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LUTHER C. SPEIGHT & COMPANY

A Corporation of Certified Public Accountants
and Management Consultants

OPPORTUNITIES INDUSTRIALIZATION CENTER, INC.

FINANCIAL STATEMENTS TOGETHER WITH INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED SEPTEMBER 30, 1962

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

Release Date: 1/16/63

**OPPORTUNITIES INDUSTRIALIZATION CENTER, INC.
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LUTHER C. SPEIGHT & COMPANY

A Corporation of Certified Public Accountants
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Opportunities Industrialization Center

We have audited the accompanying statement of financial position of Opportunities Industrialization Center (O.I.C.) (a Louisiana nonprofit organization) as of September 30, 2002 and the related statement of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit 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 as of September 30, 2002 and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2003 on our consideration of Opportunities Industrialization Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audit was performed for the purpose of forming an opinion on the financial statements of Opportunities Industrialization Center taken as a whole. The schedule of functional expenses at page 10 is presented for purposes of additional analysis and is not a required part of the financial statements of OIC. The accompanying schedule of expenditures of federal awards at page 9 is presented for purposes of additional analysis as required U.S. Office of Management and Budget Circular A-113, "Audits of States, Local Governments, and Non-Profit Organizations," and is also not a required part of the financial statements of Opportunities Industrialization Center. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Luther C. Spight & Company

New Orleans, LA
January 10, 1993

OPPORTUNITIES INDUSTRIALIZATION CENTER, INC.
STATEMENT OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2002

Current Assets

Cash	\$492,243
Grant Receivable	82,887
Due from Employees	1,170
Due from Other Programs	31,798
	<hr/>
Total Current Assets	608,118

Property and Equipment

Land	118,113
Building	395,600
Furniture, Fixtures & Equipment	23,828
Accumulated Depreciation	(111,832)
	<hr/>
Total Property and Equipment	624,909

Other Assets

Deposits	3,528
	<hr/>
TOTAL ASSETS	\$ 1,236,535

LIABILITIES AND NET ASSETS

Current Liabilities

Unearned Grant Revenue	302,841
Escrow Deposits	1,537
Due to Other Programs	81,749
Loans Payable	50,680
Employment Taxes Payable	1,274
	<hr/>
Total Liabilities	437,281

Net Assets

Net Assets - Restricted	194,837
Net Assets - Unrestricted	148,621
	<hr/>
Total Net Assets	\$ 343,458
TOTAL LIABILITIES AND NET ASSETS	\$ 1,236,535

See accompanying notes.

**OPPORTUNITIES INDUSTRIALIZATION CENTER
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2000**

SUPPORT	Restricted	Unrestricted	Total
Grant Revenue	\$ 760,571	58,217	\$ 818,788
Miscellaneous Income	0	14,500	14,500
Rental Income	0	144,823	144,823
Interest Income	0	837	837
Total Support	760,571	218,487	\$ 979,058
EXPENSES			
Program Services:			
Home Construction CO	548,500		548,500
Home Cooperatives CO	2,178		2,178
Legislative Grant	280,979		280,979
CCPF Grant	18,000		18,000
WIA Workers Go Work	79,342		79,342
Total Program Services	928,999	0	928,999
Support Services:			
Management and General	0	120,000	120,000
Rental Income		89,668	89,668
Total Support Services	0	209,668	209,668
Total Expenses	928,999	209,668	\$ 1,138,667
NET ASSETS			
Change in Net Assets	18,948	9,777	28,725
Net Assets, Beginning Of Year	494,889	172,864	667,753
Net Assets (Deficit) At End Of Year	\$ 513,837	\$ 182,641	\$ 696,478

See accompanying notes.

**OPPORTUNITIES INDUSTRIALIZATION CENTER
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 1981**

CASH FLOW FROM OPERATING ACTIVITIES:

Change in Net Assets £ 48,729

Adjustments to Reconcile Net Revenue over Expenditures
to net Cash Provided by Operating Activities:

Changes in Operating Assets and Liabilities:

Depreciation Expense	(1,549)
Grant Receivable	37,489
Due From Employees	(14,703)
Due From Other Programs	28,570
Accounts Payable & Accrued Expenses	(2,100)
Contract Payable	(98,180)
Deferred Revenues	16,008
Deposits from Donors	149
Due to Funding Sources	(26,958)
Payroll Taxes Payable	(846)
	(846)

Net Increase in Cash From Operating Activities 89,542

CASH FLOW FROM INVESTING ACTIVITIES:

Property, Plant, and Equipment Purchases (24,441)

NET INCREASE/DECREASE IN CASH 65,101

CASH, BEGINNING OF YEAR 416,746

CASH, END OF YEAR 481,847

See accompanying notes.

**OPPORTUNITIES INDUSTRIALIZATION CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

General - Opportunities Industrialization Center (the Organization) is a nonprofit corporation, which is located at 2700 Pity Street, in New Orleans, Louisiana. The Organization provides manpower training services to the unemployed and economically disadvantaged members of the community to afford them the opportunity to acquire job related skills that will make them marketable. The organization also provides affordable and safe quality housing for low to moderate-income individuals through rehabilitation and new construction. The program is primarily funded by federal grants.

Basis of Accounting - The financial statements of the Organization are prepared on the accrual basis of accounting. Accordingly, revenue is recorded when earned and expenses are recorded when incurred.

Property and Equipment - Depreciation is provided over the estimated useful lives, which ranges from 3 to 40 years, of the related assets using primarily the straight-line method.

Income Taxes - The Organization has been determined to be tax exempt under Section 501 (c) of the Internal Revenue Code.

Cash - Cash is comprised of cash on hand and in banks.

2. GRANT RECEIVABLE

This amount represents outstanding payments due to the agency from its' various funding sources. The balance is detailed as follows:

Home Construction '02	\$69,907
Home Construction '01	<u>18,140</u>
Total Grant Receivable	<u>\$88,047</u>

Management does not consider any of the receivables to be uncollectible at September 30, 2002, due to the fact that these are governmental contracts. Therefore, no allowance for doubtful accounts has been provided.

3. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following as of September 30, 2002:

	2002
Land	\$ 218,153
Buildings & Improvements	195,600
Furniture, Fixtures and Equip.	23,188
Accumulated Depreciation	(51,279)
TOTAL	<u>\$ 385,662</u>

Depreciation expense for the year ended September 30, 2002 was \$15,548.

4. LOAN PAYABLE

The organization has a line of credit with a local financial institution, which had an outstanding balance of \$50,000 at September 30, 2002.

5. ECONOMIC DEPENDENCY

The organization receives a majority of its revenue from funds provided through contracts administered by federal, state, and local government agencies. The grant amounts are appropriated each year by the federal and local governments. If significant budget cuts are made at the federal and/or local level, the amount of the funds the Organization receives could be reduced significantly and have an adverse impact on its operations.

6. CONTRIBUTIONS AND DONATIONS

The organization receives funds from various contributors. The additional funds are used for administrative items for the organization. There were no restrictions noted on the agency's contributions.

7. RENTAL INCOME

The organization receives rental income from properties renovated through their housing programs, which were subsequently sold to them by the City of New Orleans. The income is utilized to maintain the properties and pay utilities, insurance and other costs for low-income tenants.

8. CONTINGENCY

A petition for damages was filed against OIC for damages sustained to residences as a result of pile driving in the area. The exposure to the agency is unknown by the attorney and unknown liability is slight.

A pending or threatened litigation has been made against OHC by Desire Community Housing Corporation (DCHC) concerning an alleged claim for back rent in the amount of \$17,000 from January 1, 2001 through October 31, 2002. OHC disputes these claims in its entirety on the basis that the agency incurred costs and expenses on behalf of Desire Community Housing Corporation and those costs are to offset the rent owed.

In prior year there was a judgment in the amount of \$89,700 rendered against OHC, Inc. in November 2000, on behalf of a prior employee who sued the agency for personal damages. According to the agency's attorney a settlement was made in the current audit period, in the amount of \$33,800 paid by the insurance carrier to the plaintiff.

9. PROPERTY TAXES

The agency has been billed for approximately \$ 24,389 in current and prior year property taxes for properties owned and rented out to low-moderate income families. However, there was a legal ruling in the Louisiana Supreme Court that exempts non-profits from paying property taxes as low-income housing providers. Subsequent to the audit period, the agency did receive form the Board of Assessors office a tax bill exempting the agency from paying property taxes.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

OPPORTUNITIES INDUSTRIALIZATION CENTER, INC.
SCHEDULE OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2002

<u>FEDERAL GRANTOR/ PASS THROUGH NAME/PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
<i>U.S. Department of Housing and Urban Development</i>		
Pass Through - Home Investment Partnership Program		
Home '91-Construction	14.219	142,920
Home '92-Construction	14.219	1,176
Total U.S. Department of Housing and Urban Development	0	144,096
<i>U.S. Department of Health and Human Services</i>		
Pass Through - State of Louisiana Department of Social Service		
WIA Waiver To Work	93.028	75,051
Total U.S. Department of Health and Human Services	0	75,051
Legislative Grant - Discretionary Funds	0	663,979
Total Expenditures of Federal Awards	0	883,126

SUPPLEMENTAL INFORMATION



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

To the Board of Directors of
Opportunities Industrialization Center, Inc.

We have audited the financial statements of Opportunities Industrialization Center, Inc. as of and for the year ended September 30, 2002, and have issued our report thereon dated January 21, 2003. We conducted our audit 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 Opportunities Industrialization Center, Inc.'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 financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Opportunities Industrialization Center, Inc.'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. 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 material weaknesses. 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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



Luther E. Speight & Company

New Orleans, Louisiana

January 31, 2009



LUTHER C. SPEIGHT & COMPANY

A Corporation of Certified Public Accountants
and Management Consultants

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

To the Board of Directors of
Opportunities Industrialization Center, Inc.

Compliance

We have audited the compliance of Opportunities Industrialization Center with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended September 30, 2002. Opportunities Industrialization Center's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Opportunities Industrialization Center's management. Our responsibility is to express an opinion on Opportunities Industrialization Center's compliance based on our audit.

We conducted our audit 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, Auditor of State, Local Governments, and Non-Profit Organizations. These standards and OMB-Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Opportunities Industrialization Center's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Opportunities Industrialization Center's compliance with those requirements.

In our opinion, Opportunities Industrialization Center complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2002.

Internal Control Over Compliance

The management of Opportunities Industrialization Center is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Opportunities Industrialization Center'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.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. 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. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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



Luther C. Speight & Company
January 13, 2003

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**OPPORTUNITIES INDUSTRIALIZATION CENTER
UPDATE OF PRIOR YEAR FINDINGS
A/2002**

	<u>Resolved</u>	<u>Unresolved</u>
FINDING #1 Participants Duration in Program	X	
FINDING #2 DOL - Home Excavation Ineligible Participant	X	
FINDING #3 Incomplete File Maintenance	X	
FINDING #4 Program was not implemented Timely	X	