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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 audited, 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 5/12/99

FINANCIAL AND COMPLIANCE AUDITS

TOGETHER WITH

INDEPENDENT AUDITORS' REPORT

FOR THE YEARS ENDED SEPTEMBER 30, 1998 AND 1997

**Bruno
& Tervalon**

CERTIFIED PUBLIC ACCOUNTANTS

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& Tervalon

MICHAEL B. BRUNO, CPA
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WALDO J. MORET, JR., CPA

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, 1998 and 1997 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, and the standards applicable to financial audits contained in 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. 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 provides 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, 1998 and 1997 and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

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

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As discussed in Note 4 to the financial statements, OIC 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 appropriate officials, is uncertain at this time. Accordingly, no provision for any liability has been made in the financial statements for possible federal claims for refunds of those grant monies.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of functional expenses and the required OMB Circular A-133 schedules of expenditures of federal awards are presented for purposes of additional analysis and are 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 basic financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued our report dated April 26, 1999 on our consideration of OIC's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Bruno & Tervalon
BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

April 26, 1999

**OPPORTUNITIES INDUSTRIALIZATION CENTER OF
GREATER NEW ORLEANS, INC.
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 1998 AND 1997**

<u>ASSETS</u>	<u>1998</u>	<u>1997</u>
Cash	\$ 173,522	\$ 75,121
Grants receivable	15,399	120,425
Accounts receivable	13,901	6,149
Land and building, net of accumulated depreciation of \$5,148 (NOTE 8)	<u>301,405</u>	<u>102,388</u>
Total assets	<u>\$ 504,227</u>	<u>\$ 304,083</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Liabilities:		
Accounts payable (NOTE 5)	\$ 37,808	\$ 42,956
Advances from funding sources	32,029	42,030
Due to funding agency (NOTE 2)	42,189	24,421
Notes payable (NOTE 6)	-0-	20,000
Deferred revenue (NOTE 2)	<u>120,129</u>	<u>63,609</u>
Total liabilities	<u>232,155</u>	<u>193,016</u>
 Commitments and Contingencies (NOTE 4)		
 Net Assets: (NOTE 2)		
Unrestricted	(29,333)	8,679
Unrestricted-designated	<u>301,405</u>	<u>102,388</u>
Total net assets	<u>272,072</u>	<u>111,067</u>
Total liabilities and net assets	<u>\$ 504,227</u>	<u>\$ 304,083</u>

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

**OPPORTUNITIES INDUSTRIALIZATION CENTER OF
GREATER NEW ORLEANS, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED SEPTEMBER 30, 1998 AND 1997**

<u>OPERATING REVENUES</u>	<u>Unrestricted 1998</u>	<u>Unrestricted 1997</u>
Grant revenues	\$ 686,709	\$ 706,938
Donations	-0-	5,061
Rental income	19,130	-0-
Interest income	24	51
Other revenues	<u>12,046</u>	<u>535</u>
 Total operating revenues	 <u>717,909</u>	 <u>712,585</u>
 <u>OPERATING EXPENSES</u>		
Management and general	39,299	19,640
Program services	<u>517,605</u>	<u>588,856</u>
 Total operating expenses	 <u>556,904</u>	 <u>608,496</u>
Changes in net assets	161,005	104,089
Net assets at beginning of year	<u>111,067</u>	<u>6,978</u>
 Net assets at end of year	 <u>\$ 272,072</u>	 <u>\$ 111,067</u>

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

**OPPORTUNITIES INDUSTRIALIZATION CENTER OF
GREATER NEW ORLEANS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 1998 AND 1997**

<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	<u>1998</u>	<u>1997</u>
Changes in net assets	\$161,005	\$104,089
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	5,148	-0-
Change in operating assets and liabilities:		
Decrease (Increase) in grants receivable	105,026	(52,044)
(Increase) Decrease in accounts receivable	(7,752)	7,125
Decrease in due from funding sources	-0-	12,610
Decrease in accounts payable	(5,148)	(30,955)
Increase in due to funding agencies	17,768	6,241
Increase in deferred revenue	<u>56,520</u>	<u>63,609</u>
Net cash provided by operating activities	<u>332,567</u>	<u>110,675</u>
Cash flows from financing activities:		
Proceeds from notes payable	-0-	20,000
Repayment of notes payable	(20,000)	(40,802)
Advances from funding sources	32,029	42,030
Repayment of advances from funding sources	<u>(42,030)</u>	<u>(20,000)</u>
Net cash (used in) provided by financing activities	<u>(30,001)</u>	<u>1,228</u>
Cash flows from investing activities:		
Acquisition of land and building	<u>(204,165)</u>	<u>(102,388)</u>
Net cash used in investing activities	<u>(204,165)</u>	<u>(102,388)</u>
Net increase in cash	98,401	9,515
Cash at beginning of year	<u>75,121</u>	<u>65,606</u>
Cash at end of year	<u>\$ 173,522</u>	<u>\$ 75,121</u>
Interest paid in cash	<u>\$ -0-</u>	<u>\$ 889</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**

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, 1998 and 1997 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.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 1 - 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 enhance their economic base.

Orleans Private Industry Council (OPIC) Programs

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

Spur 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.

Nucoat Program

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

Rental Rehabilitation - Home Investment Partnerships

The objective of the Rental Rehabilitation program is to provide decent, safe, sanitary and affordable housing to lower-income citizenry.

Legislative Grant

The objective of the Legislative Grant program is to provide community development, employment and training. The grant funds were paid out of the State of Louisiana general fund.

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

NOTE 2 - Summary of Significant Accounting Policies:

Principles of Accounting

The financial statements of OIC and the Schedule of Expenditures 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 estimates.

Equipment

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

Advances from Funding Agency

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

Deferred Revenue

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

Due to Funding Agency

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

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

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

Basis of Reporting

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:

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 land and building under the Home Investment Partnership Program.

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

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

Basis of Reporting, Continued

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, 1998 and 1997.

Cash Equivalents

For purposes of the statements of cash flows, OIC considers short-term, highly liquid investments with a maturity of three months or less at the time of purchase to be a cash equivalent.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

NOTE 3 - Income Taxes:

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

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

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.

Our audit disclosed certain items or 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 costs will be allowable or unallowable under the affected grants will be made by the various funding sources.

On September 30, 1998, OIC entered into a lease agreement with the Desire Community Housing Corporation (DCHC) which provided for payment of \$1,100 per month. The lease agreement was for a six month period commencing November 1, 1998 and ending on May 31, 1999.

NOTE 5 - Accounts Payable:

This amount includes a liability to the State of Louisiana - Department of Labor of \$18,951 which represents disallowed costs as a result of an audit of the Job Training Partnership Act which was managed by OIC.

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

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

NOTE 6 - Note Payable:

	<u>09/30/98</u>	<u>09/30/97</u>
<u>Rental Rehabilitation Program</u>		
Note payable, interest at 10.5%, due 10/30/97	\$ <u>-0-</u>	\$ <u>20,000</u>

NOTE 7 - Fair Value of Financial Instruments:

The estimated fair value of all significant financial amounts 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.

NOTE 8 - Land and Building:

Land and building is stated at cost, if purchased, or at fair market value at the date of the gift, if donated. Depreciation of the building is provided using the straight-line method over twenty-seven and one-half years. The changes in land and building during the years ended September 30, 1997 and 1998 were as follows:

	<u>Balance at 09/30/96</u>	<u>Additions (Reductions)</u>	<u>Balance at 09/30/97</u>	<u>Additions (Reductions)</u>	<u>Balance at 09/30/98</u>
Land	\$-0-	\$ 23,382	\$ 23,382	\$ -0-	\$ 23,382
Building	-0-	79,007	79,007	204,164	283,171
Accumulated deprec- iation	-0-	<u>-0-</u>	<u>-0-</u>	<u>(5,148)</u>	<u>(5,148)</u>
Net land and building	<u>\$-0-</u>	<u>\$102,389</u>	<u>\$102,389</u>	<u>\$199,016</u>	<u>\$301,405</u>

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

NOTE 9 - YEAR 2000:

The management of OIC is assessing its computer systems and business processes and intends to initiate actions to address the Year 2000 (YSSSSK). At this time, management is not able to determine the impact, including the costs of remediation, of the "Year 2000 issue" on OIC.

SUPPLEMENTAL INFORMATION

**OPPORTUNITIES INDUSTRIALIZATION CENTER
OF
GREATER NEW ORLEANS, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 1998**

<u>Federal Grantor/ Program Name</u>	<u>Federal CFDA or Order Number</u>	<u>Pass-Through Entity's Number</u>	<u>Activity</u>
<u>U. S. Department of Housing And Community Development</u>			
<u>Awards from a Pass-Through Entity</u> <u>Through: City of New Orleans</u>			
<u>CDBG-Entitlement and Small Cities Cluster</u>			
<u>Community Development</u>			
<u>Block Grant-Project</u>			
Nucoat	14.218	72-0694683	\$ 93,755
<u>Home Investment</u>			
Partnerships Program- Rental Rehabilitation	14.239	Home 95-014/ 10-074	<u>279,262</u>
Total U. S. Department of Housing and Urban Development			<u>373,017</u>
<u>U. S. Department of Labor</u>			
<u>Awards from a Pass-Through Entity</u> <u>Through: Orleans Private Industry Council</u>			
<u>JTPA Cluster</u>			
Job Training Partnership Act	17.250	96-2A-060	<u>30,123</u>
Total U. S. Department of Labor			<u>30,123</u>

See the Independent Auditors' Report on Supplementary Information.

**OPPORTUNITIES INDUSTRIALIZATION CENTER
OF
GREATER NEW ORLEANS, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS,
CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 1998**

<u>Federal Grantor/ Program Name</u>	<u>Federal CFDA or Order Number</u>	<u>Pass-Through Entity's Number</u>	<u>Activity</u>
<u>U. S. Department of Energy</u>			
<u>Awards from a Pass-Through Entity</u>			
<u>Through: State of Louisiana</u>			
Office of Community Service			
Weatherization Assistance for Low-Income Persons	81.042	CFMS515933	<u>54,791</u>
Total U. S. Department of Energy			<u>54,791</u>
<u>U. S. Department of Health and Human Services</u>			
<u>Through: State of Louisiana's</u>			
Department of Social Service			
Temporary Assistance for Needy Families- Project Independence	93.558	CFMS509602	<u>189,513</u>
Total U. S. Department of Health and Human Services			<u>189,513</u>
Total Expenditures of Federal Awards			\$ <u>647,444</u>

See the Independent Auditors' Report on Supplementary Information.

**OPPORTUNITIES INDUSTRIALIZATION CENTER
OF
GREATER NEW ORLEANS, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 1997**

<u>Federal Grantor/ Program Name</u>	<u>Federal CFDA or Order Number</u>	<u>Pass-Through Entity's Number</u>	<u>Activity</u>
<u>U. S. Department of Housing And Community Development</u>			
<u>Awards from a Pass-Through Entity Through: City of New Orleans</u>			
<u>CDBG-Entitlement and Small Cities Cluster</u>			
Community Development Block Grant-Project Nucoat	14.218	72-0694683	\$ 94,205
Community Development Block Grant-Spur	14.218	72-0694683	146,129
Community Development Block Grant-Paint	14.218	72-0694683	2,752
Home Investment Partnerships Program- Rental Rehabilitation	14.239	Home 95-014/ 10-074	<u>139,069</u>
Total U. S. Department of Housing and Urban Development			<u>382,155</u>
<u>U. S. Department of Labor</u>			
<u>Awards from a Pass-Through Entity Through: Orleans Private Industry Council</u>			
<u>JTPA Cluster</u>			
Job Training Partnership Act	17.250	96-2A-060	<u>115,966</u>
Total U. S. Department of Labor			<u>115,966</u>
See the Independent Auditors' Report on Supplementary Information.			

**OPPORTUNITIES INDUSTRIALIZATION CENTER
OF
GREATER NEW ORLEANS, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS,
CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 1997**

<u>Federal Grantor/ Program Name</u>	<u>Federal CFDA or Order Number</u>	<u>Pass-Through Entity's Number</u>	<u>Activity</u>
<u>U. S. Department of Energy</u>			
<u>Awards from a Pass-Through Entity</u>			
<u>Through: State of Louisiana</u>			
Office of Community Service			
Weatherization Assistance for Low-Income Persons	81.042	CFMS515933	<u>20,982</u>
Total U. S. Department of Energy			<u>20,982</u>
<u>U. S. Department of Education</u>			
<u>Awards from a Pass-Through Entity</u>			
<u>Through: Orleans Parish School Board</u>			
Vocational Education-			
Community Based			
Organizations-Carl Perkins	84.048	72-0694683	<u>4,558</u>
Total U. S. Department of Education			<u>4,558</u>

See the Independent Auditors' Report on Supplementary Information.

**OPPORTUNITIES INDUSTRIALIZATION CENTER
 OF
 GREATER NEW ORLEANS, INC.
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS,
 CONTINUED
 FOR THE YEAR ENDED SEPTEMBER 30, 1997**

<u>Federal Grantor/ Program Name</u>	<u>Federal CFDA or Order Number</u>	<u>Pass-Through Entity's Number</u>	<u>Activity</u>
<u>U. S. Department of Health and Human Services</u>			
<u>Through: State of Louisiana's Department of Social Service</u>			
Temporary Assistance for Needy Families- Project Independence	93.558	CFMS509602	<u>167,583</u>
Total U. S. Department of Health and Human Services			<u>167,583</u>
Total Expenditures of Federal Awards			\$ <u>691,244</u>

See the Independent Auditors' Report on Supplementary Information.

**OPPORTUNITIES INDUSTRIALIZATION CENTER
OF
GREATER NEW ORLEANS, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED SEPTEMBER 30, 1998 AND 1997**

NOTE 1 - Basis of Accounting:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Opportunities Industrialization Center of Greater New Orleans, Inc. (OIC) and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented, or used in the preparation of, the basic financial statements.

NOTE 2 - Subrecipients:

Of the federal expenditures presented in the Schedule, OIC did not provide any federal awards to subrecipients.

OPPORTUNITIES INDUSTRIALIZATION CENTER OF GREATER NEW ORLEANS, INC.
 SCHEDULE OF FUNCTIONAL EXPENSES
 FOR THE YEAR ENDED SEPTEMBER 30, 1998

	Project Nucoat	Project Independence	Rental		Weatherization	OPIC	Spur	Real Estate	Security Account	Legislative Grant	Total Program Costs	Management and General	Total
			Rehabilitation Administration	Rehabilitation Construction									
Salaries and related benefits	\$17,349	\$141,725	\$33,701	\$5,694	\$22,383	\$1,522	\$500	\$0	\$0	\$14,176	\$237,050	\$0	\$237,050
Accounting and auditing	5,170	18,138	7,273	0	2,663	2,119	0	0	0	4,032	39,395	0	39,395
Repairs and maintenance	1,810	5,400	1,896	2,842	0	953	0	151	0	1,427	14,479	1,377	15,856
Materials and supplies	4,626	6,500	0	1,669	20,684	305	0	53	0	1,879	35,716	0	35,716
Equipment repairs and maintenance	0	722	3,484	0	0	112	0	4,552	0	1,753	10,623	0	10,623
Utilities	0	3,599	19	1,822	0	785	0	4,593	0	0	10,818	0	10,818
Rent	183	6,600	638	0	0	4,409	0	0	0	0	11,830	0	11,830
Printing	0	0	78	0	0	0	0	0	18	991	1,087	0	1,087
Telephone	1,076	2,599	3,089	784	0	425	0	667	0	642	9,282	0	9,282
Travel	0	246	0	0	0	295	0	0	0	0	541	0	541
Office supplies	3	1,707	1,051	0	0	0	0	0	0	858	3,619	607	4,226
Insurance	11,897	552	4,982	0	0	167	0	6,285	0	1,438	25,321	1,272	26,593
Training salaries	0	0	0	0	0	14,978	0	0	0	540	15,518	0	15,518
Postage	47	5	110	32	0	0	0	32	0	46	272	95	367
Donations	158	0	0	125	0	0	0	0	0	0	283	810	1,093
Dues and assessments	880	0	0	0	0	0	0	37	0	0	917	320	1,237
Program support	0	0	1,392	550	0	4,053	1,150	0	0	2,000	9,145	34,788	43,933
Other	144	0	84	811	0	0	18	75	7	89	1,228	0	1,228
Security	0	0	0	847	0	0	0	404	20,458	0	21,709	0	21,709
Advertising	110	0	37	60	0	0	0	306	0	0	513	30	543
Depreciation	0	0	711	4,437	0	0	0	0	0	0	5,148	0	5,148
Copier service	608	0	2,028	0	0	0	0	0	0	0	2,636	0	2,636
Laborers	49,694	0	0	0	9,061	0	0	0	0	0	58,755	0	58,755
Equipment rental	0	1,720	0	0	0	0	0	0	0	0	1,720	0	1,720
Total expenses	\$93,755	\$189,513	\$60,573	\$19,673	\$54,791	\$30,123	\$1,668	\$17,155	\$20,483	\$29,871	\$517,605	\$39,299	\$556,904

See the Independent Auditors' Report on Supplementary Information.

OPPORTUNITIES INDUSTRIALIZATION CENTER OF GREATER NEW ORLEANS, INC.
 SCHEDULE OF FUNCTIONAL EXPENSES
 FOR THE YEAR ENDED SEPTEMBER 30, 1997

	Project		Rental		Rental		Rental		Weatherization		OPIC		Spur		Paint		Total		Management		Total
	Nucoat	Project Independence	Carl Perkins	Rehabilitation Administration	Rehabilitation Construction	Weatherization	OPIC	Spur	Paint	Program Costs	General	Management and General	Program Costs	General	Management and General	Program Costs	General	Management and General	Program Costs	General	
Salaries and related benefits	\$44,286	\$121,995	\$3,837	\$15,232	\$600	\$12,118	\$34,618	\$24,726	\$0	\$257,412	\$0	\$0	\$257,412	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$257,412
Accounting and audit fees	9,000	12,985	0	5,454	0	2,907	7,952	5,000	0	43,298	0	0	43,298	0	0	0	0	0	0	0	43,298
Repairs and maintenance	1,100	4,158	0	1,323	2,157	0	3,148	3,143	0	15,029	0	0	15,029	0	0	0	0	0	0	0	15,029
Materials and supplies	6,034	11,647	258	0	563	3,892	8,690	8,419	0	39,503	0	0	39,503	0	0	0	0	0	0	0	39,503
Equipment maintenance	0	480	392	1,519	2,392	0	1,693	892	0	7,368	0	0	7,368	0	0	0	0	0	0	0	7,368
Utilities	314	3,089	0	0	0	0	2,503	0	0	5,906	0	0	5,906	0	0	0	0	0	0	0	5,906
Rent	0	6,150	0	0	0	0	2,733	0	0	8,883	0	0	8,883	0	0	0	0	0	0	0	8,883
Printing	0	180	0	0	0	0	0	0	0	180	0	0	180	0	0	0	0	0	0	0	180
Telephone	2,647	1,686	0	971	974	0	1,431	571	0	8,280	0	0	8,280	0	0	0	0	0	0	0	8,280
Travel	0	266	0	0	0	0	120	800	0	1,186	0	0	1,186	0	0	0	0	0	0	0	1,186
Office supplies	587	1,907	0	1,928	0	0	0	967	0	5,389	0	0	5,389	0	0	0	0	0	0	0	5,389
Insurance	0	1,806	0	0	0	300	975	0	0	3,081	0	0	3,081	0	0	0	0	0	0	0	3,081
Training salaries	0	0	0	0	0	0	48,177	0	0	48,177	0	0	48,177	0	0	0	0	0	0	0	48,177
Postage	44	47	0	0	0	0	0	40	0	131	0	0	131	0	0	0	0	0	0	0	131
Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Donations	50	0	0	0	0	0	0	0	0	50	0	0	50	0	0	0	0	0	0	0	50
Dues and assessments	0	0	0	0	0	0	0	0	0	1,771	0	0	1,771	0	0	0	0	0	0	0	1,771
Program support	0	0	0	0	0	0	0	88	0	88	0	0	88	0	0	0	0	0	0	0	88
Other	287	0	71	1,986	200	0	3,926	1,855	2,752	11,083	0	0	11,083	0	0	0	0	0	0	0	11,083
Management fee	2,080	0	0	0	0	0	0	0	0	2,080	0	0	2,080	0	0	0	0	0	0	0	2,080
Advertising	92	0	0	0	302	0	0	0	0	394	0	0	394	0	0	0	0	0	0	0	394
Copier service	942	1,187	0	1,080	0	0	0	550	0	3,753	0	0	3,753	0	0	0	0	0	0	0	3,753
Laborers	26,742	0	0	0	0	1,765	0	97,307	0	125,814	0	0	125,814	0	0	0	0	0	0	0	125,814
Total expenses	\$94,205	\$167,583	\$4,558	\$29,493	\$7,188	\$20,982	\$115,966	\$146,129	\$2,752	\$588,856	\$19,640	\$608,496	\$588,856	\$19,640	\$608,496	\$588,856	\$19,640	\$608,496	\$588,856	\$19,640	\$608,496

See the Independent Auditors' Report on Supplementary Information.

**INDEPENDENT AUDITORS' 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 Executive Director
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, 1998 and 1997, and have issued our report thereon dated April 26, 1999. As discussed in NOTE 4 to the financial statements, OIC has expended certain federal grant funds in a manner that may have violated certain restrictive provisions of the related grants. However, the possible outcome is uncertain at this time. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether OIC's financial statements are free of material misstatement, we 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 22 financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs as items 98-01, 98-02, 98-03, 98-04 and 98-05.

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

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

Internal Control Over Financial Reporting

In planning and performing our audits, we considered OIC's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect OIC's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item number 98-06.

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 employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition is a material weakness. We also noted other matters involving the internal control over financial reporting, which we have reported to management of OIC in a separate letter dated April 26, 1999.

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

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

This report is intended solely for the information and use of the Executive Director, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Bruno & Tervalon
BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

April 26, 1999

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

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

Compliance

We have audited the compliance of Opportunities Industrialization Center of Greater New Orleans, Inc. (OIC) 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 its major federal programs for the years ended September 30, 1998 and 1997. OIC's major federal programs are identified in the summary of the independent auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of OIC's management. Our responsibility is to express an opinion on OIC's compliance based on our audits.

We conducted our audits of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government 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 we plan and perform the audits 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 major federal programs occurred. An audit includes examining, on a test basis, evidence about OIC's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinion. Our audits do not provide a legal determination on OIC's compliance with those requirements.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM
AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133
(CONTINUED)**

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

As described in items 98-07, 98-08, 98-09, 98-10, and 98-11 in the accompanying schedule of findings and questioned costs, OIC did not comply with requirements regarding cash management, cost allocation, and allowable costs that are applicable to its Community Development Block Grant, Temporary Assistance for Needy Families, and Home Investment Partnership Programs. Compliance with such requirements is necessary, in our opinion, for OIC to comply with the requirements applicable to those programs.

In our opinion, except for the noncompliance described in the preceding paragraph, OIC complied, in all material respects, with the requirements referred to previously that are applicable to its major federal programs for the years ended September 30, 1998 and 1997.

Internal Control Over Compliance

The management of OIC is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audits, we considered OIC's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we considered to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect OIC's ability to administer a major 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 item numbers 98-07, 98-08, 98-09, 98-10 and 98-11.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM
AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133
(CONTINUED)**

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

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 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. Our 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 reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider items 98-07, 98-08, 98-09, 98-10 and 98-11 to be material weaknesses.

This report is intended solely for the information and use of the Executive Director, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Bruno & Tervalon
BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

April 26, 1999

OPPORTUNITIES INDUSTRIALIZATION CENTER
OF
GREATER NEW ORLEANS, INC.
SCHEDULES OF FINDINGS AND QUESTIONED COSTS
SUMMARY OF THE INDEPENDENT AUDITORS' RESULTS
FOR THE YEARS ENDED SEPTEMBER 30, 1998 AND 1997

1. Type of report issued on the financial statements. Unqualified opinion
2. Did the audit disclose any reportable conditions in internal control. Yes
3. Were any of the reportable conditions material weaknesses. Yes
4. Did the audit disclose any noncompliance which is material to the financial statements of the organization. Yes
5. Did the audit disclose any reportable conditions in internal control over major programs. Yes
6. Were any of the reportable conditions in internal control over major programs material weaknesses. Yes
7. Type of report issued on compliance for major programs. Qualified
8. Did the audit disclose any audit findings which the independent auditors are required to report under OMB Circular A-133, Section 510(a). Yes
9. The following is an identification of major programs:

<u>CFDA or Contract Number</u>	<u>Name of Federal Program</u>
14.218	Project Nucoat - Community Development Block Grant
14.239	Home Investment Partnerships Program - Rental Rehabilitation
93.558	Temporary Assistance for Needy Families- Project Independence

**OPPORTUNITIES INDUSTRIALIZATION CENTER
OF
GREATER NEW ORLEANS, INC.
SCHEDULES OF FINDINGS AND QUESTIONED COSTS
SUMMARY OF THE INDEPENDENT AUDITORS' RESULTS
FOR THE YEARS ENDED SEPTEMBER 30, 1998 AND 1997**

10. The dollar threshold used to distinguish between Type A and Type B Programs, as described in OMB Circular A-133, Section 520(b) was \$300,000.

11. Did the auditee qualify as a low-risk auditee under OMB Circular A-133, Section 530.
No

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

COMPLIANCE WITH LAWS, REGULATIONS, CONTRACTS AND GRANTS

Audit Finding Reference Number

98-01 - Excess Reimbursement

FEDERAL PROGRAM AND SPECIFIC FEDERAL AWARD IDENTIFICATION

CFDA Title and Number

14.239 - Home Investment Partnership Program.

Federal Award Year

September 30, 1998

Federal Agencies

U.S. Department of Housing and Urban Development

Pass-through Entity

City of New Orleans

Criteria

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

Conditions and Perspectives

We noted during our September 30, 1998 audit that management of the **Opportunities Industrialization Center of Greater New Orleans, Inc. (OIC)** requested and received \$15,823 of funds in excess of actual costs.

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

**COMPLIANCE WITH LAWS, REGULATIONS, CONTRACTS AND GRANTS
(CONTINUED)**

Audit Finding Reference Number, Continued
98-01 - Excess Reimbursement

Cause

The management of **OIC** failed to properly reconcile reimbursement requests to actual disbursements.

Questioned Costs

For purposes of this condition, we have questioned the funds received in excess of actual costs (\$15,823), which is considered to be due to the funding source.

Effect

The management of **OIC** has requested and received grant funds in excess of actual costs.

Recommendation

We recommend that immediate steps to be taken to resolve this matter with the funding source.

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

COMPLIANCE WITH LAWS, REGULATIONS, CONTRACTS AND GRANTS

Audit Finding Reference Number

98-02 - Cost Allocation - Rent and Utilities

FEDERAL PROGRAM AND SPECIFIC FEDERAL AWARD IDENTIFICATION

CFDA Title and Number

17.250 - Job Training Partnership Act

93.558 - Temporary Assistance for Needy Families -
Project Independence

Federal Award Year

September 30, 1998 and 1997

Federal Agencies

U.S. Department of Labor

U.S. Department of Health and Human Services

Pass-through Entity

Orleans Private Industry Council

State of Louisiana

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

**COMPLIANCE WITH LAWS, REGULATIONS, CONTRACTS AND GRANTS
(CONTINUED)**

Audit Finding Reference Number, Continued
98-02 - Cost Allocation - Rent and Utilities

Criteria

OMB Circular A-133 Compliance Supplement Part 3, Section B stipulates that costs must be given consistent treatment through application of those generally accepted accounting principles appropriate to the circumstances.

Conditions and Perspective

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

<u>Program</u>	<u>09/30/98</u>	<u>09/30/97</u>
JTPA	\$5,194	\$ 5,236
Project Independence	9,239	10,199

However, certain programs such as Nucoat, Spur, Weatherization, Carl Perkins, Legislative Grant, and Rental Rehabilitation utilize the central facility to perform certain administrative functions and as such should receive an allocation of the facility rental and utilities cost.

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

**COMPLIANCE WITH LAWS, REGULATIONS, CONTRACTS AND GRANTS
(CONTINUED)**

Audit Finding Reference Number, Continued
98-02 - Cost Allocation - Rent and Utilities

Cause

The management of **OIC** has not developed an appropriate methodology for allocation of the facility rental and utility costs.

Questioned Costs

For purposes of this condition, we are unable to determine an appropriate re-allocation of such costs. We have not questioned any costs relative to this condition, since **OIC** had received approval from funding sources for the related payments.

Effect

Rental and utilities costs are not given consistent accounting treatment among the programs of **OIC**.

Recommendation

We recommend that management of **OIC** develop an appropriate cost allocation methodology for the facility and utility costs.

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

COMPLIANCE WITH LAWS, REGULATIONS, CONTRACTS AND GRANTS

Audit Finding Reference Number

98-03 - Administrative Personnel Costs

**FEDERAL AND STATE PROGRAM AND SPECIFIC FEDERAL
AND STATE AWARD IDENTIFICATION**

CFDA Title and Number

14.218 - Project Nucoat
14.239 - Home Investment Partnership
17.250 - Job Training Partnership Act
81.042 - Weatherization Assistance
84.048 - Vocational Education
93.558 - Project Independence
N/A - State of Louisiana Legislative Grant

Federal Award Year

September 30, 1998 and 1997

Federal Agencies

U.S. Department of Housing
U.S. Department of Labor
U.S. Department of Energy
U.S. Department of Education
U.S. Department of Health and Human Services

Pass-through Entity

City of New Orleans
State of Louisiana
Orleans Parish Public Schools

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

**COMPLIANCE WITH LAWS, REGULATIONS, CONTRACTS AND GRANTS
(CONTINUED)**

Audit Finding Reference Number, Continued

98-03 - Administrative Personnel Costs

Criteria

OMB Circular A-133 Compliance Supplement Part 3, Section B stipulates that costs must be documented in accordance with OMB Circular A-110. Supporting documentation for salaries should include time and effort distribution information.

Conditions and Perspectives

We noted during our audits that supporting documentation for administrative personnel payroll costs (i.e. time sheets, cost allocation records) for selected periods tested, did not properly support the manner in which administrative salaries were charged to programs. The administrative personnel would include the Executive Director, Executive salary and the Program Director responsible for more than one program. Such costs that were charged to grants were as follows:

<u>Program</u>	<u>09/30/98</u>	<u>09/30/97</u>	<u>Total</u>
Project Nucoat	\$ 2,445	\$ -0-	\$ 2,445
Home Investment Partnerships	6,274	4,727	11,001
Job Training Partnership	-0-	2,707	2,707
Weatherization	4,130	1,377	5,507
Project Independence	18,077	5,287	23,364
Legislative Grant	1,156	-0-	1,156
Vocational Education	<u>-0-</u>	<u>2,878</u>	<u>2,878</u>
Total	<u>\$32,082</u>	<u>\$16,976</u>	<u>\$49,058</u>

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

**COMPLIANCE WITH LAWS, REGULATIONS, CONTRACTS AND GRANTS
(CONTINUED)**

Audit Finding Reference Number, Continued
98-03 - Administrative Personnel Costs

Cause

The management of **OIC** did not adhere to established procedures and in certain instances document the time and attendance associated with certain programs.

Questioned Costs

For purposes of this condition, we have questioned the salary costs charged to the noted programs, which totaled \$49,058.

Effect

The management of **OIC** did not properly document for selected test months, the time and attendance associated with certain programs.

Recommendation

We recommend that management of **OIC** adhere to established procedures in documenting time and attendance for administrative personnel.

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

COMPLIANCE WITH LAWS, REGULATIONS, CONTRACTS AND GRANTS

Audit Finding Reference Number

98-04 - Cost Allocation - Workmen's Compensation

FEDERAL PROGRAM AND SPECIFIC FEDERAL AWARD IDENTIFICATION

CFDA Title and Number

14.218 - CDBG - Project Nucoat

14.218 - CDBG - Spur

17.250 - Job Training Partnership Act

Federal Award Year

September 30, 1998 and 1997

Federal Agencies

U.S. Department of Housing and Urban Development

U.S. Department of Labor

Pass-through Entity

City of New Orleans

Orleans Private Industry Council

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

**COMPLIANCE WITH LAWS, REGULATIONS, CONTRACTS AND GRANTS
(CONTINUED)**

Audit Finding Reference Number, Continued
98-04 - Cost Allocation - Workmen's Compensation

Criteria

OMB Circular A-133 Compliance Supplement Part 3, Section B stipulates that costs must be given consistent treatment through application of those generally accepted accounting principles appropriate to the circumstances.

Conditions and Perspective

We noted during our audits that **OIC** did not utilize a cost allocation method to allocate workmen's compensation billings among certain programs. Generally, the costs were allocated among applicable programs without regard to actual personnel costs as follows:

<u>Program</u>	<u>09/30/98</u>	<u>09/30/97</u>	<u>Total</u>
CDBG - Spur	\$ -0-	\$11,593	\$11,593
CDBG - Project Nucoat	6,406	12,982	19,388
JTPA	<u>596</u>	<u>2,425</u>	<u>3,021</u>
	<u>\$7,002</u>	<u>\$27,000</u>	<u>\$34,002</u>

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

**COMPLIANCE WITH LAWS, REGULATIONS, CONTRACTS AND GRANTS
(CONTINUED)**

Audit Finding Reference Number, Continued

98-04 - Cost Allocation - Workmen's Compensation

Cause

The management of **OIC** has not developed an appropriate methodology for the allocation of the workmen's compensation costs.

Questioned Costs

For purpose of this condition, we are unable to determine an appropriate re-allocation of such costs. As such, we have questioned the \$34,002 disbursed for workmen's compensation.

Effect

Workmen's compensation costs are not given consistent accounting treatment among the programs of **OIC**.

Recommendation

We recommend that management of **OIC** develop an appropriate cost allocation methodology for workmen's compensation costs.

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

COMPLIANCE WITH LAWS, REGULATIONS, CONTRACTS AND GRANTS

Audit Finding Reference Number

98-05 - Due to the Funding Source

FEDERAL PROGRAM AND SPECIFIC FEDERAL AWARD IDENTIFICATION

CFDA Title and Number

81.042 - Weatherization
17.250 - Job Training Partnership Act
14.218 - Paint Program
14.218 - Housing Authority of New Orleans
93.558 - Project Independence

Federal Award Year

September 30, 1998, 1997 and 1996

Federal Agencies

U.S. Department of Energy
U.S. Department of Labor
U.S. Department of Health and Human Services
U.S. Department of Housing and Urban Development

Pass-through Entity

State of Louisiana
Orleans Private Industry Council
City of New Orleans
Housing Authority of New Orleans

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

**COMPLIANCE WITH LAWS, REGULATIONS, CONTRACTS AND GRANTS
(CONTINUED)**

Audit Finding Reference Number, Continued
98-05 - Due to the Funding Source

Criteria

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

Conditions and Perspectives

We noted during our September 30, 1998 and 1997 audits that management of the **Opportunities Industrialization Center of Greater New Orleans, Inc. (OIC)** requested and received funds in excess of actual cost as follows:

<u>Program</u>	<u>Year</u>	<u>Amount</u>
Project Independence	09/30/98	\$ 3,216
Weatherization	09/30/98	5,102
General Fund	09/30/98	4,330
Job Training Partnership	09/30/98	500
Paint Program	09/30/97	<u>1,969</u>
Total		<u>\$15,117</u>

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

**COMPLIANCE WITH LAWS, REGULATIONS, CONTRACTS AND GRANTS
(CONTINUED)**

Audit Finding Reference Number, Continued
98-05 - Due to the Funding Source

Conditions and Perspectives, Continued

Also, we noted that management of OIC had not liquidated on a timely basis, the following amounts that had been classified as due to funding sources in prior years:

<u>Program</u>	<u>Year</u>	<u>Amount</u>
Weatherization	09/30/97	\$ 690
Job Training Partnership	09/30/97	6,765
Housing Authority	09/30/97	<u>3,794</u>
Total		<u>\$11,249</u>

These conditions represent \$26,366 that is due to funding sources.

Cause

The management of OIC failed to properly reconcile reimbursement requests to actual disbursements. Also, management of OIC failed to repay on a timely basis grant funds due to funding sources.

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

**COMPLIANCE WITH LAWS, REGULATIONS, CONTRACTS AND GRANTS
(CONTINUED)**

Audit Finding Reference Number, Continued
98-05 - Due to the Funding Source

Questioned Costs

For purposes of this condition, we have questioned the funds received in excess of actual costs and the prior liability to the funding sources which total \$26,266.

Effect

The management of **OIC** has requested and received grant funds in excess of actual costs.

Recommendation

We recommend that immediate steps be taken to resolve this matter with the funding sources.

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

INTERNAL CONTROL OVER FINANCIAL REPORTING

98-06 - Financial Records and Accounts

We noted during our audit that the management of **OIC** did not record accounting information to the financial records on a timely basis. This condition resulted in management failing to obtain current financial statements and delayed the issuance of audit reports past the statutory state requirement. Also, we noted that the inter-fund accounts (due to/due from other programs) had not been reconciled and/or liquidated on a timely basis.

OMB Circular A-110, Subpart C, Section 21 establishes standards for financial management systems that non-profits are required to adhere to. Also, Louisiana Revised Statute 24:513 require financial audits to be completed and issued no later than six months after the close of the organization's fiscal year.

We recommend that management of **OIC** take immediate steps to develop and implement policies and procedures to correct the noted deficiencies.

SCHEDULE III

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

INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE

<u>Audit Finding Reference Number</u>	<u>Questioned Costs</u>
98-07 - Excess Reimbursement	<u>\$15,823</u>

FEDERAL PROGRAM AND SPECIFIC FEDERAL AWARD IDENTIFICATION

CFDA Title and Number

14.239 - Home Investment Partnership Program

Summary of Conditions and Recommendation

We noted during our September 30, 1998 audit that management of the **Opportunities Industrialization Center of Greater New Orleans, Inc. (OIC)** requested and received \$15,823 of funds in excess of actual costs. See Audit finding 98-01.

We recommend that immediate steps to be taken to resolve this matter with the funding source.

SCHEDULE III

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

INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE

Audit Finding Reference Number

Questioned Costs

98-08 - Cost Allocation - Rent and Utilities

\$-0-

FEDERAL PROGRAM AND SPECIFIC FEDERAL AWARD IDENTIFICATION

CFDA Title and Number

17.250 - Job Training Partnership
93.558 - Project Independence

Summary of Conditions and Recommendation

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

<u>Program</u>	<u>09/30/98</u>	<u>09/30/97</u>
JTPA	\$5,194	\$ 5,236
Project Independence	9,239	10,199

However, certain programs such as Nucoat, Spur, Weatherization, Carl Perkins, Legislative Grant, and Rental Rehabilitation utilize the central facility to perform certain administrative functions and as such should receive an allocation of the facility rental and utilities cost. See Audit Finding 98-02.

We recommend that management of **OIC** develop an appropriate cost allocation methodology for the facility and utility costs.

SCHEDULE III

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

INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE

Audit Finding Reference Number

Questioned Costs

98-09 - Administrative Personnel Costs

\$49,058

FEDERAL PROGRAM AND SPECIFIC FEDERAL AWARD IDENTIFICATION

CFDA Title and Number

14.218 - Project Nucoat

14.239 - Home Investment Partnership

17.250 - Job Training Partnership Act

81.042 - Weatherization Assistance

84.048 - Vocational Education

93.558 - Project Independence

N/A - State of Louisiana Legislative Grant

Summary of Conditions and Recommendation

We noted during our audits that supporting documentation for administrative personnel payroll costs (i.e. time sheets, cost allocation records) for selected periods tested did not properly support the manner in which administrative salaries were charged to programs. The administrative personnel would include the Executive Director, Executive Salary and Program Director responsible for more than one program. See Audit Finding 98-03.

We recommend that management of OIC adhere to established procedures in documenting time and attendance for administrative personnel.

SCHEDULE III

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

INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE

<u>Audit Finding Reference Number</u>	<u>Questioned Costs</u>
98-10 - Administrative Personnel Costs	<u>\$34,002</u>

FEDERAL PROGRAM AND SPECIFIC FEDERAL AWARD IDENTIFICATION

- CFDA Title and Number
14.218 - CDBG - Project Nucoat
14.218 - CDBG - Spur
17.250 - Job Training Partnership Act

Summary of Conditions and Recommendation

We noted during our audits that **OIC** did not utilize a cost allocation method to allocate workmen's compensation billing among certain programs. Generally, the costs were allocated among applicable programs without regard to actual personnel costs. See Audit Finding 98-04.

We recommend that management of **OIC** develop an appropriate cost allocation methodology for workmen's compensation costs.

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

INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE

<u>Audit Finding Reference Number</u>	<u>Questioned Costs</u>
98-11 - Due to Funding Sources	<u>\$26,366</u>

FEDERAL PROGRAM AND SPECIFIC FEDERAL AWARD IDENTIFICATION

CFDA Title and Number

- 81.042 - Weatherization
- 17.250 - Job Training Partnership Act
- 14.218 - Paint Program
- 14.218 - Housing Authority of New on Leases
- 93.558 - Project Independence

Summary of Conditions and Recommendation

We noted during our September 30, 1998 and 1997 audit that management of the **Opportunities Industrialization Center of Greater New Orleans, Inc. (OIC)** requested and received funds in excess of actual costs. Also, we noted that management of **OIC** had not liquidated on a timely basis, amounts that had been classified as due to funding sources in prior years. See Audit Finding 98-05.

We recommend that immediate steps to be taken to resolve this matter with the funding sources.

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

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

OPPORTUNITIES INDUSTRIALIZATION CENTER
OF
GREATER NEW ORLEANS, INC.

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

BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

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

Bruno & Tervalon
BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

April 26, 1999

OPPORTUNITIES INDUSTRIALIZATION CENTER
OF GREATER NEW ORLEANS, INC.

CORRECTIVE ACTION PLAN

FOR THE YEARS ENDED SEPTEMBER 30, 1998 and 1997

<u>AUDIT FINDING</u>	<u>PROPOSED CORRECTIVE ACTION</u>	<u>PROJECTED COMPLETION DATE</u>	<u>CONTACT PERSON</u>
<u>98-04 and 98-10</u> OIC did not utilize a cost allocation method to allocate workmen's compensation billings among certain programs.	OIC will develop cost allocation procedures to ensure workmen's compensation costs are appropriately allocated to programs.	September 30, 1999	Mr. Philip Baptiste, Executive Director
<u>98-05 and 98-11</u> OIC requested and received funds in excess of actual costs and had not liquidated on a timely basis certain amounts that had been classified as due to funding sources in prior years.	OIC will adhere to established procedures when requesting grant funds and will contact the funding sources regarding the current and prior due to funding sources balances.	September 30, 1999	Mr. Philip Baptiste, Executive Director
<u>98-06</u> OIC did not record accounting information to the financial records on a timely basis. Additionally, the inter-fund accounts had not been reconciled and/or liquidated on a timely basis.	OIC will establish procedures to ensure accounting information is recorded on a timely basis to ensure audits are also completed as prescribed by state law. Also, OIC will establish procedures to ensure the inter-fund accounts are reconciled and/or liquidated on a timely basis.	September 30, 1999	Mr. Philip Baptiste, Executive Director

OPPORTUNITIES INDUSTRIALIZATION CENTER
OF GREATER NEW ORLEANS, INC.

CORRECTIVE ACTION PLAN

FOR THE YEARS ENDED SEPTEMBER 30, 1998 and 1997

<u>AUDIT FINDING</u>	<u>PROPOSED CORRECTIVE ACTION</u>	<u>PROJECTED COMPLETION DATE</u>	<u>CONTACT PERSON</u>
<u>98-01 and 98-07</u> Opportunities Industrialization Center of Greater New Orleans (OIC) requested \$15,823 of Home Investment Partnership Program funds in excess of actual costs.	OIC will adhere to established procedures when requesting grant funds. Also, OIC will discuss this matter with the funding source.	September 30, 1999	Mr. Philip Baptiste, Executive Director
<u>98-02 and 98-08</u> OIC had requested and received approval from funding sources to bill rent and utility expense for the central facility. However, certain programs weren't allocated a portion of the costs.	OIC will develop cost allocation procedures to ensure rent and utilities costs will be allocated to all programs.	September 30, 1999	Mr. Philip Baptiste, Executive Director
<u>98-03 and 98-09</u> Supporting documentation for administrative personnel did not properly support the manner in which administrative salaries were charged to programs.	OIC does not concur with this finding. Time sheets were completed for all administrative staff during the tested period. Although the distribution of time for administrative personnel was not evidenced on the time sheet the Executive Director monitored the time and ensured the individuals did in fact work on the questioned projects for the appropriate amount of hours.	Not applicable.	Mr. Philip Baptiste, Executive Director

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SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: September 30, 1996 and 1995

Finding Title: Accounting Records

Reference Number: n/a

Amount of Questioned Costs in Finding: \$-0-

Status of Questioned Costs: n/a

Initial Year of Finding: September 30, 1995

Page Number: 30

Program Name(s): All Federal Programs

Federal Grantor Agency: n/a

CFDA Number(s): n/a

Status of Finding: Not Corrected

Description of Status: The management of OIC has hired a new accountant who is expected to prepare financial statements on a timely basis by September 30, 1999.

Preparer's Signature:



Telephone Number: 504 949 4421

09/11/99 AM: 29

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: September 30, 1996 and 1995

Finding Title: Audited Financial Statements

Reference Number: n/a

Amount of Questioned Costs in Finding: \$-0-

Status of Questioned Costs: n/a

Initial Year of Finding: September 30, 1995

Page Number: 37

Program Name(s): All Federal Programs

Federal Grantor Agency: n/a

CFDA Number(s): n/a

Status of Finding: Not Corrected

Description of Status: The management of OIC has hired a new accountant who is expected to prepare financial statements on a timely basis to expedite the completion of the September 30, 1999 audit within State of Louisiana guidelines.

Preparer's Signature:



Telephone Number:

504 9494421

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: September 30, 1996 and 1995

Finding Title: Cost Allocation - Rent

Reference Number: n/a

Amount of Questioned Costs in Finding: \$-0-

Status of Questioned Costs: Resolved: n/a

Initial Year of Finding: September 30, 1995

Page Number: 38

Program Name(s): JTPA, Project Independence and Housing Authority of New Orleans

Federal Grantor Agency: U. S. Department of Labor, Health & Human Services & Housing & Urban Development

CFDA Number(s): 17.250, 14.218, 93.558

Status of Finding: Not Corrected

Description of Status: The management of OIC is presently attempting to develop a cost allocation method for rent expense that will comply with federal guidelines. The process is expected to be completed by September 30, 1999.

Preparer's Signature:



Telephone Number:

504 946 442

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: September 30, 1996 and 1995

Finding Title: Housing Authority of New Orleans

Reference Number: n/a

Amount of Questioned Costs in Finding: \$-0-

Status of Questioned Costs: Resolved: n/a

Initial Year of Finding: September 30, 1996

Page Number: 39

Program Name(s): Economic Development

Federal Grantor Agency: Housing and Urban Development

CFDA Number(s): 14.218

Status of Finding: No Further Action Needed

Description of Status: During the years ended September 30, 1998 and 1997, the management of OIC did not administer any Economic Development Programs with the Housing Authority of New Orleans, and the Housing Authority is not presently following up on this finding.

Preparer's Signature:



Telephone Number:

504 949 4421

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: September 30, 1996

Finding Title: Funds Requested in Excess of Actual Costs

Reference Number: Finding Number 2 - Prior Findings

Amount of Questioned Costs in Finding: \$4,397

Status of Questioned Costs: Unresolved

Initial Year of Finding: September 30, 1995

Page Number: 43

Program Name(s): Weatherization

Federal Grantor Agency: Department of Energy

CFDA Number(s): 81.042

Status of Finding: Not Corrected

Description of Status: At September 30, 1998, the management of OIC has reduced the prior year liability to the State of Louisiana to approximately \$690 and will timely liquidate the outstanding amount.

Preparer's Signature:



Telephone Number:

504 996942

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: September 30, 1996

Finding Title: Funds Requested in Excess of Actual Costs

Reference Number: Finding Number 3-Prior Findings

Amount of Questioned Costs in Finding: \$3,794

Status of Questioned Costs: Unresolved

Initial Year of Finding: September 30, 1994

Page Number: 43

Program Name(s): Housing Authority of New Orleans

Federal Grantor Agency: Housing and Urban Development

CFDA Number(s): 14.218

Status of Finding: Not Corrected

Description of Status: At September 30, 1998, OIC has not liquidated the liability to the Housing Authority of New Orleans which totaled \$3,794. However, the funding source will be contacted about this matter immediately in an attempt to resolve the condition.

Preparer's Signature:



Telephone Number:

504 549 4421

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: September 30, 1994

Finding Title: Audited Financial Statements

Reference Number: Finding Number 4-Prior Findings

Amount of Questioned Costs in Finding: \$-0-

Status of Questioned Costs: n/a

Initial Year of Finding: September 30, 1994

Page Number: 44

Program Name(s): All Programs

Federal Grantor Agency: n/a

CFDA Number(s): n/a

Status of Finding: Not Corrected

Description of Status: OIC is currently developing procedures to ensure audits are completed on a timely basis. It is anticipated that the September 30, 1999 audit would be timely completed.

Preparer's Signature:



Telephone Number:

504 544 442

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: September 30, 1994

Finding Title: Administrative Personnel Salary Costs

Reference Number: Finding Number 5-Prior Findings

Amount of Questioned Costs in Finding: \$-0-

Status of Questioned Costs: n/a

Initial Year of Finding: September 30, 1994

Page Number: 44

Program Name(s): All Programs

Federal Grantor Agency: n/a

CFDA Number(s): n/a

Status of Finding: Partially corrected

Description of Status: OIC has developed accounting procedures to ensure that supporting documentation is maintained to properly reflect administrative salary charges to programs. It is anticipated that the procedures will be fully implemented by 09/30/99.

Preparer's Signature:  Telephone Number: 504 999 446

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: September 30, 1994

Finding Title: Ineligible Costs

Reference Number: Finding Number 1-Prior Findings

Amount of Questioned Costs in Finding: \$1,929

Status of Questioned Costs: Resolved

Initial Year of Finding: September 30, 1994

Page Number: 42

Program Name(s): Project Independence

Federal Grantor Agency: Department of Health and Human Services

CFDA Number(s): 93:558

Status of Finding: No Further Action Needed

Description of Status: The audit finding does not warrant any further action because the following has occurred: 2 years have passed since the finding was first reported; the pass-through entity is not following up with OIC on the audit findings; and a management decision was not issued.

Preparer's Signature:



Telephone Number:

304 949 442

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: September 30, 1993

Finding Title: Excess Reimbursement

Reference Number: Finding Number 6-Prior Findings

Amount of Questioned Costs in Finding: \$197

Status of Questioned Costs: Resolved

Initial Year of Finding: September 30, 1993

Page Number: 45

Program Name(s): Vocational Education

Federal Grantor Agency: Department of Education

CFDA Number(s): 84.048

Status of Finding: No Further Action Needed

Description of Status: The audit finding does not warrant any further action because the following has occurred: 2 years have passed since the finding was first reported. The pass-through entity is not following up with OIC on the audit finding; and a management decision was not issued.

Preparer's Signature:



Telephone Number: 504 949 4421

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MICHAEL B. BRUNO, CPA
ALCIDÉ J. TERVALON, JR., CPA
WALDO J. MORET, JR., CPA

INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT

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

In planning and performing our audit of the financial statements of Opportunities Industrialization Center of Greater New Orleans, Inc. (OIC) for the years ended September 30, 1998 and 1997, we considered OIC's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls, and improving operating efficiency. The memorandum that accompanies this letter summarizes our comments and recommendations regarding those matters. This letter does not affect our report dated April 26, 1999, on the financial statements of OIC.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with management, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

1. PAYROLL TAXES

We noted during our audit that management of OIC failed to include \$12,844 of wages on the Federal 941 Tax form. Also, we noted that during a certain quarter OIC had over paid its payroll tax liability by approximately \$3,172. However, a request for a refund had not been made.

We recommend that management of OIC take immediate steps to correct the noted deficiencies.

INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT
CONTINUED

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

2. LIABILITY TO STATE OF LOUISIANA

We were informed by management of OIC that a prior year JTPA liability to the State of Louisiana in the amount of \$22,557 had been forgiven. However, supporting documentation for this matter was not available.

We recommend that management of OIC take immediate steps to obtain the related documentation.

Bruno & Tervalon
BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

April 26, 1999

OPPORTUNITIES INDUSTRIALIZATION CENTER
OF GREATER NEW ORLEANS, INC.

CORRECTIVE ACTION PLAN
FOR THE YEARS ENDED SEPTEMBER 30, 1998 and 1997

MANAGEMENT LETTER FINDING PROPOSED CORRECTIVE ACTION PROJECTED COMPLETION DATE CONTACT PERSON

1. PAYROLL TAXES

We noted during our audit that management of OIC failed to include \$12,844 of wages on the Federal 941 Tax form. Also, we noted that during a certain quarter OIC had over paid its payroll tax liability by approximately \$3,172. However, a request for a refund had not been made.

OIC will amend the filed 941 form and include such wages on the amended Form 941. Also, OIC will request a refund of the noted amount.

July 31, 1999

Mr. Philip Baptiste
Executive Director

2. LIABILITY TO STATE TO LOUISIANA

We were informed by management of OIC that a prior year JTPA liability to the State of Louisiana in the amount of \$22,557 had been forgiven. However, supporting documentation for this matter was not available.

OIC will contact the appropriate representative from the State of Louisiana to obtain documented evidence of the forgiveness.

June 30, 1999

Mr. Philip Baptiste
Executive Director