-payment requests that are presently being reviewed by related funding sources. Management contends that such requests will be reimbursed by the related funding agencies.

**OPPORTUNITIES INDUSTRIALIZATION CENTER  
OF  
GREATER NEW ORLEANS, INC.**  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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**NOTE 2 - Summary of Significant Accounting Policies.**  
Continued:

**Due to Funding Agency**

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

**Total Column on the Financial Statements**

The total column on the financial statements is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Such data is not comparable to a consolidation. Inter-fund eliminations have not been made in the aggregation of this data.

**Basis of Reporting**

During 1986, OIC adopted the provisions of Statement of Financial Accounting Standards (SFAS) No. 116, "Accounting for Contributions Received and Contributions Made," and SFAS No. 117, "Financial Statements of Not-for-Profit Organizations." SFAS No. 116 requires that unconditional promises to give (pledges) be recorded as receivables and revenues and requires the organization to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. SFAS No. 117 establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into three net asset categories according to externally (donor) imposed restrictions. In addition, OIC is required to present a statement of cash flows.

A description of the three net asset categories is as follows:

OPPORTUNITIES INDUSTRIALIZATION CENTER  
OF  
GREATER NEW ORLEANS, INC.  
NOTES TO THE FINANCIAL STATEMENTS

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NOTE 1 - Background and General Data:

Opportunities Industrialization Center of Greater New Orleans, Inc. (OIC) is a nonprofit corporation organized under the laws of the State of Louisiana. OIC is a manpower training program which provides services to the unemployed, underemployed and disadvantaged members of the community. OIC also provides training to help these individuals obtain the skills necessary for them to take their place in the world of work.

General

During the years ended September 30, 1988 and 1989 OIC administered certain programs and grants.

A brief description of each program contract or grant is as follows:

Weatherization Assistance Program

The objectives of the Weatherization Assistance for Low-Income Persons Program are to conserve energy and reduce the impact of rising energy costs on low-income persons, particularly the elderly and handicapped, through the installation of energy-conserving measures in their dwellings.

Carl D. Perkins Program

The objective of the Carl D. Perkins program is to provide vocational education to youth to have a better awareness of what the world of work is about and how they may achieve occupational goals in order to become gainfully employed in a meaningful occupation.

Project Independence Program

The objective of the Project Independence program is to provide child care/jobs skills training to eligible participants.

**OPPORTUNITIES INDUSTRIALIZATION CENTER OF  
 GREATER NEW ORLEANS, INC.  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED SEPTEMBER 30, 1996**

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**CASH FLOWS FROM OPERATING ACTIVITIES**

Changes in net assets	\$ 17,235
Adjustments to reconcile changes in net assets to net cash used in operating activities:	
Change in operating assets and liabilities:	
Increase in grants receivable	(4,697)
Increase in accounts receivable	(122)
Increase in due from funding sources	(8,876)
Increase in accounts payable	25,210
Decrease in due to funding sources	(24,238)
Net cash used in operating activities	(5,488)
Cash flows from financing activities:	
Proceeds from notes payable	38,434
Repayment of notes payable	(10,000)
Advances from funding sources	20,000
Repayment of advances from funding sources	(24,917)
Net cash provided by financing activities	(5,487)
Net increase in cash	9,339
Cash at beginning of year	(5,667)
Cash at end of year	<u>\$ 65,606</u>
Interest paid in cash	<u>\$ 1,792</u>

The accompanying notes are an integral part of  
 these financial statements.



OPPORTUNITIES INDUSTRIALIZATION CENTER  
OF  
GREATER NEW ORLEANS, INC.

NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 4 - Background and General Data, Continued:

Paint Program

The objective of the Paint Program is to develop viable urban communities, decent housing, and suitable living environments by providing paint and paint supplies to eligible homeowners for the purpose of painting their homes. Under the terms of the contractual arrangement, OIC received a fee per square foot for each house serviced during the contract period.

Housing Authority of New Orleans (HANO) Program

The objective of the HANO Program is to provide job skills training to the residents of New Orleans public housing necessary to advance their economic base.

Science Private Industry Council (SPIC) Program

The objective of the SPIC Program is to provide eligible recipients with the necessary job training skills to become gainfully employed in a meaningful occupation.

Spot Program

The objective of the Single Purpose Urban Rehabilitation Program (SPUR) is to provide a program for low and moderate income persons to rehabilitate and improve their homes.

Senior Program

The objective of the Senior Program is to provide paint, paint supplies, and painting services to eligible homeowners, who are sixty-five years of age or older and/or disabled.

Simon Bolivar Day Care Center

On January 3, 1995, OIC acquired a day care center (Simon Bolivar) for the full and total purchase price of \$25,000, with a \$6,000 down payment. The terms of the purchase and lease agreements provided for the lease of the building where the child care center was located at a monthly rental of \$500.

**INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL  
STRUCTURE BASED ON AN AUDIT OF THE FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GAS**

To the Executive Director of  
Opportunities Industrialization Center  
of Greater New Orleans, Inc.

We have audited the financial statements of Opportunities Industrialization Center of Greater New Orleans, Inc. (a nonprofit organization), as of and for the years ended September 30, 1996 and 1995. As discussed in NOTE 2 to the financial statements, during the year ended September 30, 1996, OIC changed its method of accounting for contributions received and applied newly established financial reporting standards for not-for-profit organizations.

We conducted our audits in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

**OPPORTUNITIES INDUSTRIALIZATION CENTER OF GREATER NEW ORLEANS, INC.**  
**SUPPLEMENTAL STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 1996**

Revenues	Amount										Total (Memorandum Schedule Item 2)	
	General Fund	Private Industry Council	Project Intermediaries	Manufacturers	City of N.O. Prior Reimbursement Program	Housing Authority of N.O.	Special Events	Spec. Reimb.	Fed. Grants	Other		Fed. Grants
Direct revenue	\$ -	\$ 11,012	\$ 333,950	\$ 17,144	\$ -	\$ 22,000	\$ 108,641	\$ 694,281	\$ -	\$ -	\$ -	\$ 1,080,177
Other revenues	2,848	-	-	-	-	-	-	-	-	-	-	3,048
	4,128	-	-	-	2,812	-	-	-	-	-	-	6,096
Total revenues	6,976	11,012	333,950	17,144	2,812	22,000	108,641	694,281	-	-	-	1,086,273
<b>Expenses</b>												
Salaries and related benefits	-	64,897	102,028	13,665	-	13,036	19,003	30,251	-	-	-	263,381
Professional fees and services	1,481	-	12,128	1,071	-	4,048	7,870	1,023	-	-	-	28,531
Office supplies	407	991	1,107	-	-	71	941	322	-	-	-	3,041
Travel	411	-	-	-	-	-	341	120	-	-	-	872
Debt and subscriptions	81	808	1,275	-	-	917	1,643	1,302	-	-	-	6,241
Telephone	-	-	104	-	-	150	671	416	-	-	-	1,337
Travel	-	111	368	-	-	381	130	385	-	-	-	1,075
Postage and printing	354	-	16	-	-	38	828	11,217	-	-	-	14,295
Insurance	3,000	654	671	807	6,894	38	82,88	11,217	-	-	-	112,329
Materials and labor	-	-	-	19,318	-	-	48,742	605,383	-	-	-	673,453
Management and equipment costs	-	108	341	-	-	-	1,778	1,288	-	-	-	3,715
Rent and utilities	-	2,628	1,144	-	-	-	78	781	-	-	-	5,031
Training supplies	-	510	4,941	-	-	-	-	-	-	-	-	5,451

(Continued)

**OPPORTUNITIES INDUSTRIALIZATION CENTER OF  
GREATER NEW ORLEANS, INC.  
STATEMENTS OF FINANCIAL POSITION  
SEPTEMBER 30, 1996 AND 1995**

<b>ASSETS</b>	<b>1996</b>	<b>1995</b>
Cash	\$ 65,606	\$ 55,667
Grants receivable	68,281	63,688
Accounts receivable	13,274	13,152
Due from funding sources (NOTE 2)	12,610	3,734
Due from other programs (NOTE 2)	<u>185,234</u>	<u>116,196</u>
<b>Total assets</b>	<b>\$ <u>345,025</u></b>	<b>\$ <u>252,437</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities:</b>		
Accounts payable (NOTE 2)	\$ 71,911	\$ 48,701
Advances from funding sources	20,000	24,917
Due to funding sources (NOTE 2)	18,180	52,418
Due to other programs (NOTE 2)	185,234	116,196
Notes payable (NOTE 3)	<u>40,882</u>	<u>20,458</u>
<b>Total liabilities</b>	<b><u>336,147</u></b>	<b><u>262,690</u></b>
<b>Commitments and Contingencies (NOTE 4)</b>		
<b>Net Assets: (NOTE 2)</b>		
Unrestricted	(63,555)	(53,855)
Unrestricted-designated	<u>70,513</u>	<u>72,858</u>
<b>Total net assets</b>	<b><u>6,978</u></b>	<b><u>(18,257)</u></b>
<b>Total liabilities and net assets</b>	<b>\$ <u>345,025</u></b>	<b>\$ <u>252,437</u></b>

The accompanying notes are an integral part  
of these financial statements.

INDEPENDENT AUDITORS' REPORT  
(CONTINUED)

To the Executive Director of  
Opportunities Industrialization Center of  
Greater New Orleans, Inc.  
Page 2

As discussed in NOTE 3 to the financial statements, during the year ended September 30, 1994, OIC changed its method of accounting for contributions received and applied newly established financial reporting standards for not-for-profit organizations.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and in our opinion, are fairly stated in all material respects in relation to the September 30, 1994 and 1995 basic financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued a report dated May 29, 1997 on our consideration of OIC's internal control structure and a report dated May 29, 1997 on its compliance with laws and regulations.

*Bruno & Tervalon*  
BRUNO & TERVALON  
CERTIFIED PUBLIC ACCOUNTANTS

May 29, 1997

**& Tervalon**

2800 PIERCE ST. SUITE 200  
NEW ORLEANS, LA 70119  
504-582-8733

**INDEPENDENT AUDITORS' REPORT**

To the Executive Director of  
Opportunities Industrialization Center of  
Greater New Orleans, Inc.

We have audited the financial statements listed in the Table of Contents of the Opportunities Industrialization Center of Greater New Orleans, Inc. (OIC) (A non-profit organization) as of September 30, 1994 and 1995 and for the years then ended. These financial statements are the responsibility of the management of OIC. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Opportunities Industrialization Center of Greater New Orleans, Inc. as of September 30, 1994 and 1995 and the changes in its net assets for the years then ended and cash flows for the year ended September 30, 1995 in conformity with generally accepted accounting principles.

OPPORTUNITIES INDUSTRIALIZATION CENTER  
OF  
GREATER NEW ORLEANS, INC.

NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 1 - Background and General Data, Continued:

Simon Bolivar Bay Cars Center, Continued

The agreements also included a hold harmless clause whereby in the event of a breach of either the purchase and lease agreements or the installment note, OIC would forfeit the down payment of \$4,000, but would be indemnified by the seller and hold harmless from any and all claims. During the year ended September 30, 1984, OIC terminated the agreements.

NOTE 2 - Summary of Significant Accounting Policies:

Principles of Accounting

The financial statements of each of OIC's funds and the schedule of Federal Awards are prepared in accordance with generally accepted accounting principles and are prepared on the accrual basis. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimated.

Fund Accounting

Each program and grant administered by OIC is accounted for as a separate fund. Accordingly, resources for various programs are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund.

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OPPORTUNITIES INDUSTRIALIZATION CENTER  
OF  
GREATER NEW ORLEANS, INC.

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 06/08/93

FINANCIAL AND COMPLIANCE AUDITS  
TOGETHER WITH  
INDEPENDENT AUDITORS' REPORT

FOR THE YEARS ENDED SEPTEMBER 30, 1996 AND 1995

**Bruno  
& Tervalon**

CERTIFIED PUBLIC ACCOUNTANTS



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**OPPORTUNITIES INDUSTRIALIZATION CENTER OF  
GREATER NEW ORLEANS, INC.  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED SEPTEMBER 30, 1996 AND 1995**

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<u>OPERATING REVENUES</u>	<u>Unrestricted 1996</u>	<u>Unrestricted 1995</u>
Grant revenues	\$ 1,089,177	\$ 570,501
Child care revenues	2,048	47,228
Other revenues	4,796	4,874
Total operating revenues	<u>1,096,021</u>	<u>622,603</u>
<u>OPERATING EXPENSES</u>		
Program expenses	1,062,171	607,819
Management and general	18,615	11,642
Total operating expenses	<u>1,080,786</u>	<u>619,461</u>
Changes in net assets	17,255	(6,063)
Net assets at beginning of year	<u>(10,257)</u>	<u>(4,194)</u>
Net assets at end of year	\$ <u>6,998</u>	\$ <u>(10,257)</u>

The accompanying notes are an integral part of  
these financial statements.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR  
FEDERAL AWARD PROGRAM TRANSACTIONS**

To the Executive Director of  
Opportunities Industrialization Center of  
Greater New Orleans, Inc.

We have audited the financial statements of Opportunities Industrialization Center of Greater New Orleans, Inc. (OIC) (a non-profit organization) as of and for the years ended September 30, 1996 and 1995, and have issued our report thereon dated May 28, 1997. As discussed in NOTE 3 to the financial statements, during the year ended September 30, 1996, OIC changed its method of accounting for contributions received and applied newly established financial reporting standards for not-for-profit organizations.

In connection with our audits of the financial statements of OIC and with our consideration of OIC's internal control structure used to administer federal award programs, as required by OMB Circular A-133, we selected certain transactions applicable to certain nonmajor federal award programs for the years ended September 30, 1996 and 1995. As required by OMB Circular A-133, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed and eligibility that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on OIC's compliance with these requirements. Accordingly, we do not express such an opinion.

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

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH THE GENERAL REQUIREMENTS APPLICABLE  
TO FEDERAL AWARDS PROGRAMS**  
(CONTINUED)

To the Executive Director of  
Opportunities Industrialization Center of  
Greater New Orleans, Inc.

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

With respect to the items tested, the results of our procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that OIG had not complied, in all material respects, with those requirements. Also, the results of our procedures did not disclose any immaterial instances of non-compliance with those requirements.

This report is intended for the information of the Executive Director, management, and regulatory agencies. This restriction is not intended to limit the distribution of this report which, upon acceptance by OIG is a matter of public record.

*Bruno & Tervalon*  
**BRUNO & TERVALON**  
CERTIFIED PUBLIC ACCOUNTANTS

May 29, 1997

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH LAWS AND REGULATIONS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

---

To the Executive Director of  
Opportunities Industrialization Center of  
Greater New Orleans, Inc.

We have audited the financial statements of Opportunities Industrialization Center of Greater New Orleans, Inc. (OIGC) (a non-profit organization) as of and for the years ended September 30, 1996 and 1995 and have issued our report thereon dated May 29, 1997. As discussed in NOTE 2 to the financial statements, during the year ended September 30, 1995, OIGC changed its method of accounting for contributions received and applied newly established financial reporting standards for not-for-profit organizations.

We conducted our audits in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH LAWS AND REGULATIONS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

(CONTINUED)

To the Executive Director of  
Opportunities Industrialization Center of  
Greater New Orleans, Inc.

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

This report is intended for the information of the Executive Director, management, and regulatory agencies. This restriction is not intended to limit the distribution of this report which upon acceptance by OIG is a matter of public record.

*Bruno & Tervalon*

BRUNO & TERVALON  
CERTIFIED PUBLIC ACCOUNTANTS

May 29, 1997

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR  
FEDERAL AWARDS PROGRAMS**

To the Executive Director of  
Opportunities Industrialization Center of  
Greater New Orleans, Inc.

We have audited the financial statements of Opportunities Industrialization Center of Greater New Orleans, Inc. (OIC) (a non-profit organization) as of and for the years ended September 30, 1996 and 1995 and have issued our report thereon dated May 28, 1997. As discussed in NOTE 2 to the financial statements, during the year ended September 30, 1996, OIC changed its method of accounting for contributions received and applied newly established financial reporting standards for not-for-profit organizations.

We have also audited Opportunities Industrialization Center of Greater New Orleans, Inc. (OIC) compliance with the requirements governing types of services allowed or unallowed; eligibility; matching; level of effort; or cost-sharing; reporting; special tests and provisions; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal award programs which are identified in the accompanying schedule of federal awards for the years ended September 30, 1996 and 1995. The management of OIC is responsible for OIC's compliance with these requirements. Our responsibility is to express an opinion on compliance with these requirements based on our audit.

We conducted our audits of compliance with these requirements in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of OMB circular A-133. Those standards and the provisions of OMB circular A-133 require that we plan and perform the audits to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about OIC's compliance with these requirements. We believe that our audits provide a reasonable basis for our opinion.



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAINE  
FIDUCIARY AWARDS PROGRAMS**  
**(CONTINUED)**

To the Executive Director of  
Opportunities Industrialization Center of  
Greater New Orleans, Inc.

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to in the second paragraph of this report, which are described in the accompanying Schedule of Findings and Questioned Costs. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, OIC complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; matching; level of effort, or earmarking; special tests and provisions; financial reports and claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major Federal awards programs for the years ended September 30, 1998 and 1999.

This report is intended for the information of the Executive Director, management, and regulatory agencies. This restriction is not intended to limit the distribution of this report which upon acceptance by OIC is a matter of public record.

*Bruno & Tervalon*

**BRUNO & TERVALON**  
**CERTIFIED PUBLIC ACCOUNTANTS**

May 29, 1997

**OPPORTUNITIES INDUSTRIALIZATION CENTER  
OF  
GREATER NEW ORLEANS, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

---

**1. AUDITED FINANCIAL STATEMENTS**

**Condition**

We noted during our audits that OIC did not complete a financial and compliance audit within six months of the close of the organization's fiscal year.

**Cause**

Procedures have not been developed to ensure that an auditor has been retained on a timely basis to facilitate the completion of financial and compliance audits within the stated period. Additionally, OIC's accounting records were not maintained on a current basis.

**Effect**

The organization has not complied with a Louisiana Revised Statute.

**Criteria**

Louisiana Revised Statute 24:512(A)(4)(a) requires that a financial and compliance audit of an organization must be completed within six (6) months of the close of the entity's fiscal year.

**Recommendation**

We recommend that OIC take immediate steps to develop procedures to ensure an auditor is retained on a timely basis to facilitate the completion of the audit within the prescribed time frame. Additionally, we recommend that OIC maintain its accounting records on a current basis.

**& Tervalon**

1000 PINE BLVD., SUITE 200  
NEW ORLEANS, LA 70119  
PHONE (504) 584-1234  
FAX (504) 584-1234

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH THE GENERAL REQUIREMENTS APPLICABLE  
TO FEDERAL AWARDS PROGRAMS**

To the Executive Director of  
Opportunities Industrialization Center of  
Greater New Orleans, Inc.

We have audited the financial statements of Opportunities Industrialization Center of Greater New Orleans, Inc. (OIG) (a non-profit organization) as of and for the years ended September 30, 1996 and 1995, and have issued our report thereon dated May 29, 1997. As discussed in NOTE 2 to the financial statements, during the year ended September 30, 1996, OIG changed its method of accounting for contributions received and applied newly established financial reporting standards for not-for-profit organizations.

We have applied procedures to test compliance with the following requirements applicable to its federal award programs, which are identified in the accompanying schedule of federal awards for the years ended September 30, 1996 and 1995:

General Requirements

- |                      |                                   |
|----------------------|-----------------------------------|
| o Political Activity | o Federal Financial Reports       |
| o Civil Rights       | o Allowable Costs/Cost Principles |
| o Cash Management    | o Administrative Requirements     |

**OPPORTUNITIES INDUSTRIALIZATION CENTER**  
**OF**  
**GREATER NEW ORLEANS, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**(CONTINUED)**

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3. Housing Authority of New Orleans (HANO) - Questioned Costs  
Economic Development Program

**Condition**

\$0.

We noted during our audit that for four (4) out of six (6) participants reviewed, OIC did not maintain business and marketing plans, and cash flow projections.

**Cause**

We were informed by management of OIC that a technical assistant employed by HANO was engaged to assist the participants in developing the noted items and was responsible for maintaining such documents. However, the technical assistant was not available to confirm this representation.

**Effect**

Programmatic documents were not available for review.

**Criteria**

OIG Circular A-113, Subpart C, section 6b stipulates that program records shall be retained for a stipulated period of time.

**Recommendation**

We recommend that management of OIC discuss these matters with appropriate representatives of the funding source.

**OPPORTUNITIES INDUSTRIALIZATION CENTER  
OF**

**GREATER NEW ORLEANS, INC.**

**SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS**

---

PROGRAM	FINDING	RESOLVED	UNRESOLVED
Project Independence FISC 351-4004 06/81	<b>1. UNRELIABLE COSTS</b>  During our testing of the program expenditures we noted the following items which do not appear to be related to the general objectives of the program.  1. Check no. 1097 - CIB of America - Annual Assessment     \$1,000  2. Check no. 1108 - Philip Baptiste - Reimbursement of Travel expenses         ___328  TOTAL questioned costs                     \$1,328		x

As a result of the above condition, we have questioned cost totaling \$1,328.

Current Status

The Office of Community Services has not rendered a final determination on this matter.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR  
FEDERAL AWARDS PROGRAM TRANSACTIONS  

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(CONTINUED)

To the Executive Director of  
Opportunities Industrialization Center of  
Greater New Orleans, Inc.

This report is intended for the information of the Executive Director, management, and regulatory agencies. This restriction is not intended to limit the distribution of this report which, upon acceptance by OIG is a matter of public record.

*Bruno & Tervalon*  
BRUNO & TERVALON  
CERTIFIED PUBLIC ACCOUNTANTS

May 29, 1987

**OPPORTUNITIES INDUSTRIALIZATION CENTER  
OF**

**GREATER NEW ORLEANS, INC.**

**SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS, CONTINUED**

PROGRAM	FINDING	RESOLVED	UNRESOLVED
Weatherization Program	<p><b>2. FUNDS REQUESTED IN EXCESS OF ACTUAL COSTS</b></p> <p>We noted during our audit that OIC requested funds in excess of actual costs totaling \$6,418.</p> <p><u>Current Status</u></p> <p>OIC has not completely liquidated the balance of the funds due to the Weatherization Program. This amount totaled \$4,387 at September 30, 1996.</p>		x
Housing Authority of New Orleans	<p><b>3. FUNDS REQUESTED IN EXCESS OF ACTUAL COSTS</b></p> <p>We noted during our audit that OIC requested funds totaling \$44,188 during the year ended September 30, 1994. However, actual expenditures totaled \$27,888, leaving a surplus balance of \$16,300.</p> <p><u>Current Status</u></p> <p>OIC has not completely liquidated the balance of the funds due to the Housing Authority of New Orleans. This amount totaled \$3,794 at September 30, 1996.</p>		x

**OPPORTUNITIES INDUSTRIALIZATION CENTER  
OF**

**GREATER NEW ORLEANS, INC.**

**SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS, CONTINUED**

<u>PROGRAM</u>	<u>FINDING</u>	<u>RESOLVED</u>	<u>UNRESOLVED</u>
----------------	----------------	-----------------	-------------------

Carl Perkins	4. <u>EXCESS REIMBURSEMENT</u>		
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We noted during our September 30, 1980 audit that two expenditures for the Carl D. Perkins Program, which were selected in a test of internal controls, were billed twice by OIC to the funding source. As such, we have questioned costs totaling \$187.

Current Status

OIC has not received a final determination with regard to this matter.



OPPORTUNITIES INDUSTRIALIZATION CENTER  
OF  
GREATER NEW ORLEANS, INC.  
SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS, CONTINUED

PROGRAM	FINDING	RESOLVED	UNRESOLVED
---------	---------	----------	------------

All Programs	<b>4. <u>ADDED TO FINANCIAL STATEMENTS</u></b>		
--------------	--	--	--

We noted during our audits that OIC did not complete a financial and compliance audit within six months of the close of the organization's fiscal year.

Current Status

OIC did not facilitate the completion of the September 30, 1996 and 1997 financial and compliance audits within the prescribed time frame.

All Programs	<b>5. <u>ADMINISTRATIVE PERSONNEL SALARY COSTS</u></b>		
--------------	--	--	--

We noted during our audit for the year ended September 30, 1994 that supporting documentation for administrative personnel payroll costs (i.e. time sheets, cost allocation records) did not appear to properly support the manner in which administrative salaries were charged to programs. The administrative personnel would include the Director, Executive Secretary and the Accountant.

Current Status

OIC has not received a final determination with regard to this matter.

**OPPORTUNITIES INDUSTRIALIZATION CENTER OF GREATER NEW ORLEANS, INC.**  
**SUPPLEMENTAL STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE**  
**(CONTINUED)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 1996**

Expenditures	Columns										Total (Memorandum Page 25-26)
	General Fund	Private Enterprise Fund	Project Independent	Specialization Program	City of S.D. from S.D.	Issuing Authority of S.D.	Grant Fund	New Fund	Old Fund	From Other	
Program costs	7,040	2,100	0	0	0	0	0	0	0	0	9,140
Other	1,694	194	124	160	160	20	1,174	470	0	0	3,046
Equipment rental	2,081	0	0	0	0	179	1,918	2,137	0	0	4,135
Interest	0	0	0	0	0	0	0	1,720	0	0	1,720
<b>Total expenditures</b>	<b>10,815</b>	<b>2,294</b>	<b>124</b>	<b>160</b>	<b>160</b>	<b>199</b>	<b>3,102</b>	<b>4,327</b>	<b>0</b>	<b>0</b>	<b>18,818</b>
Change in net assets	(12,100)	0	0	14,650	0	5,760	14,534	0	0	0	17,204
<b>Other Changes</b>											
Transfer	(10,011)	0	0	0	0	0	0	0	0	0	(10,011)
Net assets, beginning of year	(11,110)	0	0	14,254	0	0	1,021	2,582	0	0	(3,313)
Net assets, end of year	(21,121)	0	0	28,904	0	5,760	14,534	2,582	0	0	(1,341)

**OPPORTUNITIES INDUSTRIALIZATION CENTER**  
**OF**  
**GREATER NEW ORLEANS, INC.**  
 SCHEDULE OF FEDERAL AWARDS  
 FOR THE YEAR ENDING SEPTEMBER 30, 1994

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FEDERAL GRANTOR PASS-THROUGH GRANTEE PROGRAM TITLE	CFDA NUMBER	DISBURSEMENTS/ EXPENDITURES
<b>MAJOR PROGRAMS</b>		
Pass-through programs:		
State of Louisiana, Department of Social Services- Project Independence	N/A	\$ 129,000
City of New Orleans, Community Development Block Grant- Spur Program	14.228	694,561
Wacoast Program	14.218	130,831
Total major programs		854,392
<b>NON-MAJOR PROGRAMS</b>		
State of Louisiana, Office of Community Services- Weatherization Program	N/A	37,303
Orleans Private Industry Council- Job Training Partnership Act	17.280	75,530
Hoosier Authority of New Orleans- Job Skills Training	N/A	32,880
Total non-major programs		145,713
Total Federal awards		\$1,000,105

See the Independent Auditor's Report on Supplementary Information.

**OPPORTUNITIES INDUSTRIALIZATION CENTER  
OF  
GREATER NEW ORLEANS, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(CONTINUED)**

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2. COST ALLOCATION - RENT QUESTIONED COSTS

Condition

\$-0-

We noted during our audits that OIC had requested and received approval from funding sources to bill rent expense for the lease of its central facility to certain programs as follows:

Program	03/30/88	03/30/89
OPIC	\$3,254	\$1,218
Project Independence	\$3,750	\$8,000
RAMO	\$-0-	\$1,699

However, certain programs such as Haccat, Spur and Paint utilize the central facility to perform certain administrative functions and as such should receive an allocation of the facility rental costs.

Cause

OIC has not developed a cost allocation methodology for facility rental costs.

Effect

Certain programs that utilize the facility to perform administrative functions are not being charged rental costs.

Criteria

Cost Principles for Non-Profit Organizations prescribe that costs be consistent with policies and procedures that apply uniformly to both federally financed and other activities of the organization and to accorded consistent treatment.

Recommendation

We recommend that OIC develop a cost allocation method for facility use costs that would appropriately allocate such costs on a consistent basis to all related programs.

INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL  
STRUCTURE BASED ON AN AUDIT OF THE FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GAS  
CONTINUED

To the Executive Director  
Opportunities Industrialization Center  
of Greater New Orleans, Inc.

audit of the financial statements of OIC for the years ended  
September 30, 1986 and 1985. See the Reportable Condition titled  
Accounting Records.

This report is intended for the information of the Board of  
Directors, management, and the regulatory agencies. However, this  
report is a matter of public record and its distribution is not  
limited.

*Bruno & Tervalon*

BRUNO & TERVALON  
CERTIFIED PUBLIC ACCOUNTANTS

May 29, 1987

**OPPORTUNITIES INDUSTRIALIZATION CENTER OF GREATER NEW ORLEANS, INC.**  
**SUPPLEMENTAL STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE**  
**(CONTINUED)**

**FOR THE YEAR ENDED SEPTEMBER 30, 1995**

	General Fund		Project Information	Capital Maintenance Expenses	City of S.O. Fair	Housing Authority of S.O.	Account Special	Bonds	New Debt	Oil Debt	Erosion Debt	Total Miscellaneous (500-3000)
	Revenue	Expenditures										
Change in net assets	3,174	0	0	(7,280)	0	1,000	11,000	0	0	0	0	0
<b>Other Changes</b>												
Transfers	23,400	0	0	0	0	0	(7,100)	0	0	0	0	0
Net assets, beginning of year	(33,000)	0	0	2,330	0	0	22,210	0	0	0	0	0
Net assets, end of year	3,014,000	0	0	2,330	0	1,000	15,110	0	0	0	0	0

See the independent auditor's report for supplementary information.

OPPORTUNITIES INDUSTRIALIZATION CENTER OF  
GREATER NEW ORLEANS, INC.  
SCHEDULE OF REPORTABLE CONDITIONS

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ACCOUNTING RECORDS

Condition

We noted during our audit that the accounting records for the agency had not been maintained on a current basis for the entire audit periods. This condition resulted in the agency being unable to provide financial statements, budgets analysis and operating reports on a timely basis.

Recommendation

We recommend that immediate steps be taken to ensure that accounting records are maintained on a current basis.

OPPORTUNITIES INDUSTRIALIZATION CENTER  
OF  
GREATER NEW ORLEANS, INC.  
EXIT CONFERENCE

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The main report was discussed at an exit conference attended by:

OPPORTUNITIES INDUSTRIALIZATION CENTER

Mr. Philip Baptiste	--	Executive Director
Mr. Bernell J. Alexander	--	Accountant

BRUNG & TERVALON, CERTIFIED PUBLIC ACCOUNTANTS

Mr. Michael S. Bruno, CPA	--	Partner
Mr. Edward Phillips, Jr.	--	Senior Manager



**OPPORTUNITIES INDUSTRIALIZATION CENTER  
OF  
GREATER NEW ORLEANS, INC.**  
SCHEDULE OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 1985

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FEDERAL/GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	CFDA NUMBER	DISBURSEMENTS/ ENCUMBRANCES
<b>MAJOR PROGRAMS</b>		
Pass-through programs:		
State of Louisiana,		
Department of Social Services-		
Project Independence	N/A	\$148,830
Orleans Private Industry Council-		
Job Training Partnership Act	17-280	122,305
Housing Authority of New Orleans-		
Job Skills Program	N/A	127,329
Total major programs		<u>298,464</u>
<b>NON-MAJOR PROGRAMS</b>		
State of Louisiana,		
Office of Community Services-		
Weatherization Program	N/A	44,672
Orleans Parish School Board-		
Carl B. Perkins>Title III	N/A	17,176
City of New Orleans-		
Community Development: Block Grant-		
Paint Program	14-210	52,564
Sewer Program	14-210	9,844
Spur Program	14-210	<u>48,428</u>
Total non-major programs		<u>110,836</u>
Total federal awards		<u>\$570,501</u>

See the Independent Auditors' Report on Supplementary Information.

**OPPORTUNITIES INDUSTRIALIZATION CENTER OF GREATER NEW ORLEANS, INC.**  
**SUPPLEMENTAL STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 1955**

	General Fund	Grants from State	Private Subscriptions	Transfers from Other Funds	Divid. S.O. Title Expense	Bookings outside of S.O.	Interest from Bonds	Net Excess	Exp. Bal. 9/30	Chgs. from Bal. 9/30	Total Administrative Exp. - 9/30/55
<b>Revenues</b>											
Grant services	\$ 12,280	\$ 148,000		396,072	503,054	\$ 112,259	\$ 9,064	\$ 49,423	\$ 11,175	\$ -	\$ 576,251
Club cash interests	13,100	-	-	-	-	-	-	-	-	31,229	47,229
Other revenues	3,625	-	-	-	-	-	-	-	-	-	3,625
<b>Total revenues</b>	19,005	148,000	396,072	503,054	503,054	112,259	9,064	49,423	11,175	31,229	626,881
<b>Expenses</b>											
Salaries and related benefits	-	91,222	119,494	11,894	14,207	69,667	1,448	5,575	13,748	24,022	199,378
Professional fees and contract services	1,000	21,265	12,208	4,729	3,788	16,190	282	1,000	-	88	34,244
Office supplies	135	1,079	1,184	-	254	1,278	-	233	-	38	3,027
Travel and subscriptions	816	-	-	-	425	-	-	-	-	-	1,241
Telephone	1,181	1,048	1,259	778	1,254	3,479	-	-	-	-	8,619
Food	3,185	1,164	798	778	224	319	-	-	-	-	6,795
Printing and postage	311	-	28	-	212	22	-	31	-	-	566
Insurance	228	1,094	2,628	1,022	6,116	1,281	-	-	-	-	14,298
Materials and labor	-	-	-	24,118	31,245	-	4,029	-	-	-	62,411
Maintenance and equipment repairs	1,721	214	298	-	1,071	-	-	-	-	-	3,304
Rent and utilities	383	8,823	94,449	-	-	9,428	-	241	-	2,618	103,273
Traveling expenses	146	4,089	3,214	-	-	818	-	-	1,228	-	8,275
Program costs	2,110	-	-	-	-	-	-	25,038	-	-	27,148
Other	3,118	-	175	371	1,081	889	204	1,268	-	182	6,931
Equipment used	258	-	-	-	-	1,222	-	222	-	1,082	3,441
<b>Total expenses</b>	11,442	144,185	158,521	28,622	25,944	112,252	1,911	18,882	21,119	41,895	528,065

(CONTINUED)

**INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL  
STRUCTURE BASED ON AN AUDIT OF THE FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GAS  
CONTINUED**

To the Executive Director  
Opportunities Industrialization Center  
of Greater New Orleans, Inc.

In planning and performing our audits of the financial statements of Opportunities Industrialization Center of Greater New Orleans, Inc. (OIC) for the years ended September 30, 1994 and 1995, we obtained an understanding of the internal control structure. With respect to the internal structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

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

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

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we noted the following matter involving the internal control structure and its operation that we consider to be a material weakness as defined above. This condition was considered in determining the nature, timing, and extent of the procedures to be performed in our

**OPPORTUNITIES INDUSTRIALIZATION CENTER OF GREATER NEW ORLEANS, INC.**  
**SUPPLEMENTAL BALANCE SHEET**  
**SEPTEMBER 30, 1995**

Assets	General Fund	Industry Fund	Project Fund	Other	City of New Orleans	Building Authority	State	Federal	Other	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Current assets	1,259	4,471	4,147	84	1,112	12,138	1,005	—	—	20,019
Cash	—	—	—	—	—	—	—	—	—	—
Accounts receivable	—	31,422	15,224	3,041	—	—	—	—	—	50,687
Accounts payable	3,995	4,789	71	3,611	1,713	—	—	—	—	13,179
Prepaid building expense (NOTE 3)	—	—	1,214	2,561	—	—	—	—	—	4,785
Due from other programs (NOTE 3)	—	—	2,658	2,214	20,494	4,128	—	—	—	29,594
Total assets	5,254	372,222	16,123	5,114	12,621	16,266	1,005	—	—	412,425
Liabilities	—	—	1,714	4,628	79	117	124	—	—	6,662
Accounts payable (NOTE 3)	—	—	1,714	4,628	79	117	—	—	—	6,538
Advances from building recovery	—	—	—	—	—	—	—	—	—	—
Due to building recovery (NOTE 3)	—	—	8,822	8,882	—	20,778	—	—	—	30,482
Due to other programs (NOTE 3)	—	—	13,784	14,911	4,395	428	6,488	—	—	36,006
Notes payable (NOTE 4)	—	—	—	—	—	—	—	—	—	—
Total liabilities	—	—	14,320	34,540	4,673	21,323	6,624	—	—	56,157
Commitments and Contingencies (NOTE 4)	—	—	—	—	—	—	—	—	—	—
Net Assets	5,254	372,222	14,409	5,114	12,621	16,266	1,005	—	—	356,268
Unexpended	—	—	—	—	—	—	—	—	—	—
Unexpended	—	—	—	—	—	—	—	—	—	—
Total liabilities and net assets	5,254	372,222	14,409	5,114	12,621	16,266	1,005	—	—	356,268

See the Independent Auditor's Report on Supplementary Information.

**INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL  
STRUCTURE USED IN ADMINISTERING FEDERAL AWARDS**

To the Executive Director of  
Opportunities Industrialization Center  
of Greater New Orleans, Inc.

We have audited the financial statements of Opportunities Industrialization Center of Greater New Orleans, Inc. (a nonprofit organization) as of and for the years ended September 30, 1996 and 1995, and have issued our report thereon dated May 19, 1997. We have also audited Opportunities Industrialization Center of Greater New Orleans, Inc. (OIC) compliance with requirements applicable to major Project Independence and Community Development Block Grant Programs for the year ended September 30, 1996 and major Project Independence, Job Training Partnership Act and Housing and Urban Development programs for the year ended September 30, 1995 and have issued our report thereon dated May 19, 1997. As discussed in NOTE 3 to the financial statements, during the year ended September 30, 1996, OIC changed its method of accounting for contributions received and applied newly established financial reporting standards for not-for-profit organizations.

We conducted our audits in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and OIG circular A-133. These standards and the provisions of OIG circular A-133 require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, and about whether OIC complied with laws and regulations, noncompliance with which would be material to a major federal award program.

In planning and performing our audits for the years ended September 30, 1996 and 1995, we considered OIC's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinions on the organization's financial statements and on its compliance with requirements applicable to major programs and to report on the internal control structure in accordance with OIG circular A-133.

**INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL  
STRUCTURE USED IN ADMINISTERING FEDERAL AWARDS**  
**CONTINUED**

To the Executive Director  
Opportunities Industrialization Center  
of Greater New Orleans, Inc.

This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal award programs. We have addressed internal control structure policies and procedures relevant to our audits of the financial statements in a separate report dated May 29, 1987.

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

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

**INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL  
STRUCTURE USED IN ADMINISTERING FEDERAL AWARDS**  
**CONTINUED**

To the Executive Director  
Opportunities Industrialization Center  
of Greater New Orleans, Inc.

- |                                   |                             |
|-----------------------------------|-----------------------------|
| o Revenue and Receivables         | o Political Activities      |
| o Payroll and Related Liabilities | o Civil Rights              |
| o Equipment                       | o Cash Management           |
| o Debt and Other Liabilities      | o Federal Financial Reports |
| o Cash Receipts                   | o Budgeting                 |
| o Administrative Requirements     | o Cost Allocation           |
| o Allowable Costs/Cost Principles | o Accounts Payable          |
| o Eligibility                     | o Cash Disbursements        |
| o Types of Services Allowed       |                             |

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

During the year ended September 30, 1986, OIC expended 80% of its total federal financial assistance under major Project Independence and Community Development Block Grant assisted programs. During the year ended September 30, 1986, OIC expended 70% of its total federal financial assistance under major Project Independence, Job Training Partnership Act and Housing and Urban Development Assisted Programs.

We performed tests of controls as required by OMB Circular A-133, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to OIC's major federal awards programs, which are identified in the accompanying schedule of federal awards. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

We noted a certain matter involving the internal control structure and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relative to significant deficiencies in the design

**INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL  
STRUCTURE USED IN ADMINISTERING FEDERAL AWARDS  
CONTINUED**

To the Executive Director  
Opportunities Industrialization Center  
of Greater New Orleans, Inc.

or operation of the internal control structure that, in our judgment, could adversely affect the organization's ability to administer federal award programs in accordance with applicable laws and regulations. See the Schedule of Reportable Conditions.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal award program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control structure policies and procedures used in administering federal awards would not necessarily disclose all matters in the internal control structure that might be reportable conditions and accordingly would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we noted the following matter involving the internal control structure and its operation that we consider to be a material weakness as defined above. This condition was considered in determining the nature, timing, and extent of the procedures to be performed in our audit of the compliance of OIC with requirements applicable to the major federal award program for the years ended September 30, 1996 and 1997, and this report does not affect our report thereon dated May 29, 1997. See the Reportable Condition titled Accounting Records.

This report is intended for the information of the Board of Directors, management and regulatory agencies. This restriction is not intended to limit the distribution of this report, which upon acceptance by OIC is a matter of public record.

*Bruno + Tervalon*  
**BRUNO & TERVALON**  
CERTIFIED PUBLIC ACCOUNTANTS

May 29, 1997



OPPORTUNITIES INDUSTRIALIZATION CENTER  
OF  
GREATER NEW ORLEANS, INC.  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 3 - Summary of Significant Accounting Policies.  
Continued:

Basis of Reporting, Continued

unrestricted net assets include the following:

- o Unrestricted net assets include funds not subject to donor-imposed stipulations. The revenues received and expenses incurred in conducting the missions of OIC are included in this category. OIC has determined that any donor-imposed restrictions for current or developing programs and activities are generally met within the operating cycle of OIC, and therefore, OIC's policy is to record these net assets as unrestricted.
- o Unrestricted funds-designated represent the unexpended balance of exchange transactions received from the U. S. Government, state, local and private agencies.

Temporarily restricted net assets include realized gains and losses, investment income and gifts and contributions for which donor imposed restrictions have not been met.

Permanently restricted net assets are contributions which are required by the donor-imposed restriction to be invested in perpetuity and only the income be made available for program operations in accordance with the donor restrictions. Such income is reflected in temporarily restricted net assets until utilized for donor imposed restrictions.

OIC did not have any temporarily or permanently restricted net assets at September 30, 1996.

Cash Equivalents

Cash equivalents include short-term, highly liquid investments with a maturity of three months or less at the time of purchase.