

**OPPORTUNITIES INDUSTRIALIZATION
CENTER OF OUACHITA, INCORPORATED
MONROE, LOUISIANA**

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
WITH SUPPLEMENTAL INFORMATION
As of and for the Year Ended June 30, 2019**

BY

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As of and for the Year Ended June 30, 2019**

**OPPORTUNITIES INDUSTRIALIZATION CENTER OF
OUACHITA, INCORPORATED
Monroe, Louisiana**

**Financial Statements
and Independent Auditor's Report
with Supplemental Information
As of and for the Year Ended June 30, 2019**

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Independent Auditor's Report

To the Board of Directors of
Opportunities Industrialization Center of Ouachita, Incorporated
Monroe, Louisiana

I have audited the accompanying financial statements of Opportunities Industrialization Center of Ouachita, Incorporated (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Industrialization Center of Ouachita, Incorporated

Independent Auditor's Report (Continued)

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Opportunities Industrialization Center of Ouachita, Incorporated as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The information in Schedules 1 through 11 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated October 16, 2019 on my consideration of Opportunities Industrialization Center of Ouachita, Incorporated's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Opportunities Industrialization Center of Ouachita, Incorporated's internal control over financial reporting and compliance.



Rosie D. Harper
Certified Public Accountant

Monroe, Louisiana
October 16, 2019

FINANCIAL STATEMENTS

OPPORTUNITIES INDUSTRIALIZATION CENTER OF OUACHITA, INCORPORATED
Statement of Financial Position
For the Year Ended
June 30, 2019

Assets

Cash and Cash Equivalents	\$ 57,399
Grant Receivable	4,335
Pre-Paid Expenses	10
Security Deposit	580
Property, Plant & Equipment (Net, Note H)	<u>79,344</u>
Total Assets	<u><u>141,668</u></u>

Liabilities and Net Assets

Liabilities:

Deferred Revenue	22,625
Accrued Liabilities	<u>19,389</u>
Total Liabilities	<u>42,014</u>

Net Assets:

Without Donor Restrictions:

Operating	<u>99,654</u>
Total Unrestricted	99,654

With Donor Restrictions

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Total Net Assets	<u>99,654</u>
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Total Liabilities and Net Assets	<u><u>\$ 141,668</u></u>
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See Accompanying Independent Auditor's Report and Notes to Financial Statements.

OPPORTUNITIES INDUSTRIALIZATION CENTER OF OUACHITA, INCORPORATED

Statement of Activities

For the Year Ended

June 30, 2019

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS**Revenue and Gains**

Student Fees	\$ 4,177
Other Revenues	4,925
In-Kind Contributions	<u>131,072</u>
TOTAL REVENUES AND GAINS WITHOUT DONOR RESTRICTIONS	<u>140,174</u>

Net Assets Released from Restrictions

Restrictions Satisfied by Payments	<u>321,321</u>
TOTAL REVENUES, GAINS AND OTHER SUPPORT WITHOUT DONOR RESTRICTIONS	<u>461,495</u>

Expenses

Program Expenses	243,664
General and Administrative Expenses	<u>223,514</u>
Total Expenses	<u>467,178</u>
DECREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>(5,683)</u>

CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS

Grants	
Local	25,946
Federal	45,169
State	<u>250,000</u>
TOTAL REVENUE AND GAINS WITH DONOR RESTRICTIONS	<u>321,115</u>

Net Assets Released from Restrictions

Restrictions Satisfied by Payments	<u>(321,321)</u>
DECREASE IN NET ASSETS WITH DONOR RESTRICTIONS	<u>(206)</u>

DECREASE IN NET ASSETS	(5,889)
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NET ASSETS AT THE BEGINNING OF THE YEAR	<u>105,543</u>
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NET ASSETS AT THE END OF THE YEAR	<u><u>\$ 99,654</u></u>
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See Accompanying Independent Auditor's Report and Notes to Financial Statements.

OPPORTUNITIES INDUSTRIALIZATION CENTER OF OUACHITA, INCORPORATED
Statement of Cash Flows
For the Year Ended
June 30, 2019

Operating Activities	All Funds
Change in Net Assets	\$ (5,889)
Adjustments to Reconcile Change in Net Assets to Net	
Cash Provided by Operating Activities:	
Provision for Depreciation	5,890
Decrease in Grants Receivable	16,814
Decrease in Pre-paid Expenses	3,961
Increase in Accounts Payable/Accrued Liabilities	3,326
Decrease in Deferred Revenue	<u>(3,476)</u>
Total Adjustments	<u>26,515</u>
Net Cash Used by Operating Activities	<u>20,626</u>
Net Decrease in Cash and Cash Equivalents	<u>20,626</u>
Cash and Cash Equivalents as of the Beginning of Year	<u>36,773</u>
Cash and Cash Equivalents as of the End of Year	<u><u>\$ 57,399</u></u>
 Supplemental Information:	
Interest Paid	<u><u>\$ 18</u></u>

See Accompanying Independent Auditor's Report and Notes to Financial Statements.

OPPORTUNITIES INDUSTRIALIZATION CENTER OF OUACHITA, INCORPORATED
 Statement of Functional Expenses
 For the Year Ended
 June 30, 2019

		<u>Support Activities</u>	
	<u>Program</u>	<u>General</u>	
	<u>Services</u>	<u>and</u>	<u>Total</u>
		<u>Administrative</u>	<u>Expenses</u>
Personnel Costs			
Salaries and Wages	\$ 99,514	\$ 119,293	\$ 218,807
Payroll Taxes and Other Fringe Benefits	24,719	9,879	34,598
Total Personnel Costs	<u>124,233</u>	<u>129,172</u>	<u>253,405</u>
Other Expenses			
Advertising	-	218	218
Bank Service Charges	-	150	150
Custodial	43	179	222
Depreciation Expense	2,651	3,239	5,890
Equipment Purchase	1,049	1,282	2,331
Equipment Rental	2,018	3,283	5,301
Graduation Costs	1,407	-	1,407
In-kind Lease Expense	58,982	72,090	131,072
Insurance	2,184	2,669	4,853
Interest Expense	-	18	18
Office Supplies	348	425	773
Other Expenses	5,893	4,088	9,981
Postage	54	66	120
Professional Fees	-	7,850	7,850
Repairs and Maintenance	3,460	4,228	7,688
Telephone/Internet	4,586	5,605	10,191
Training	9,161	-	9,161
Utilities	7,445	9,102	16,547
Total Other Expenses	<u>99,281</u>	<u>114,492</u>	<u>213,773</u>
Total Functional Expenses	<u><u>\$ 223,514</u></u>	<u><u>\$ 243,664</u></u>	<u><u>\$ 467,178</u></u>

See Accompanying Independent Auditor's Report and Notes to Financial Statements.

**Opportunities Industrialization Center of Ouachita, Incorporated
Monroe, Louisiana**

**Notes to the Financial Statements
As of and For the Year Ended June 30, 2019**

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Opportunities Industrialization Center of Ouachita, Incorporated is a private non-profit organization domiciled in Monroe, Louisiana. The Organization was chartered by the State of Louisiana on February 10, 1975. The Organization is recognized as a tax exempt (non-profit) organization under section 501 (c) (3) of the Internal Revenue Service Code. The Organization is supported primarily through state and private grants, contributions and donations from the public, and fundraisers. The objective of the Organization is primarily to provide services to train the unemployed for jobs in the industries of Northeast Louisiana. The Organization is governed by a Board of Directors consisting of ten (10) members, which receive no compensation.

Public Support and Revenue

In order to comply with restrictions that donors place on grants and other gifts as well as designations made by its governing board, the principles of reporting net assets are used. Revenue and public support consist mainly of membership dues, fundraising, and contributions. Contributions of cash and other assets are reported as net assets with donor restrictions if they are received with donor restrictions or restrictions designated by the governing board. Contributions are considered to be without restrictions unless restricted by the donor, and are reported as net assets without donor restrictions.

Depreciation

The Organization follows the practice of capitalizing, at cost, all expenditures for fixed assets in excess of \$5,000. Depreciation is computed on a straight-line basis over the useful lives of the assets generally as follows:

Building and improvements	30 years
Furniture and equipment	7 years

Income Taxes

Opportunities Industrialization Center of Ouachita, Incorporated is exempt from federal income taxes under Section 501 (c) (3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements.

Opportunities Industrialization Center of Ouachita, Incorporated
Notes to Financial Statements (Continued)

Income Taxes (Continued)

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken an uncertain tax position that more likely than not would not be sustained upon examination by the IRS. Management has analyzed the tax positions taken by the Organization, and has concluded that as of October 16, 2019, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization is subject to routine audits by Internal Revenue Service for the years ended June 30, 2017, 2018, and 2019; however, there are currently no audits for any tax period in progress.

Estimates

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

Cash and Cash Equivalents

The Organization considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows exclude permanently restricted cash and cash equivalents. Under state law, the agency may deposit funds in demand accounts, interest bearing accounts, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. The Organization had no cash equivalents during the audit period. On June 30, 2019, the Organization had cash totaling \$57,399 as follows:

Unrestricted	<u>\$ 57,399</u>
Total Cash	<u><u>\$ 57,399</u></u>

Deferred Revenue

The Organization follows the deferred method of revenue recognition. Under the deferred method, grants and other revenue received during the year for expenses to be incurred in the following year are recorded as deferred revenue.

Total Columns

Total columns are presented to facilitate financial analysis. Data in these columns do not present financial position results of operations and changes in net assets in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

Opportunities Industrialization Center of Ouachita, Incorporated
Notes to Financial Statements (Continued)

NOTE B. PENSION PLAN

The Organization does not have a retirement program for its employees and the employees are not members of the State of Louisiana Retirement System. All employees of the Organization are members of the Social Security System. In addition to the employees' contribution, the agency contributes 7.65 percent to the Social Security System. Contributions to the Social Security System for the year ended June 30, 2019 was \$16,739. The Organization does not guarantee the benefits granted by the Social Security System.

NOTE C. IN-KIND OPERATING LEASE

The Organization follows standards relating to contributions received and contributions made as consistent with the FASB Codification which requires both contributed services and assets to be valued at fair value on the date of the receipt. The Organization has an in-kind operating lease as follows:

Years Left in Lease	Education & Office Facilities	Location
9.25	\$ -	Richwood, Louisiana

Management estimates the in-kind annual value of the lease to be \$131,072 based upon the price that would be paid to rent a comparable facility. The leased building and office facility in Richwood, Louisiana are located at the former Richwood High School. The land and building are owned by the Ouachita Parish School Board and subleased to the Town of Richwood. On October 25, 2007, the Organization renewed its lease for twenty-two (22) years for zero (\$0.00) dollars per month with an option to renew for an additional twenty-five (25) years at zero (\$0.00) dollars per month. At the end of the lease, the facility in Richwood will revert back to the owners.

NOTE D. GRANT RECEIVABLES

At June 30, 2019, the Organization had grant receivables as follows:

Louisiana Technical College	\$ 4,335
Total	<u>\$ 4,335</u>

NOTE E. 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 benefited.

Opportunities Industrialization Center of Ouachita, Incorporated
Notes to Financial Statements (Continued)

NOTE F. COMPENSATED ABSENCES

Compensated absences are absences for which employees will be paid, such as vacation, and/or sick leave. The Organization has a formal policy for accumulation and vesting of vacation, annual leave, and sick leave which is based on the length of service. The days that are granted are included in annual salaries. Vacation days not taken during the current year are carried forward, however, should an employee leave or be terminated from the Organization they will be paid for up to ten (10) days only of accumulated annual leave days. For the year ended June 30, 2019, the total amount for accumulated days for compensated absences was \$5,340. Cost for compensated absences is recognized in the pay period taken by employees.

NOTE G. DEFERRED REVENUE

At June 30, 2019, the Organization had deferred revenue totaling \$22,625 consisting of the following:

General Fund	\$ 6,524
United Way (UW)	<u>16,101</u>
Total	<u>\$ 22,625</u>

NOTE H. PROPERTY, PLANT AND EQUIPMENT

For the period ended June 30, 2019, the Organization had net property, plant and equipment totaling \$79,344. The following schedule reflects the balances in property, plant, and equipment at June 30, 2019:

Building	\$ 65,000	\$ -	\$ -	\$ 65,000
Furniture & Equipment	141,369	-	-	141,369
Leasehold Improvement in Progress	55,266	-	-	55,266
Total Depreciable Assets	<u>261,635</u>	<u>-</u>	<u>-</u>	<u>261,635</u>
Less Accumulated Depreciation				
Depreciation	<u>(181,401)</u>	<u>(5,890)</u>	<u>-</u>	<u>(187,291)</u>
Total Accumuated Depreciation	<u>(181,401)</u>	<u>(5,890)</u>	<u>-</u>	<u>(187,291)</u>
Net Depreciable Assets	<u>80,234</u>	<u>(5,890)</u>	<u>-</u>	<u>74,344</u>
Other Property & Equipment				
Land	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>5,000</u>
Net Property, Plant, & Equipment	<u>\$ 85,234</u>	<u>\$ (5,890)</u>	<u>\$ -</u>	<u>\$ 79,344</u>

Opportunities Industrialization Center of Ouachita, Incorporated
Notes to Financial Statements (Continued)

NOTE I. ACCRUED LIABILITIES

At June 30, 2019, the Organization had accrued liabilities totaling \$19,389 consisting of the following:

Accrued Liabilities	\$ 10,385
Payroll Liabilities	9,004
Total	<u>\$ 19,389</u>

The Organization maintains a line of credit with Capital One Bank for the purpose of meeting short-term cash flow needs. The loan is short-term with an average interest rate of 3.75 %. As of June 30, 2019, the outstanding balance owed on the line of credit was \$0.00 and available balance of \$35,500.

NOTE J. BUDGET PRACTICES

The Organization prepares an annual budget that is approved by the Board of Directors. As a result, “budget to actual” comparative statements are presented as supplemental information.

NOTE K. COMMITMENTS

On March 20, 2008, the Organization entered into a cooperative endeavor with the State of Louisiana Office of Facility Planning and Control of the Division of Administration for the construction of a new technical center, which will be located on the campus of the current Richwood site. The new technical center will be utilized to expand educational and vocational training opportunities benefiting individuals with low to no income levels. The total project is estimated to cost \$4,285,000 over a five-year period. As of June 30, 2019, \$55,266 has been expended as follows:

<u>Year</u>	<u>Amount Expended</u>
2008	\$ 13,815
2009	41,451
Total	<u>\$ 55,266</u>

NOTE L. LIQUIDITY MANAGEMENT

As of June 30, 2019, the following financial assets could be made readily available within one year of the statement of financial position date to meet general expenditures:

Cash	\$ 57,399
Grants Receivable	4,335
Pre-paid Expenses	10
Total	<u>\$ 61,744</u>

As part of its liquidity management, the Organization has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations become due.

Opportunities Industrialization Center of Ouachita, Incorporated
Notes to Financial Statements (Continued)

NOTE M. CONCENTRATION OF RISK

For the year ended June 30, 2019, the Organization was subject to significant concentration risks due to the fact that sixty-one percent (61%) of its funding consisted of one contract with Louisiana Technical College.

NOTE N. INTERFUND RECEIVABLES AND PAYABLES

The statement of Financial Position focuses on the Organization as a whole. Therefore, interfund receivables (“Due From”) and interfund liabilities (“Due To”) are eliminated from the financial statements because they are not assets or liabilities of the Organization as a whole. However, the Organization maintained separate funds to account for activities within those funds; interfund liabilities and receivables are recognized at the fund level. The Organization maintained the following funds for the period ending June 30, 2019:

General Fund

All assets over which the Board of Directors has discretionary control have been included in the General Fund.

CDBG Fund

The CDBG Fund is used to account for a Community Development Block Grant from the United States Department of Housing and Urban Development. The grant provides funding for an after-school tutorial program and a senior literacy program.

MHA Fund

The MHA Fund is used to account for a grant from the Monroe Housing Authority. The grant provides funding for an after-school tutorial program.

United Way Fund

The United Way Fund is used to account for a grant from United Way of Northeast Louisiana. The grant provides funding for the I CAN Tutorial Program, a career training program and a community initiative financial literacy program.

Vocational Fund

The Vocational Fund is used to account for a state grant from Louisiana Community College. It provides funding for the provision of services in professional development training (pre-employability skills), high school secondary education tests literacy elevation, job skills, counseling, job search and placement assistance for low to moderate income clients who are disadvantaged, unemployed, and/or underemployed.

Opportunities Industrialization Center of Ouachita, Incorporated
Notes to Financial Statements (Continued)

NOTE N. INTERFUND RECEIVABLES AND PAYABLES (Continued)

The Organization had the following balances in its interfund accounts for the period ended June 30, 2019:

	Due From	Due To
General Fund		
CDBG	\$ 5,623	\$ -
United Way Fund	-	16,101
MHA Fund	-	-
VOC Fund	10,250	-
Total General Fund	<u>15,873</u>	<u>16,101</u>
 CDBG		
General Fund	-	5,623
Total CDBG Fund	<u>-</u>	<u>5,623</u>
 United Way Fund		
General Fund	16,101	-
Total United Way Fund	<u>16,101</u>	<u>-</u>
 MHA		
General Fund	-	-
Total MHA Fund	<u>-</u>	<u>-</u>
 VOC Fund		
General Fund	-	10,250
Total VOC Fund	<u>-</u>	<u>10,250</u>
 Total Interfund Transactions	<u><u>\$ 31,974</u></u>	<u><u>\$ 31,974</u></u>

NOTE O. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through October 16, 2019, the date which the financial statements were available to be issued and determined that there are no events which require disclosure.



ROSIE D. HARPER

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**Independent Auditor's Report On Internal Control Over Financial Reporting and on Compliance
and Other Matters Based On An Audit Of Financial Statements Performed In Accordance With
*Government Auditing Standards***

To: The Board of Directors
Opportunities Industrialization Center of Ouachita, Incorporated

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Opportunities Industrialization Center of Ouachita, Incorporated (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated October 16, 2019.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Opportunities Industrialization Center of Ouachita, Incorporated's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Opportunities Industrialization Center of Ouachita, Incorporated's internal control. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Independent Auditor's Report On Internal Control Over Financial Reporting and on Compliance and Other Matters Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards (Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Opportunities Industrialization Center of Ouachita, Incorporated's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited.



Rosie D. Harper
Certified Public Accountant

Monroe, Louisiana
October 16, 2019

SUPPLEMENTAL INFORMATION

OPPORTUNITIES INDUSTRIALIZATION CENTER OF OUACHITA, INCORPORATED
Schedule of Assets, Liabilities, and Net Assets
For the Year Ended
June 30, 2019

Assets	Unrestricted	Temporarily Restricted					Total
	General	CDBG	MHA	United Way	VOC	Total	All Funds
Cash and Cash Equivalents	\$ 51,731	\$ 5,668	\$ -	\$ -	\$ -	\$ 5,668	\$ 57,399
Grants Receivables	-	-	-	-	4,335	4,335	4,335
Prepaid Expenses	10	-	-	-	-	-	10
Security Deposit	580	-	-	-	-	-	580
Due from Other Funds	5,623	-	-	16,101	10,250	26,351	31,974
Property, Plant & Equipment (Net)	79,344	-	-	-	-	-	79,344
Total Assets	137,288	5,668	-	16,101	14,585	36,354	173,642
Liabilities and Net Assets							
Liabilities:							
Deferred Revenue	6,524	-	-	16,101	-	16,101	22,625
Accrued Liabilities	4,759	45	-	-	14,585	14,630	19,389
Due to Other Funds	26,351	5,623	-	-	-	5,623	31,974
Total Liabilities	37,634	5,668	-	16,101	14,585	36,354	73,988
Net Assets:							
Without Donor Restrictions:							
Operating	99,654	-	-	-	-	-	99,654
Total Without Donor Restrictions	99,654	-	-	-	-	-	99,654
With Donor Restrictions	-	-	-	-	-	-	-
Total Net Assets	99,654	-	-	-	-	-	99,654
Total Liabilities and Net Assets	\$ 137,288	\$ 5,668	\$ -	\$ 16,101	\$ 14,585	\$ 36,354	\$ 173,642

See Accompanying Independent Auditor's Report and Notes to Financial Statements.

OPPORTUNITIES INDUSTRIALIZATION CENTER OF OUACHITA, INCORPORATED
Schedule of Support, Revenue, Expenses, and Changes in Net Assets
For the Year Ended
June 30, 2019

Schedule 2

	Without Donor Restrictions	With Donor Restrictions					Total All Funds
	General	CDBG	MHA	United Way	VOC	Total	
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS							
Revenue and Gains							
Student Fees	\$ 4,177	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,177
Other Revenues	4,719	-	-	206	-	206	4,925
In-kind Contributions	131,072	-	-	-	-	-	131,072
TOTAL REVENUES AND GAINS WITHOUT DONOR RESTRICTIONS	139,968	-	-	206	-	206	140,174
Net Assets Released from Restrictions							
Restrictions Satisfied by Payments	321,321	-	-	-	-	-	321,321
TOTAL REVENUES, GAINS AND OTHER SUPPORT WITHOUT DONOR RESTRICTIONS	461,289	-	-	206	-	206	461,495
Expenses							
Program Expense	223,514	-	-	-	-	-	223,514
General and Administrative Expenses	243,664	-	-	-	-	-	243,664
Total Expenses	467,178	-	-	-	-	-	467,178
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(5,889)	-	-	206	-	206	(5,683)
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS							
Revenues and Gains							
Local	-	-	-	25,946	-	25,946	25,946
Federal	-	14,000	31,169	-	-	45,169	45,169
State	-	-	-	-	250,000	250,000	250,000
Other Grants	-	-	-	-	-	-	-
TOTAL REVENUE AND GAINS WITH DONOR RESTRICTIONS	-	14,000	31,169	25,946	250,000	321,115	321,115
Net Assets Released from Restrictions							
Restrictions Satisfied by Payments	-	(14,000)	(31,169)	(26,152)	(250,000)	(321,321)	(321,321)
INCREASE (DECREASE) IN NET ASSETS WITH DONOR RESTRICTIONS	-	-	-	(206)	-	(206)	(206)
INCREASE (DECREASE) IN NET ASSETS	(5,889)	-	-	-	-	-	(5,889)
NET ASSETS AT THE BEGINNING OF THE YEAR	105,543	-	-	-	-	-	105,543
NET ASSETS AT THE END OF THE YEAR	\$ 99,654	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 99,654

See Accompanying Independent Auditor's Report and Notes to Financial Statements.

OPPORTUNITIES INDUSTRIALIZATION CENTER OF OUACHITA, INCORPORATED
Schedule of Cash Flows
For the Year Ended
June 30, 2019

	UNRESTRICTED	Temporarily Restricted					Total All Funds
	General	CDBG	MHA	United Way	VOC	Total	
Operating Activities							
Change in Net Assets	\$ (5,889)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,889)
Adjustments to Reconcile Change in Net Assets to Net							
Cash Provided by Operating Activities:							
Provision for Depreciation	5,890	-	-	-	-	-	5,890
Decrease (Increase) in Grants Receivable/Other Receivables	(10)	-	2,154	-	14,670	16,824	16,814
Decrease (Increase) in Pre-paid Expenses	3,961	-	-	-	-	-	3,961
Decrease (Increase) in Due from Other Funds	4,234	-	-	-	(10,250)	(10,250)	(6,016)
Increase (Decrease) in Accounts Payable/Accrued Liabilities	2,244	(1,855)	(935)	-	3,872	1,082	3,326
Increase (Decrease) in Deferred Revenue	(3,476)	-	-	-	-	-	(3,476)
Increase (Decrease) in Due to Other Funds	10,250	5,277	(1,219)	-	(8,292)	(4,234)	6,016
Prior Period Adjustment	-	-	-	-	-	-	-
Total Adjustments	23,093	3,422	-	-	-	3,422	26,515
Net Cash Provided (Used) by Operating Activities	17,204	3,422	-	-	-	3,422	20,626
Net Increase (Decrease) in Cash and Cash Equivalents	17,204	3,422	-	-	-	3,422	20,626
Cash and Cash Equivalents as of Beginning of Year	34,527	2,246	-	-	-	2,246	36,773
Cash and Cash Equivalents as of the End of Year	<u>\$ 51,731</u>	<u>\$ 5,668</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,668</u>	<u>\$ 57,399</u>
Supplemental Information:							
Interest Paid	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18</u>	<u>\$ -</u>	<u>\$ 18</u>	<u>\$ 18</u>

See Accompanying Independent Auditor's Report and Notes to Financial Statements.

OPPORTUNITIES INDUSTRIALIZATION CENTER OF OUACHITA, INCORPORATED

Schedule of Expenses

For the Year Ended

June 30, 2019

	UNRESTRICTED	Temporarily Restricted (Reclassified to Unrestricted)					Total All Funds
	General	CDBG	MHA	United Way	VOC	Total	
General & Administrative							
Personnel Costs							
Salaries and Wages	\$ -	\$ -	\$ 7,280	\$ -	\$ 112,013	\$ 119,293	\$ 119,293
Payroll Taxes and Other Fringe Benefits	-	-	644	-	9,235	9,879	9,879
Total Personnel Costs	-	-	7,924	-	121,248	129,172	129,172
Other Expenses							
Advertising	-	-	-	-	218	218	218
Bank Service Charges	-	-	-	150	-	150	150
Custodial	52	-	-	-	127	127	179
Depreciation Expense	3,239	-	-	-	-	-	3,239
Dues and Subscriptions	-	-	-	-	-	-	-
Equipment Purchase	-	-	-	-	1,282	1,282	1,282
Equipment Rental	2,007	413	-	48	815	1,276	3,283
Insurance	-	-	-	-	2,669	2,669	2,669
In-Kind Lease Expense	72,090	-	-	-	-	-	72,090
Interest Expense	-	-	-	18	-	18	18
Office Supplies	-	-	-	-	425	425	425
Other Adminstrative Expenses	816	-	-	2,272	1,000	3,272	4,088
Postage	-	-	-	-	66	66	66
Professional Fees	-	403	-	-	7,447	7,850	7,850
Repairs and Maintenance	-	-	-	-	4,228	4,228	4,228
Telephone/Internet	-	-	-	-	5,605	5,605	5,605
Travel	-	-	-	-	-	-	-
Utilities	-	-	-	-	9,102	9,102	9,102
Total Other Expenses	78,204	816	-	2,488	32,984	36,288	114,492
Total General & Administrative	78,204	816	7,924	2,488	154,232	165,460	243,664
Program Expenses							
Personnel Costs							
Salaries and Wages	-	11,109	15,214	21,440	51,751	99,514	99,514
Payroll Taxes and Other Fringe Benefits	124	850	1,468	2,034	20,243	24,595	24,719
Total Personnel Costs	124	11,959	16,682	23,474	71,994	124,109	124,233
Other Expenses							
Custodial	43	-	-	-	-	-	43
Depreciation Expense	2,651	-	-	-	-	-	2,651
Equipment Purchase	-	-	-	-	1,049	1,049	1,049
Equipment Rental	1,642	337	-	39	-	376	2,018
Graduation Cost	-	-	-	-	1,407	1,407	1,407
In-Kind Lease Expense	58,982	-	-	-	-	-	58,982
Insurance	-	-	-	-	2,184	2,184	2,184
Office Supplies	-	-	-	-	348	348	348
Other Program Expenses	3,612	-	2,180	-	101	2,281	5,893
Postage	-	-	-	-	54	54	54
Repairs and Maintenance	-	-	-	-	3,460	3,460	3,460
Telephone/Internet	-	-	-	-	4,586	4,586	4,586
Training Materials/Supplies	599	888	4,383	151	3,140	8,562	9,161
Utilities	-	-	-	-	7,445	7,445	7,445
Total Other Expenses	67,529	1,225	6,563	190	23,774	31,752	99,281
Total Program Expenses	67,653	13,184	23,245	23,664	95,768	155,861	223,514
Total Functional Expenses	\$ 145,857	\$ 14,000	\$ 31,169	\$ 26,152	\$ 250,000	\$ 321,321	\$ 467,178

See Accompanying Independent Auditor's Report and Notes to Financial Statements.

OPPORTUNITIES INDUSTRIALIZATION CENTER OF OUACHITA, INCORPORATED
Statement of Activities-Budget to Actual
General Fund (Cash Basis)

For the Year Ended
June 30, 2019

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Revenue			
Student Fees and Other Revenue	\$ 19,645	\$ 8,896	\$ 10,749
Total Revenue	<u>19,645</u>	<u>8,896</u>	<u>10,749</u>
Expenses			
Personnel Costs			
Salaries and Wages	-	-	-
Payroll Taxes and Other Fringe Benefits	-	124	(124)
Total Personnel Costs	<u>-</u>	<u>124</u>	<u>(124)</u>
Other Expenses	19,645	8,772	10,873
Total Expenses	<u>19,645</u>	<u>8,896</u>	<u>10,749</u>
 Change in Net Assets	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>

See Accompanying Independent Auditor's Report and Notes to Financial Statements.

OPPORTUNITIES INDUSTRIALIZATION CENTER OF OUACHITA, INCORPORATED
Statement of Activities-Budget to Actual
CDBG Fund

For the Year Ended
June 30, 2019

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Revenue			
Grants	\$ 15,000	\$ 14,000	\$ 1,000
Total Revenue	<u>15,000</u>	<u>14,000</u>	<u>1,000</u>
Expenses			
Personnel Costs			
Salaries and Wages	11,000	11,109	(109)
Payroll Taxes and Other Fringe Benefits	<u>842</u>	<u>850</u>	<u>(8)</u>
Total Personnel Costs	<u>11,842</u>	<u>11,959</u>	<u>(117)</u>
Other Expenses	<u>3,158</u>	<u>2,041</u>	<u>1,117</u>
Total Expenses	<u>15,000</u>	<u>14,000</u>	<u>1,000</u>
Change in Net Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Accompanying Independent Auditor's Report and Notes to Financial Statements.

OPPORTUNITIES INDUSTRIALIZATION CENTER OF OUACHITA, INCORPORATED
Statement of Activities-Budget to Actual
MHA Fund

For the Year Ended
June 30, 2019

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Revenue			
Grants	\$ 31,169	\$ 31,169	\$ -
Total Revenue	<u>31,169</u>	<u>31,169</u>	<u>-</u>
Expenses			
Personnel Costs			
Salaries and Wages	22,494	15,214	7,280
Payroll Taxes and Other Fringe Benefits	<u>2,112</u>	<u>1,468</u>	<u>644</u>
Total Personnel Costs	<u>24,606</u>	<u>16,682</u>	<u>7,924</u>
Other Expenses	<u>6,563</u>	<u>14,487</u>	<u>(7,924)</u>
Total Expenses	<u>31,169</u>	<u>31,169</u>	<u>-</u>
Change in Net Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Accompanying Independent Auditor's Report and Notes to Financial Statements.

OPPORTUNITIES INDUSTRIALIZATION CENTER OF OUACHITA, INCORPORATED
Statement of Activities-Budget to Actual
United Way Fund

For the Year Ended
June 30, 2019

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Revenue			
Grants	\$ 29,512	\$ 25,946	\$ 3,566
Total Revenue	<u>29,512</u>	<u>25,946</u>	<u>3,566</u>
Expenses			
Personnel Costs			
Salaries and Wages	22,280	21,440	840
Payroll Taxes and Other Fringe Benefits	<u>1,964</u>	<u>2,034</u>	<u>(70)</u>
Total Personnel Costs	<u>24,244</u>	<u>23,474</u>	<u>770</u>
Other Expenses	<u>5,268</u>	<u>2,472</u>	<u>2,796</u>
Total Expenses	<u>29,512</u>	<u>25,946</u>	<u>3,566</u>
Change in Net Assets	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See Accompanying Independent Auditor's Report and Notes to Financial Statements.

OPPORTUNITIES INDUSTRIALIZATION CENTER OF OUACHITA, INCORPORATED
Statement of Activities-Budget to Actual
Vocational Fund

For the Year Ended
June 30, 2019

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Revenue			
Grants	\$ 250,000	\$ 250,000	\$ -
Total Revenue	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Expenses			
Personnel Costs			
Salaries and Wages	174,746	163,764	10,982
Payroll Taxes and Other Fringe Benefits	29,568	29,478	90
Total Personnel Costs	<u>204,314</u>	<u>193,242</u>	<u>11,072</u>
Other Expenses	45,686	56,758	(11,072)
Total Expenses	<u>250,000</u>	<u>250,000</u>	<u>-</u>
 Change in Net Assets	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>

See Accompanying Independent Auditor's Report and Notes to Financial Statements.

OPPORTUNITIES INDUSTRIALIZATION CENTER OF OUACHITA, INCORPORATED

Schedule of Board Members

For the Year Ended

June 30, 2019

Board Member	Title	Location
Mayor Jamie Mayo	Chairman	Monroe, Louisiana
Mrs. Teresia Dickerson	Vice-Chairwoman	Monroe, Louisiana
Mr. John Smith	Secretary	Monroe, Louisiana
Ms. Linda Cole Smith	Treasurer	Monroe, Louisiana
Ms. LaQuita Danna	Public Relations Chairwoman	Monroe, Louisiana
Judge Larry Jefferson	Personnel Chairman	Monroe, Louisiana
Mr. Wilson W. Wilson	Building Committee Chairman	Monroe, Louisiana
Ms. Rosie Lee	Board Member	Monroe, Louisiana
Mr. Bernard Menyweather	Board Member	Monroe, Louisiana
Mr. Gregg Smith	Board Member	Monroe, Louisiana

See Accompanying Independent Auditor's Report and Notes to Financial Statements.

OPPORTUNITIES INDUSTRIALIZATION CENTER OF OUACHITA, INCORPORATED
Schedule of Compensation - Key Management

For the Year Ended
June 30, 2019

Job Title	William Smith, CPA Executive Director	Sonya Elmore Bookkeeper
Salary	\$ 46,190	\$ 36,800
401K	-	-
Benefits-Insurance	-	5,716
Benefits-Retirement	-	-
Other Benefits	-	-
Car Allowance	-	-
Vehicle provided by Organization	-	-
Per Diem	-	-
Reimbursements	-	-
Travel	-	-
Registration Fees	-	-
Conference Travel	285	-
Continuing Professional Education Fees	-	-
Housing	-	-
Unvouchered Expenses	-	-
Special Meals	-	-
Total Compensation	\$ 46,475	\$ 42,516

See Accompanying Auditor's Report and Notes to Financial Statements.

LOUISIANA COMPLIANCE QUESTIONNAIRE
(For Audit Engagements of Quasi-Public Agencies)

September 19, 2019

Rosie D. Harper, CPA, LLP

300 Washington Street, Suite 308

Monroe, Louisiana 71201

In connection with your audit of our financial statements as of June 30, 2019 and for (period of audit) the purpose of expressing an opinion as to the fair presentation of our financial statements in accordance with accounting principles generally accepted in the United States of America, to assess our internal control structure as a part of your audit, and to review our compliance with applicable laws and regulations, we confirm, to the best of our knowledge and belief, the following representations. These representations are based on the information available to us as of _____.

PART I. Agency Profile

1. Name and address of the organization.

Opportunities Industrialization Center of Ouachita, Inc.

Post Office Box 4255

Monroe, Louisiana 71211

2. List names, addresses, and telephone numbers of entity officials. Include elected/appointed members of the governing board, chief executive and fiscal officer, and legal counsel.

1. Mayor Jamie Mayo (Board Chairman)
P.O. Box 123
Monroe, LA 71211

2. Ms. Laquita Dana (Public Relations Chair)
502 Eason Place
Monroe, LA 71201

3. Mrs. Teresia Dickerson (Vice Board Chairperson)
2805 Cuba Blvd.
Monroe, LA 71201

4. Judge Larry Jefferson (Personal Chairman)
6511 Cypress Point Drive
Monroe, LA 71203

5. Ms. Rose Lee
P.O. Box 650
Monroe, LA 71210

6. Mr. Bernard Menyweather
106 Evers Drive
Monroe, LA 71202

7. Mr. Gregg Smith
P. O. Box 123
Monroe, LA 71211

8. Mr. John Smith
113 Mays Drive
Monroe, LA 71202

9. Mr. Wilson W. Wilson
601 South 5th Street
Monroe, LA 71202

10. Mrs. Juanita Rambo-Heard
2907 Cuba Blvd.
Monroe, LA 71201

3. Period of time covered by this questionnaire.

July 1, 2018-June 30, 2019

4. The entity has been organized under the following provisions of the Louisiana Revised Statute(s) (R.S.) and, if applicable, local resolutions/ordinances.

L.A. R.S. 12:201

5. Briefly describe the public services provided.

OIC's mission is to educate, train, and secure employment to allow individuals to lead productive, self-supportive lives independent of social programs. In addition to job training, OIC has fast become a major facility for clients who need the GED (now known as HISET) in order to pursue higher education, obtain a job, or earn promotions while working. It's certified staff and combination of traditional and computer techniques for teaching has been instrumental in graduating substantial numbers of students from its HISET program.

More recently, OIC has added Phlebotomy to its curriculum so that clients who complete the Clinical Medical Administrative program can earn dual national certification upon completion.

6. Expiration date of current elected/appointed officials' terms.

Mayor James Mayo (Board Chairman)	Expiration Date: June 2020
Ms. Laquita Dana (Public Relations Chairperson)	Expiration Date: March 2020
Mrs. Teresia Dickerson (Vice Board Chairperson)	Expiration Date: March 2020
Mr. John Smith (Board Secretary)	Expiration Date: April 2020
Judge Larry Jefferson (Personal Chairman)	Expiration Date: April 2020
Ms. Rose Lee	Expiration Date: August 2020
Mr. Gregg Smith	Expiration Date: August 2020
Mr. Wilson Wilson	Expiration Date: July 2020
Mrs. Juanita Rambo	Expiration Date: June 2020
Mr. Bernard Menyweather	Expiration Date: August 2020

Part II. Federal, State, and Local Awards

7. We have detailed for you the amount of federal, state and local award expenditures for the fiscal year, by grant and grant year.

Yes ☒ No ☐

8. All transactions relating to federal grants have been properly recorded within our accounting records and reported to the appropriate federal grantor officials.

Yes ☒ No ☐

9. All transactions relating to state grants have been properly recorded within our accounting records and reported to the state grantor officials.

Yes ☒ No ☐

10. All transactions relating to local grants have been properly recorded within our accounting records and reported to the appropriate local grantor officials.

Yes ☒ No ☐

11. The reports filed with federal agencies are properly supported by books of original entry and supporting documentation.

Yes ☒ No ☐

12. The reports filed with state agencies are properly supported by books of original entry and supporting documentation.

Yes ☒ No ☐

13. The reports filed with local agencies are properly supported by books of original entry and supporting documentation.

Yes ☒ No ☐

14. We have complied with all applicable compliance requirements of all federal programs we administer,

Yes ☒ No ☐

15. We have complied with all applicable specific requirements of all state programs we administer, to include matters contained in the grant awards.

Yes ☒ No ☐

16. We have complied with all applicable specific requirements of all local programs we administer, to include matters contained in the grant awards.

Yes ☒ No ☐

17. We have provided you with all communications from grantors concerning noncompliance with or deficiencies in administering grant programs.

Yes ☒ No ☐

Part III. Public Records

18. We are familiar with the Public Records Act and have made available to the public those records as required by R.S. 44:33.

Note: We have not received any communication from grantors concerning noncompliance with or deficiencies in administering grant programs

Yes ☒ No ☐

Part IV. Open Meetings

19. Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law). **Note: Please refer to Attorney General Opinion No. 13-0043 and the guidance in the publication “Open Meeting FAQs,” available on the Legislative Auditor’s website to determine whether a non-profit agency is subject to the open meetings law.** N/A

Yes ☒ No ☐

Part V. Budget

20. For each federal grant, we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration.

Yes ☒ No ☐

21. For each grant received from the state, we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose, duration, specific goals and objectives, and measures of performance.

Yes ☒ No ☐

22. For each local grant, we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration.

Yes ☒ No ☐

Part VI. Reporting

23. We have had our financial statements audited in a timely manner in accordance with R.S. 24:513.

Yes ☒ No ☐

24. We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes ☒ No ☐

25. We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes ☒ No ☐

The previous responses have been made to the best of our belief and knowledge. We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur subsequent to the issuance of your report.

Date Secretary _____

Date Treasurer _____

9-30-2019
Date President Jamie Mayo

**OPPORTUNITIES INDUSTRIALIZATION
CENTER OF OUACHITA, INCORPORATED
MONROE, LOUISIANA**

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES
As of and for the Year Ended June 30, 2019**

BY

**ROSIE D. HARPER
CERTIFIED PUBLIC ACCOUNTANT, LLP**

**300 Washington Street, Suite 308 • Monroe, Louisiana 71201
OFFICE (318) 387-8008 • FAX (318) 387-0806**

**OPPORTUNITIES INDUSTRIALIZATION
CENTER OF OUACHITA, INCORPORATED**
MONROE, LOUISIANA

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**
As of and for the Year Ended June 30, 2019

OPPORTUNITIES INDUSTRIALIZATION CENTER OF OUACHITA, INCORPORATED
Monroe, Louisiana

Independent Accountant's Report
On Applying Agreed-Upon Procedures
As of and for the Year Ended June 30, 2019

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ROSIE D. HARPER

Certified Public Accountant, LLP

300 Washington Street, Suite 308 • Monroe, Louisiana 71201

Phone: (318) 387-8008 • Fax: (318) 387-0806

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of
Opportunities Industrialization Center of Ouachita, Incorporated and the Louisiana Legislative Auditor:

I have performed the procedures enumerated below, which were agreed to by Opportunities Industrialization Center of Ouachita, Incorporated (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1) I obtained and inspected the entity's written policies and procedures and observed whether those written policies and procedures addressed each of the following categories and subcategories, as applicable:

a) *Budgeting*, including preparing, adopting, monitoring, and amending the budget

The Entity's policies and procedures manual does provide guidelines for adopting, monitoring, and amending the budget. Budgets and amendments are prepared by the Executive Director and presented to the Board of Directors for approval. Board approval is documented in the minutes.

b) *Purchasing*, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

The Entity's policies and procedures manual does provide guidelines for how purchases are initiated, the preparation and approval process of purchase requisitions and purchase orders, but does not provide guidelines for how vendors are added to the vendor list, controls to ensure compliance with the public bid law, and documentation required to be maintained for all bids and price quotes. The Entity follows the procedures of the Louisiana Public Bid Law.

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- c) *Disbursements*, including processing, reviewing, and approving

The Entity's policies and procedures manual does provide guidelines for processing, reviewing, and approval of disbursements.

- d) *Receipts*, including receiving, recording, and preparing deposits

The Entity's policies and procedures manual does provide guidelines for receiving, recording, and preparing deposits.

- e) *Payroll/Personnel*, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

The Entity's policies and procedures manual does provide guidelines for payroll processing and approval, attendance records, overtime and approval of leave time.

- f) *Contracting*, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

The Entity's policies and procedures manual does not provide guidelines for contracting including types of services requiring written contracts, standard terms and conditions, legal review, approval process, and monitoring process. The Entity follows the procedures of the Louisiana Public Bid Law.

- g) *Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)*, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage

The Entity's policies and procedures manual does provide guidelines for credit cards. The Entity does not use debit cards, fuel cards and P-card usage.

- h) *Travel and expense reimbursement*, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

The Entity's policies and procedures manual does provide guidelines for travel and expense reimbursement, including allowable expenses, dollar thresholds by category of expense, documentation requirements, and required approvers.

- i) *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

N/A

- j) *Debt Service*, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

N/A

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- k) *Disaster Recovery/Business Continuity*, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

The Entity's policies and procedures manual does not provide guidelines for disaster recovery/business continuity. The Entity uses a cloud back-up system and critical files are backed up daily. There was no documentation verifying periodic testing and verification that back-ups can be restored. All computer systems have antivirus software installed and updates to software are installed in timely manner. The Entity utilizes a computer specialist to maintain their computers and would use his services during a disaster recovery.

Board (or Finance Committee, if applicable)

- 2) I obtained and inspected the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observed whether the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws or other equivalent document.

The Entity's board of directors met with a quorum on a frequency in accordance with the board's bylaws.

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements.

N/A

- c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

N/A

Bank Reconciliations

- 3) I obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. I asked management to identify the entity's main operating account. The Entity only had four (4) bank accounts. For each of the bank accounts selected, I randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statements and reconciliations for each account, and observed that:

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date;

Bank reconciliations were performed on all bank accounts provided by the Entity's management. The bank reconciliations are not printed but filed electronically within the accounting software. The

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electronic time stamp of each reconciliation is retained by the software. Each bank statement was reconciled between 30 to 60 days of the related statement closing date

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

No documentation exists reflecting that the bank reconciliations are reviewed by an appropriate level of management.

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months as of the end of the fiscal period.

No reconciled items were on the bank statement outstanding for more than twelve months as of the end of the fiscal period.

Collections

- 4) I obtained a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. I tested the collections from each of the two sites of the Entity.

- 5) For both deposit sites selected, I obtained a listing of collection locations and management's representation that the listing was complete. The Entity had two collection locations. For both locations, I randomly selected one collection location for each deposit site, obtained and inspected written policies and procedures relating to employee job duties at each location, and observed that job duties are properly segregated at each collection location such that:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.
- b) Each employee responsible for collecting cash is not responsible for preparing /making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- d) The employee responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

The Entity collects a minimal amount of cash. The collections are for student application fees and certification examinations. The funds are collected and receipted by an employee who is not responsible for recording, depositing or reconciling the related bank account. A reconciliation of cash collected is prepared by two or more employees before the funds are deposited to the bank. Before the cash is deposited to the bank, a money order for the amount of cash collected is purchased and deposited. A copy of the money order which reconciles to the cash collected is attached to a copy the deposit slip. This documentation is reviewed by the Executive Director.

- 6) I inquired of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

All individuals responsible for handling cash are bonded.

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- 7) I randomly selected two deposit dates for each of the four (4) bank accounts selected for procedure #3 under “Bank Reconciliations” above. (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day. I obtained supporting documentation for each of the eight (8) deposits and:
- a) Observed that receipts were sequentially pre-numbered.
 - b) Traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Traced the deposit slip total to the actual deposit per the bank statement.
 - d) Observed that the deposit was made within one (1) business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - e) Traced the actual deposit per the bank statement to the general ledger.

My testing disclosed no discrepancies.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

- 8) I obtained a listing of locations that process payments for the fiscal period and management’s representation that the listing was complete. I selected the one location where payments are processed.
- 9) For each location selected under #8 above, I obtained a listing of those employees involved with non-payroll purchasing and payment functions. I obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

Purchases are requested by staff members and forwarded to the Executive Director for approval. My testing did not disclose any discrepancies.

- b) At least two employees are involved in processing and approving payments to vendors.

Purchase request were approved by the Executive Director and processed by the Fiscal Manager. My testing did not disclose any discrepancies.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

The Fiscal Manager is responsible for processing payments and is not prohibited from adding vendors to the Entity’s purchasing and disbursement system. All vendor additions and disbursements are approved and reviewed by the Executive Director. My testing did not disclose any discrepancies.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

The Fiscal Manager processes the payments, two of the board members sign the checks and the checks are returned to the Fiscal Manager to be mailed.

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10) For each location selected under #8 above, I obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population is complete. I randomly selected 5 disbursements for each location, obtained supporting documentation for each transaction and:

- a) Observed that the disbursement matched the related original invoice/billing statement.

My testing did not disclose any discrepancies.

- b) Observed that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

My testing did not disclose any discrepancies.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11) I obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards and obtained management's representation that the listing is complete.

12) Using the listing prepared by management, I randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. I randomly selected one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtained supporting documentation, and:

- a) Observed that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)]

The Entity had two (2) credit cards. Only one (1) card had activity during the fiscal year. The card was used to purchase office supplies only. The Executive Director reviewed the monthly statements and approved them to be paid.

- b) Observed that finance charges and late fees were not assessed on the selected statements.

No finance charges or late fees were observed on the selected statements.

13) I used the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly selected all transactions from each statement, and obtained supporting documentation for the transactions. For each transaction, I observed that it was supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

My testing did not disclose any discrepancies.

Travel and Expense Reimbursement

- 14) Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

My testing did not disclose any discrepancies.

Contracts

- 15) I obtained from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* I obtained management's representation that the listing is complete. The Entity had only one (1) contract for an equipment lease. I selected the one (1) contract from the listing, excluding the practitioner's contract, and:
- a) I observed that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) I observed that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change order), I observed that the original contract terms provided for such an amendment.
 - d) I randomly selected one payment from the fiscal period for the contract, obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.

The Entity only had one (1) contract for office equipment and was not subject to Louisiana Public Bid Law. My testing did not disclose any discrepancies.

Payroll and Personnel

16) I obtained a listing of employees employed during the fiscal period and management's representation that the listing is complete. I randomly selected five (5) employees, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.

My testing did not disclose any discrepancies.

17) I randomly selected one pay period during the fiscal period. For the five (5) employees selected under #16 above, I obtained attendance records and leave documentation for the pay period, and:

- a) Observed that all selected employees documented their daily attendance and leave (e.g., vacation, sick, compensatory).
- b) Observed that supervisors approved the attendance and leave of the selected employees/officials.
- c) Observed that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

My testing did not disclose any discrepancies.

18) I obtained a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

The Entity did not have any terminated employees during the fiscal year.

19) I obtained management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Ethics (excluding nonprofits)

20) Using the five (5) randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

- a. I observed that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
- b. I observed that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

N/A

Debt Service

- 21) Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

N/A

- 22) Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

N/A

Other

- 23) I obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

The Entity did not have any misappropriations of public funds or assets during the fiscal period.

- 24) I observed that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

The notice required by R.S. 24:523.1 was posted by the Entity.

I was not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.



Rosie D. Harper
Certified Public Accountant

Monroe, Louisiana
October 16, 2019