

**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, 2017**

BY

**ROSIE D. HARPER
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As of and for the Year Ended June 30, 2017**

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OUACHITA, INCORPORATED
Monroe, Louisiana**

**Financial Statements
and Independent Auditor's Report
with Supplemental Information
As of and for the Year Ended June 30, 2017**

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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, 2017, 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, 2017, 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 26, 2017 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 26, 2017

FINANCIAL STATEMENTS

OPPORTUNITIES INDUSTRIALIZATION CENTER OF OUACHITA, INCORPORATED
Statement of Financial Position
For the Year Ended
June 30, 2017

Assets

Cash and Cash Equivalents	\$ 51,207
Grant Receivable	472
Security Deposit	580
Property, Plant & Equipment (Net, Note H)	<u>91,876</u>
 Total Assets	 <u><u>144,135</u></u>

Liabilities and Net Assets

Liabilities:

Deferred Revenue	15,361
Accrued Liabilities	<u>17,233</u>
 Total Liabilities	 <u>32,594</u>

Net Assets:

Unrestricted:

Operating	<u>111,541</u>
Total Unrestricted	111,541

Temporarily Restricted:

Total Net Assets	<u>111,541</u>
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Total Liabilities and Net Assets	<u><u>\$ 144,135</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, 2017

UNRESTRICTED NET ASSETS**Support**

Other Revenues	4,555
In-Kind Contributions	131,072
TOTAL UNRESTRICTED SUPPORT	135,627

Net Assets Released from Restrictions

Restrictions Satisfied by Payments	308,141
TOTAL UNRESTRICTED SUPPORT AND RECLASSIFICATION	443,768

Expenses

Program Expenses	258,802
General and Administrative Expenses	190,339
Total Expenses	449,141
Change in Unrestricted Net Assets	(5,373)

TEMPORARILY RESTRICTED NET ASSETS

Grants	
Local	34,141
Federal	24,000
State	250,000
TOTAL TEMPORARILY RESTRICTED SUPPORT	308,141

Net Assets Released from Restrictions

Restrictions Satisfied by Payments	(308,141)
Change in Temporarily Restricted Net Assets	-

Change in Net Assets	(5,373)
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Net Assets as of Beginning of Year	116,914
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Net Assets as of End of Year	\$ 111,541
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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, 2017

Operating Activities	<u>All Funds</u>
Change in Net Assets	\$ (5,373)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Provision for Depreciation	6,642
Increase in Grants Receivable	32,188
Decrease in Accounts Payable/Accrued Liabilities	(3,931)
Increase in Deferred Revenue	<u>347</u>
Total Adjustments	<u>35,246</u>
Net Cash Provided by Operating Activities	<u>29,873</u>
Net Increase in Cash and Cash Equivalents	<u>29,873</u>
Cash and Cash Equivalents as of the Beginning of Year	<u>21,334</u>
Cash and Cash Equivalents as of the End of Year	<u><u>\$ 51,207</u></u>
Supplemental Information:	
Interest Paid	<u><u>\$ 51</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, 2017

	<u>Support Activities</u>		<u>Total Expenses</u>
	<u>Program Services</u>	<u>General and Administrative</u>	
Personnel Costs			
Salaries and Wages	\$ 120,333	\$ 91,758	\$ 212,091
Payroll Taxes and Other Fringe Benefits	20,169	12,445	32,614
Total Personnel Costs	<u>140,502</u>	<u>104,203</u>	<u>244,705</u>
Other Expenses			
Bank Service Charges	97	72	169
Conferences/Conventions	-	354	354
Custodial	650	482	1,132
Depreciation Expense	3,813	2,829	6,642
Dues and Subscriptions	638	473	1,111
Equipment Purchase	1,337	992	2,329
Equipment Rental	2,813	2,086	4,899
Graduation Costs	1,192	-	1,192
In-kind Lease Expense	75,251	55,821	131,072
Insurance	2,384	1,769	4,153
Interest Expense	69	51	120
Office Supplies	1,602	1,189	2,791
Other Expenses	1,156	858	2,014
Postage	181	135	316
Professional Fees	3,359	2,491	5,850
Repairs and Maintenance	5,841	4,334	10,175
Telephone/Internet	4,803	3,563	8,366
Testing and Assessment	1,582	-	1,582
Training	2,086	-	2,086
Travel	-	1,630	1,630
Utilities	9,446	7,007	16,453
Total Other Expenses	<u>118,300</u>	<u>86,136</u>	<u>204,436</u>
Total Functional Expenses	<u>\$ 258,802</u>	<u>\$ 190,339</u>	<u>\$ 449,141</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, 2017

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, which 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 consists mainly of state and private grants, fundraising, and contributions. Grants and other contributions of cash and other assets are reported as permanently restricted or temporarily restricted if they are received with donor restrictions or restrictions designated by the governing board. Contributions are considered to be unrestricted unless restricted by the donor. All assets over which the Board of Directors has discretionary control have been included in the General Fund.

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 26, 2017, 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, 2015, 2016, and 2017; 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, 2017, the Organization had cash totaling \$51,207 as follows:

Unrestricted	<u>\$ 51,207</u>
Total Cash	<u><u>\$ 51,207</u></u>

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.

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, 2017 was \$16,405. The Organization does not guarantee the benefits granted by the Social Security System.

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

NOTE C. IN-KIND OPERATING LEASE

The Organization has an in-kind operating lease as follows:

<u>Years Left in Lease</u>	<u>Education & Office Facilities</u>	<u>Location</u>
13.25	\$ -	Richwood, Louisiana

Management estimates the in-kind annual value of the lease to be \$131,072. 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, 2017, the Organization had grant receivables as follows:

Ouachita Police Jury (Workforce Investment Act)	\$	472
Total	\$	<u>472</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.

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, 2017, the total amount for accumulated days for compensated absences was \$5,810. Costs for compensated absences are recognized in the pay period taken by employees.

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

NOTE G. DEFERRED REVENUE

At June 30, 2017, the Organization had deferred revenue totaling \$15,361 consisting of the following:

United Way (UW)	<u>15,361</u>
Total	<u><u>\$ 15,361</u></u>

NOTE H. PROPERTY, PLANT AND EQUIPMENT

For the period ended June 30, 2017, the Organization had net property, plant and equipment totaling \$91,876. The following schedule reflects the balances in property, plant, and equipment at June 30, 2017:

	<u>7/1/2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/2017</u>
Depreciable Assets				
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>261,635</u>
Less Accumulated Depreciation				
Depreciation	(168,117)	(6,642)	-	(174,759)
Total Accumuated Depreciation	<u>(168,117)</u>	<u>(6,642)</u>	-	<u>(174,759)</u>
Net Depreciable Assets	<u>93,518</u>	<u>(6,642)</u>	-	<u>86,876</u>
Other Property & Equipment				
Land	5,000	-	-	5,000
Net Property, Plant, & Equipment	<u>\$ 98,518</u>	<u>\$ (6,642)</u>	<u>\$ -</u>	<u>\$ 91,876</u>

NOTE I. ACCRUED LIABILITIES

At June 30, 2017, the Organization had accrued liabilities totaling \$17,233 consisting of the following:

Accrued Liabilities	\$ 8,492
Capital One Credit Line	13
Payroll Liabilities	<u>8,728</u>
Total	<u><u>\$ 17,233</u></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, 2017, the outstanding balance owed on the line of credit was \$13 and available balance of \$35,487.

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.

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

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, 2017, \$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. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through October 26, 2017, the date which the financial statements were available to be issued and determined that there are no events which require disclosure.

NOTE M. CONCENTRATION OF RISK

For the year ended June 30, 2017, the Organization was subject to significant concentration risks due to the fact that fifty-six percent (56%) of its funding consisted of one contract with Louisiana Delta Community 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 Organizations maintained the following funds for the period ending June 30, 2017:

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.

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

NOTE N. INTERFUND RECEIVABLES AND PAYABLES (Continued)

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.

WIA Fund

The WIA Fund is to account for a grant from United States Department of Labor under the Workforce Investment Act Passed through the Ouachita Parish Police Jury. The funds are used for the purpose of providing career and educational development programs for young people. The program also serves youth with disabilities who are not attending school.

Vocational Fund

The Vocational Fund is used to account for a state grant from Louisiana Technical College, Delta Ouachita Campus. It provides funding for the provision of services in Pre-Entry Training. Literacy Elevation, Job Skills Training, Life Skills, Counseling, Job Search and Placement Assistance for low to moderate-income clients, who are disadvantaged, unemployed and /or underemployed.

New Technical Center (NTC)

The New Technical Center Fund (NTC) is used to account for funds received from 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. At June 30, 2017, the expenditures to-date for this project are as follows:

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

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, 2017:

	Due From	Due To
General Fund		
CDBG	\$ -	\$ -
United Way Fund	-	15,432
WIA Fund	472	-
VOC Fund	-	12,687
Total General Fund	<u>472</u>	<u>28,119</u>
CDBG		
General Fund	<u>-</u>	<u>-</u>
Total CDBG Fund	<u>-</u>	<u>-</u>
United Way Fund		
General Fund	<u>15,432</u>	<u>-</u>
Total United Way Fund	<u>15,432</u>	<u>-</u>
WIA Fund		
General Fund	<u>-</u>	<u>472</u>
Total WIA Fund	<u>-</u>	<u>472</u>
VOC Fund		
General Fund	<u>12,687</u>	<u>-</u>
Total VOC Fund	<u>12,687</u>	<u>-</u>
Total Interfund Transactions	<u>\$ 28,591</u>	<u>\$ 28,591</u>



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
Monroe, Louisiana

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, 2017, 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 26, 2017.

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 26, 2017

SUPPLEMENTAL INFORMATION

OPPORTUNITIES INDUSTRIALIZATION CENTER OF OUACHITA, INCORPORATED
Schedule of Assets, Liabilities, and Net Assets
For the Year Ended
June 30, 2017

Assets	Unrestricted	Temporarily Restricted					Total All Funds	
	General	CDBG	Consumer Action	United Way	WIA	VOC		Total
Cash and Cash Equivalents	\$ 49,857	\$ 1,350	\$ -	\$ -	\$ -	\$ -	\$ 1,350	\$ 51,207
Grants Receivables	-	-	-	-	472	-	472	472
Security Deposit	580	-	-	-	-	-	-	580
Due from Other Funds	472	-	-	15,432	-	12,687	28,119	28,591
Property, Plant & Equipment (Net)	91,876	-	-	-	-	-	-	91,876
Total Assets	142,785	1,350	-	15,432	472	12,687	29,941	172,726
Liabilities and Net Assets								
Liabilities:								
Deferred Revenue	-	-	-	15,361	-	-	15,361	15,361
Accrued Liabilities	3,125	1,350	-	71	-	12,687	14,108	17,233
Due to Other Funds	28,119	-	-	-	472	-	472	28,591
Total Liabilities	31,244	1,350	-	15,432	472	12,687	29,941	61,185
Net Assets:								
Unrestricted:								
Operating	111,541	-	-	-	-	-	-	111,541
Total Unrestricted	111,541	-	-	-	-	-	-	111,541
Temporarily Restricted								
Total Net Assets	111,541	-	-	-	-	-	-	111,541
Total Liabilities and Net Assets	\$ 142,785	\$ 1,350	\$ -	\$ 15,432	\$ 472	\$ 12,687	\$ 29,941	\$ 172,726

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, 2017

Schedule 2

	UNRESTRICTED	Temporarily Restricted					Total All Funds
	General	CDBG	United Way	WIA	VOC	Total	
UNRESTRICTED NET ASSETS							
Support							
Other Revenues	\$ 4,555	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,555
In-kind Contributions	131,072	-	-	-	-	-	131,072
TOTAL UNRESTRICTED SUPPORT	135,627	-	-	-	-	-	135,627
Net Assets Released from Restrictions							
Restrictions Satisfied by Payments	308,141	-	-	-	-	-	308,141
TOTAL UNRESTRICTED SUPPORT AND RECLASSIFICATION	443,768	-	-	-	-	-	443,768
Expenses							
Program Expense	258,802	-	-	-	-	-	258,802
General and Administrative Expenses	190,339	-	-	-	-	-	190,339
Total Expenses	449,141	-	-	-	-	-	449,141
Change in Unrestricted Net Assets	(5,373)	-	-	-	-	-	(5,373)
TEMPORARILY RESTRICTED NET ASSETS							
Grants							
Local	-	-	34,141	-	-	34,141	34,141
Federal	-	24,000	-	-	-	24,000	24,000
State	-	-	-	-	250,000	250,000	250,000
Other Grants	-	-	-	-	-	-	-
TOTAL TEMPORARILY RESTRICTED SUPPORT	-	24,000	34,141	-	250,000	308,141	308,141
Net Assets Released from Restrictions							
Restrictions Satisfied by Payments	-	(24,000)	(34,141)	-	(250,000)	(308,141)	(308,141)
Change in Temporarily Restricted Net Assets	-	-	-	-	-	-	-
Change in Net Assets	(5,373)	-	-	-	-	-	(5,373)
Net Assets as of Beginning of Year	116,914	-	-	-	-	-	116,914
Net Assets as of End of Year	\$ 111,541	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 111,541

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, 2017

	UNRESTRICTED		Temporarily Restricted				Total All Funds
	General	CDBG	Consumer Action	United Way	WIA	VOC	
Operating Activities							
Change in Net Assets	\$ (5,373)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,373)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:							
Provision for Depreciation	6,642	-	-	-	-	-	6,642
Decrease (Increase) in Grants Receivable/Other Receivables	-	-	-	-	6,129	26,059	32,188
Decrease (Increase) in Due from Other Funds	16,172	-	-	61	-	(12,687)	3,546
Increase (Decrease) in Accounts Payable/Accrued Liabilities	(194)	184	-	(408)	(487)	(3,026)	(3,931)
Increase (Decrease) in Deferred Revenue	-	-	-	347	-	-	347
Increase (Decrease) in Due to Other Funds	12,626	(184)	-	-	(5,642)	(10,346)	(3,546)
Total Adjustments	35,246	-	-	-	-	-	35,246
Net Cash Provided (Used) by Operating Activities	29,873	-	-	-	-	-	29,873
Net Increase (Decrease) in Cash and Cash Equivalents	29,873	-	-	-	-	-	29,873
Cash and Cash Equivalents as of Beginning of Year	19,984	1,350	-	-	-	-	21,334
Cash and Cash Equivalents as of the End of Year	\$ 49,857	\$ 1,350	\$ -	\$ -	\$ -	\$ -	\$ 51,207
Supplemental Information:							
Interest Paid	\$ -	\$ -	\$ -	\$ 51	\$ -	\$ -	\$ 51

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, 2017

	UNRESTRICTED		Temporarily Restricted (Reclassified to Unrestricted)					Total All Funds
	General	CDBG	Consumer Action	United Way	WIA	VOC	Total	
General & Administrative								
Personnel Costs								
Salaries and Wages	\$ -	\$ 3,740	\$ -	\$ 2,480	\$ -	\$ 85,538	\$ 91,758	\$ 91,758
Payroll Taxes and Other Fringe Benefits	-	395	-	190	-	11,860	12,445	12,445
Total Personnel Costs	-	4,135	-	2,670	-	97,398	104,203	104,203
Other Expenses								
Bank Service Charges	-	-	-	72	-	-	72	72
Conferences/Conventions	-	-	-	354	-	-	354	354
Custodial	-	-	-	-	-	482	482	482
Depreciation Expense	2,829	-	-	-	-	-	-	2,829
Dues and Subscriptions	-	-	-	-	-	473	473	473
Equipment Purchases	-	-	-	-	-	992	992	992
Equipment Rental	-	183	-	-	-	1,903	2,086	2,086
In-Kind Lease Expense	55,821	-	-	-	-	-	-	55,821
Insurance	-	556	-	-	-	1,213	1,769	1,769
Interest Expense	-	-	-	51	-	-	51	51
Office Supplies	-	-	-	-	-	1,189	1,189	1,189
Other Administrative Expenses	562	-	-	296	-	-	296	858
Postage	-	-	-	5	-	130	135	135
Professional Fees	-	623	-	-	-	1,868	2,491	2,491
Repairs and Maintenance	-	-	-	116	-	4,218	4,334	4,334
Telephone/Internet	-	-	-	-	-	3,563	3,563	3,563
Travel	-	-	-	293	-	1,337	1,630	1,630
Utilities	-	-	-	104	-	6,903	7,007	7,007
Total Other Expenses	59,212	1,362	-	1,291	-	24,271	26,924	86,136
Total General & Administrative	59,212	5,497	-	3,961	-	121,669	131,127	190,339
Program Expenses								
Personnel Costs								
Salaries and Wages	-	14,248	-	26,160	-	79,925	120,333	120,333
Payroll Taxes and Other Fringe Benefits	228	1,885	-	2,898	-	15,158	19,941	20,169
Total Personnel Costs	228	16,133	-	29,058	-	95,083	140,274	140,502
Other Expenses								
Bank Service Charges	-	-	-	97	-	-	97	97
Custodial	-	-	-	-	-	650	650	650
Depreciation Expense	3,813	-	-	-	-	-	-	3,813
Dues and Subscriptions	-	-	-	-	-	638	638	638
Equipment Purchase	-	-	-	-	-	1,337	1,337	1,337
Equipment Rental	-	247	-	-	-	2,566	2,813	2,813
Graduation Cost	-	-	-	-	-	1,192	1,192	1,192
In-Kind Lease Expense	75,251	-	-	-	-	-	-	75,251
Insurance	-	749	-	-	-	1,635	2,384	2,384
Interest Expense	-	-	-	69	-	-	69	69
Office Supplies	-	-	-	-	-	1,602	1,602	1,602
Other Program Expenses	758	-	-	398	-	-	398	1,156
Postage	-	-	-	6	-	175	181	181
Professional Fees	-	840	-	-	-	2,519	3,359	3,359
Repairs and Maintenance	-	-	-	156	-	5,685	5,841	5,841
Telephone/Internet	-	-	-	-	-	4,803	4,803	4,803
Testing and Assessment	1,582	-	-	-	-	-	-	1,582
Training Materials/Supplies	156	534	-	256	-	1,140	1,930	2,086
Utilities	-	-	-	140	-	9,306	9,446	9,446
Total Other Expenses	81,560	2,370	-	1,122	-	33,248	36,740	118,300
Total Program Expenses	81,788	18,503	-	30,180	-	128,331	177,014	258,802
Total Functional Expenses	\$ 141,000	\$ 24,000	\$ -	\$ 34,141	\$ -	\$ 250,000	\$ 308,141	\$ 449,141

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, 2017

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Revenue			
Other Income	\$ 4,555	\$ 4,555	\$ -
Total Revenue	<u>4,555</u>	<u>4,555</u>	<u>-</u>
Expenses			
Personnel Costs			
Salaries and Wages	-	-	-
Payroll Taxes and Other Fringe Benefits	-	228	(228)
Total Personnel Costs	<u>-</u>	<u>228</u>	<u>(228)</u>
Other Expenses	3,058	3,286	(228)
Total Expenses	<u>3,058</u>	<u>3,514</u>	<u>(456)</u>
Change in Net Assets	<u>\$ 1,497</u>	<u>\$ 1,041</u>	<u>\$ 456</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, 2017

	Budgeted	Actual	Variance
Revenue			
Grants	\$ 24,000	\$ 24,000	\$ -
Total Revenue	24,000	24,000	-
Expenses			
Personnel Costs			
Salaries and Wages	17,988	14,248	3,740
Payroll Taxes and Other Fringe Benefits	2,280	1,885	395
Total Personnel Costs	20,268	16,133	4,135
Other Expenses	3,732	7,867	(4,135)
Total Expenses	24,000	24,000	-
Change in Net Assets	\$ -	\$ -	\$ -

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, 2017

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Revenue			
Grants	\$ 34,489	\$ 34,141	\$ 348
Total Revenue	<u>34,489</u>	<u>34,141</u>	<u>348</u>
Expenses			
Personnel Costs			
Salaries and Wages	28,640	26,160	2,480
Payroll Taxes and Other Fringe Benefits	3,316	2,898	418
Total Personnel Costs	<u>31,956</u>	<u>29,058</u>	<u>2,898</u>
Other Expenses	2,414	5,083	(2,669)
Total Expenses	<u>34,370</u>	<u>34,141</u>	<u>229</u>
Change in Net Assets	<u>\$ 119</u>	<u>\$ -</u>	<u>\$ 119</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, 2017

	<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	165,463	165,463	-
Payroll Taxes and Other Fringe Benefits	<u>27,018</u>	<u>27,018</u>	<u>-</u>
Total Personnel Costs	192,481	192,481	-
Other Expenses	<u>57,519</u>	<u>57,519</u>	<u>-</u>
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 Expenditures of Federal Awards

For the Year Ended
June 30, 2017

SOURCE OF FEDERAL ASSISTANCE AGENCY	FEDERAL CFDA NUMBER	FEDERAL EXPENDITURES
UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
Community Development		
Block Grant-CDBG Pass-through City of Monroe	14.218	\$ 24,000
TOTAL UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		<u>24,000</u>
UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
UNITED STATES DEPARTMENT OF LABOR		
Workforce Investment Act (WIA Adult Program)		
Passed through Workforce Investment Board Area 81	17.258	\$ -
TOTAL UNITED STATES DEPARTMENT OF LABOR		<u>-</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS		<u>\$ 24,000</u>

OPPORTUNITIES INDUSTRIALIZATION CENTER OF OUACHITA, INCORPORATED
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Opportunities Industrialization Center of Ouachita, Incorporated under programs of the federal government for the year ended June 30, 2017. This information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*. Because the Schedule presents only a selected portion of the operations of Opportunities Industrialization Center of Ouachita, Incorporated, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Opportunities Industrialization Center of Ouachita, Incorporated.

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, 2017

Board Member	Title	Location
Mayor Jamie Mayo	Chairman	Monroe, Louisiana
Ms. LaQuita Danna	Co-Chairman	Monroe, Louisiana
Mrs. Teresia Dickerson	Secretary	Monroe, Louisiana
Judge Larry Jefferson	Personnel Chairman	Monroe, Louisiana
Ms. Rose Lee	Board Member	Monroe, Louisiana
Mr. Bernard Menyweather	Board Member	Monroe, Louisiana
Mr. Gregg Smith	Board Member	Monroe, Louisiana
Ms. Linda Carol Smith	Board Member	Monroe, Louisiana
Mr. John Smith	Board Member	Monroe, Louisiana
Mr. Wilson W. Wilson	Building Committee Chairman	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, 2017

Job Title	William Smith, CPA Executive Director	Sonya Elmore Bookkeeper
Salary	\$ 46,134	\$ 34,240
401K	-	-
Benefits-Insurance	-	4,671
Benefits-Retirement	-	-
Other Benefits	-	-
Car Allowance	-	-
Vehicle provided by Government	-	-
Per Diem	-	-
Reimbursements	-	-
Travel	-	-
Registration Fees	-	-
Conference Travel	-	-
Continuing Professional Education Fees	-	-
Housing	-	-
Unvouchered Expenses	-	-
Special Meals	-	-
Total Compensation	\$ 46,134	\$ 38,911

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

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

August 10, 2017

Rosie D Harper, CPA, LLP
300 Washington Street Suite 308
Monroe, LA 71201

In connection with your audit of our financial statements as of June 30, 2017 and for (period of audit) for 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 August 10, 2017 date of the representations.

PART I. Agency Profile

1. Name and address of the organization.

Opportunities Industrialization Center of Ouachita, Inc.
P O 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 | 6. Mr. Bernard Menyweather
106 Evers Drive
Monroe, LA 71202 |
| 2. Ms. Laquita Dana (Public Relations Chairman)
502 Eason Place
Monroe, LA 71201 | 7. Mr. Gregg Smith
P. O. Box 123
Monroe, LA 71211 |
| 3. Mrs. Teresia Dickerson (Board Secretary)
2805 Cuba Blvd.
Monroe, LA 71201 | 8. Mr. John Smith
113 Mays Drive
Monroe, LA 71202 |
| 4. Judge Larry Jefferson (Personal Chairman)
6511 Cypress Point Drive
Monroe, LA 71203 | 9. Mr. Wilson W. Wilson
601 South 5 th Street
Monroe, LA 71202 |
| 5. Ms. Rose Lee
P. O. Box 650
Monroe, LA 71210 | 10. Mrs. Juanita Rambo-Heard
2907 Cuba Blvd.
Monroe, LA 71201 |

3. Period of time covered by this questionnaire.

July 1, 2016 – June 30, 2017

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 in order to pursue higher education, obtain a job, or earn promotions while working. Its certified staff and combination of traditional and computer techniques for teaching has been instrumental in graduating substantial numbers of students from its GED program.

More recently, OIC has added Financial Literacy and Phlebotomy to its curriculum so that clients who earn money will learn to spend it wisely, work with a banking or savings institution, save money and prepare for emergencies and retirement. With the Phlebotomy component, clients will learn Medical laws and ethical issues regarding phlebotomy along with Medical Terminology, Anatomy and physiology. A variety of phlebotomy procedures such as venipuncture, skin puncture and capillary punctures. Including lab testing procedures which includes point-of-care testing and blood smear preparation.

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

Mayor Jamie Mayo (Board Chairman)	Expiration Date: June 2018
Ms. Laquita Dana (Public Relations Chairman)	Expiration Date: March 2018
Mrs. Teresia Dickerson (Board Secretary)	Expiration Date: March 2018
Judge Larry Jefferson (Personal Chairman)	Expiration Date: April 2018
Ms. Rose Lee	Expiration Date: August 2018
Mr. Bernard Menyweather	Expiration Date: August 2018
Mr. Gregg Smith	Expiration Date: August 2018
Mr. John Smith	Expiration Date: April 2018
Mr. Wilson W. Wilson	Expiration Date: July 2018
Mrs. Juanita Rambo-Heard	Expiration Date: August 2018

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, to include matters contained in the Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and matters contained in the grant awards.

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.

Note: We have not received any communication 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.

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 at <http://app1.la.state.la.us/lala.nsf>, 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

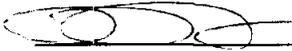
23. We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes No

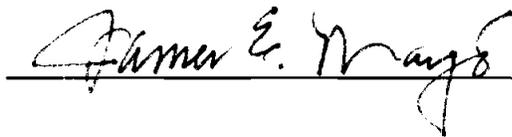
The previous responses have been made to the best of our belief and knowledge.

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.



Secretary August 10, 2017 Date



President August 10, 2017 Date

**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, 2017**

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, 2017**

**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, 2017**

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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, 2016 through June 30, 2017. 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 the entity's written policies and procedures and determined whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

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

The Entity's policies and procedures manual does not 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 not provide guidelines for how purchases are initiated, how vendors are added to the vendor list, the preparation and approval process of purchase requisitions and purchase orders, 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.

Opportunities Industrialization Center of Ouachita, Incorporated
Independent Accountants Report on Applying Agreed-Upon Procedures (Continued)

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

The Entity's policies and procedures manual does not provide guidelines for processing, reviewing, and approving disbursements.

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

The Entity's policies and procedures manual does not 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 not provide guidelines for payroll processing and approving, attendance records, and overtime. The manual does address 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 not provide guidelines for credit cards, debit card, 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 not 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

Board (or Finance Committee, if applicable)

2. I obtained and reviewed the board/committee minutes for the fiscal period, and:
- a) Determined whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, 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) Determined whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
 - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
The Entity's minutes referenced and included monthly budget-to-actual comparisons on the financial information.
 - c) Reported whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.
The Entity's minutes referenced non-budgetary financial information, such as approval of contracts, grant applications and personnel matters.

Bank Reconciliations

3. I obtained a listing of client bank accounts from management and management's representation that the listing is complete.
4. Using the listing provided by management, I selected all the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three-year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtained bank statements and reconciliations for all months in the fiscal period and determined whether:
- a) Bank reconciliations have been prepared;
Bank reconciliations were performed on all bank accounts provided by the Entity's management.
 - b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

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- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

The bank reconciliations are reviewed monthly by the Executive Director, Finance Committee, and Board of Directors. No reconciled items were on the bank statement outstanding for more than six months as of the end of the fiscal period.

Collections

5. I obtained a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.
6. Using the listing provided by management, I selected all the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three-year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**
- a) I obtained existing written documentation (e.g. insurance policy, policy manual, job description) and determined whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

The Entity collects a minimal amount of cash. The collections are for student application fees and certification examinations. The funds are sometimes collected by the Bookkeeper who is responsible for recording, depositing, and reconciling the related bank account. Each cash collection is receipted. When collections are collected by someone other than the bookkeeper, a copy of the receipt is forwarded to the Bookkeeper along with the collections for depositing. All cash deposits are reviewed by the Executive Director. All individuals responsible for handling cash are bonded.

- b) I obtained existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and determined whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

When funds are collected by other staff, they are receipted, then forwarded to the Bookkeeper for depositing. The Bookkeeper, who also records, reconciles, and deposits cash, collects cash from students for various fees. 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 of the deposit slip. This documentation is reviewed by the Executive Director.

- c) I selected the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
- Using entity collection documentation, deposit slips, and bank statements, traced daily collections to the deposit date on the corresponding bank statement and determined whether the deposits were made within one day of collection. If deposits were not made within one day of

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collection, report the number of days from receipt to deposit for each day at each collection location.

- Using sequentially numbered receipts, system reports, or other related collection documentation, verified that daily cash collections are completely supported by documentation and report any exceptions.

My testing disclosed no discrepancies.

7. Obtained existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

I tested three months of grants which were paid by check. I traced the payments to the cost reimbursement reports, general ledger, and bank statement. The Entity receives minimal amounts of cash for student testing fees. The Entity's revenue mainly consists of federal, state, private grants and public contributions. All grant and public funds are direct deposited and/or cost reimbursed by check. My testing disclosed no discrepancies.

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

8. I obtained a listing of the entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. I obtained management's representation that the listing or general ledger population is complete.
9. Using the disbursement population from #8 above, I randomly selected 25 disbursements (or randomly selected disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtained supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and determined whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

Purchases are approved by the Supervisor and submitted to the Purchasing Clerk (bookkeeper) for processing. Once processed, it is forwarded to the Executive Director for approval. My testing did not disclose any discrepancies.

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

Purchase request were approved by the appropriate authorized levels of management. My testing did not disclose any discrepancies.

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- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

Purchase requests are paid by invoice submission only which are approved at an appropriate level of management. My testing did not disclose any discrepancies.

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), I determined whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

The person responsible for processing payments is not prohibited from adding vendors to the Entity's purchasing and disbursement system. All vendor additions and disbursements were approved by authorized personnel and management.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), I determined whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

Persons with signatory authority and those who make the final authorization for disbursements had no responsibility for initiating or recording purchases.

12. Inquired of management and observed whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

Unused checks are maintained in a locked location, with restricted access to those persons that do not have signatory authority. Persons with signing authority do not have system access to print checks or access to blank check stock.

13. If a signature stamp or signature machine is used, inquired of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

N/A

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

14. 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.

15. Using the listing prepared by management, I randomly selected 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each

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year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

16. The Entity only has one credit card and no debit cards. I obtained the monthly statements the selected card. I selected the monthly statement with the largest dollar activity for the card and:

a) I determined whether there was evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder

Approved credit card purchases are made by the bookkeeper. Monthly statements are reviewed and approved by the Executive Director.

b) I determined whether finance charges and/or late fees were assessed on the selected statements.

The credit card statements did not reflect any finance charges or late fees.

17. Using the monthly statements or combined statements I selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

a) For each transaction, I determined whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased)
- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

My testing did not disclose any discrepancies.

b) For each transaction, compared the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

N/A

c) For each transaction, compared the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

My testing did not disclose any discrepancies.

Travel and Expense Reimbursement

- 18 I obtained from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. I obtained management's representation that the listing or general ledger is complete.
- 19 I obtained the entity's written policies related to travel and expense reimbursements. Compared the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and determined any amounts that exceed GSA rates.

The Entity's policies and procedures manual does not provide guidelines for travel and expense reimbursement. There were no amounts paid for travel and expense reimbursement that exceeded General Services Administration rates.

- 20 Using the listing or general ledger from #17 above, selected the three persons who incurred the most travel costs during the fiscal period. I obtained the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:
- a) The entity does not have written policies. I compared to the GSA rates (#18 above) to determine if each reimbursement exceeded those rates.

All travel and mileage reimbursements were less than or equal to the rates established by the U.S. General Services Administration.

- b) I determined whether each expense is supported by:
- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
 - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
 - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

My testing did not disclose any discrepancies.

- c) I compared the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

There were no exceptions.

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- d) I determined whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

All travel requests are approved by someone other than the person receiving the reimbursement.

Contracts

20. Obtained a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtained management's representation that the listing or general ledger is complete.

21. Using the listing above, selected the five contracts "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtained the related contracts and paid invoices and:

- a) Reported whether there is a formal/written contract that supports the services arrangement and the amount paid.

The Entity did not have any major contracts with vendors for services.

- b) Compared each contract's detail to the Louisiana Public Bid Law or Procurement Code. Reported whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

N/A

- c) Reported whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

N/A

- d) Selected the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

NA

- e) Obtained/reviewed contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

N/A

Payroll and Personnel

22. I obtained a listing of employees (and elected officials, if applicable) with their related salaries, and obtained management's representation that the listing is complete. Randomly selected five employees/officials, obtain their personnel files, and:

a) I reviewed compensation paid to each employee during the fiscal period and determined whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

My testing did not disclose any discrepancies.

b) I reviewed changes made to hourly pay rates/salaries during the fiscal period and determined whether those changes were approved in writing and in accordance with written policy.

All hourly and salary pay changes made were approved at the appropriate level of management.

23. I obtained attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees (or randomly select one-third of employees if the entity had less than 25 employees during the fiscal period), and:

a) I determined whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave.

My testing did not disclose any discrepancies.

b) I determined whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

All attendance and leave request of the selected employee/officials was approved by the appropriate level of management.

c) I determined whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

The Entity does maintain written leave records.

24. I obtained from management a list of employees/officials that were terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. I determined whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

N/A

25. I obtained supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. I determined whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

The Entity's payroll tax forms were filed timely.

Ethics (excluding nonprofits)

26. I used the five randomly selected employees/officials from procedure #22 under “Payroll and Personnel” above, obtained ethics compliance documentation from management and determined whether the entity maintained documentation to demonstrate that required ethics training was completed.

N/A

27. Inquired of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management’s actions complied with the entity’s ethics policy. Determined whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

N/A

Debt Service (excluding nonprofits)

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

N/A

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

N/A

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

N/A

Other

31. Inquired of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

None

32. Observed and reported whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.lla.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

None

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33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

None

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 27, 2017