

OPPORTUNITY MACHINE, INC.

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
DECEMBER 31, 2017**

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
Opportunity Machine, Inc.

We have reviewed the accompanying financial statements of Opportunity Machine, Inc. which comprise the statement of financial position as of December 31, 2017, and the related statements of activities and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountants' Responsibility

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

The supplementary information included in the accompanying schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the information and, accordingly, do not express an opinion on such information.

*Wright, Moore, DeHart,
Dupuis & Hutchinson, LLC*

WRIGHT, MOORE, DEHART,
DUPUIS & HUTCHINSON, L.L.C.
Certified Public Accountants

June 17, 2018
Lafayette, Louisiana

OPPORTUNITY MACHINE, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2017

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 84,447
Accounts Receivable	189
Prepaid Expenses	<u>5,030</u>
Total Current Assets	<u>89,666</u>

PROPERTY AND EQUIPMENT

Equipment	4,089
Less: Accumulated Depreciation	<u>(577)</u>
Net Property and Equipment	<u>3,512</u>

TOTAL ASSETS \$ 93,178

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	<u>24,258</u>
Total Current Liabilities	<u>24,258</u>

NET ASSETS

Unrestricted	<u>68,920</u>
Total Net Assets	<u>68,920</u>

**TOTAL LIABILITIES
AND NET ASSETS** \$ 93,178

The Accompanying Notes are an Integral Part of this Statement.

OPPORTUNITY MACHINE, INC.

**STATEMENT OF ACTIVITIES
DECEMBER 31, 2017**

UNRESTRICTED NET ASSETS

PUBLIC SUPPORT	
Grants and Contracts	\$ 350,000
REVENUE	
Membership Dues	36,733
Rental Revenue	<u>17,324</u>
	<u>54,057</u>
TOTAL PUBLIC SUPPORT AND REVENUES	<u>404,057</u>
EXPENSES	
Program Services:	
Economic Development	285,273
Management and General Expenses	<u>49,864</u>
Total Expenses	<u>335,137</u>
INCREASE IN UNRESTRICTED NET ASSETS	68,920
NET ASSETS AT BEGINNING OF YEAR	<u>-</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 68,920</u></u>

The Accompanying Notes are an Integral Part of this Statement.

OPPORTUNITY MACHINE, INC.

**STATEMENT OF CASH FLOWS
DECEMBER 31, 2017**

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in Net Assets	\$ 68,920
Adjustments to Reconcile Increase in Net Assets to Net Cash Used In Operating Activities:	
Depreciation	577
Changes in Assets and Liabilities:	
Accounts Receivable	(189)
Prepaid Expenses	(5,030)
Accounts Payable	<u>24,258</u>
Total Adjustments	<u>19,616</u>
Net Cash Provided by Operating Activities	<u>88,536</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Fixed Assets	<u>(4,089)</u>
Net Cash Used In Investing Activities	<u>(4,089)</u>

NET INCREASE IN CASH 84,447

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR -

CASH AND CASH EQUIVALENTS AT END OF YEAR \$ 84,447

The Accompanying Notes are an Integral Part of this Statement.

OPPORTUNITY MACHINE, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations – Opportunity Machine, Inc. is a non-profit organization that is an initiative of the Lafayette Economic Development Authority in partnership with Lafayette Consolidated Government, Louisiana Immersive Technologies Enterprise, the University of Louisiana at Lafayette and the Louisiana Small Business Development Center and is designed to grow business and entrepreneurship, create quality jobs, economic diversity, and regional prosperity. The Organization is primarily funded through a grant from the Lafayette Economic Development Authority.

Basis of Presentation – The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Accounting Policies – Assets, liabilities, revenues and expenses are recognized on the accrual basis of accounting in conformity with generally accepted accounting principles.

Income Taxes – Opportunity Machine, Inc. qualifies as a tax-exempt organization under Section 501(c)(6) of the Internal Revenue Code and therefore has no provision for federal income taxes. In addition, Opportunity Machine, Inc. has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509 (a) of the Code.

Property and Equipment – All acquisitions of property and equipment in excess of \$250 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are valued at historical cost for assets purchased and at fair market value at the date of donation for contributed assets. Donations of property and equipment are recorded as support at their estimated fair market value and are reported as unrestricted unless the donor has restricted the donated assets for a specific purpose.

Depreciation is computed using the straight-line method over the assets' useful lives. Depreciation expense at December 31, 2017 totaled \$577.

Cash and Cash Equivalents – For the purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. There were no cash equivalents at December 31, 2017.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

OPPORTUNITY MACHINE, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Functional Allocation of Expenses – The costs of providing the various programs and other 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.

Grant Revenue – Proceeds from grants made for the purchase of specific items are recognized as revenue when the organization is reimbursed for those purchases by the donor. Proceeds from operational grants with no specified purchase requirements are recognized when funds are available.

(B) CAPITAL AND OPERATING LEASES

Opportunity Machine, Inc. entered into a lease with Lafayette Economic Development Authority on January 1, 2017 for a period of 17 months at a rate of \$20,381 per month. The lease provides for one two-year term renewal under the same terms and conditions.

Minimum future rental payments under this operating lease are as follows:

2018	<u>\$ 101,905</u>
Total	<u>\$ 101,905</u>

(C) CONCENTRATION OF CREDIT RISK

Eighty Seven percent (87%) of the revenue of the Organization is comprised of funds received from Lafayette Economic Development Authority through a Memorandum of Understanding (MOU). This MOU is renewed annually. A change in this funding could substantially affect the operations of the Organization.

(D) FINANCIAL INSTRUMENTS

Financial instruments that potentially subject Opportunity Machine, Inc. to concentrations of credit risk consist principally of temporary cash investments. The Organization places its temporary cash investments with one high quality financial institution. At times amounts may be in excess of FDIC insurance limits. As of December 31, 2017, Opportunity Machine, Inc. had \$87,188 in deposits and was fully insured.

The fair values of Opportunity Machine, Inc.'s financial instruments are as follows:

Cash and short-term investments – The carrying amount approximates fair value because of the short maturities of those investments.

OPPORTUNITY MACHINE, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

(E) MEMORANDUM OF UNDERSTANDING

The Organization entered into a memorandum of understanding with the Lafayette Economic Development Authority to provide up to \$350,000 in reimbursements related to certain entrepreneurial and business development expenses for the period January 1, 2017 to December 31, 2017. The agreement also includes LEDA employing an executive director, program administrator and up to four interns on behalf of the Organization. LEDA will also provide accounting services and support. In addition, LEDA will sublease operational space to the Organization (see Footnote B), which shall count towards the \$350,000 commitment. For the year ended December 31, 2017, the Organization has received \$350,000 under this MOU and LEDA has also paid \$138,538 in salaries and benefits for the above referenced employees. This MOU was renewed for the fiscal year January 1, 2018 to December 31, 2018 at the same terms.

The organization entered into a memorandum of understanding with Festival International de Louisiane (Festival) for \$26,000 to be paid to Festival for the period April 26, 2017 to April 30, 2018. In consideration of the funds provided, Festival will provide a venue for a shared hospitality suite as well as promotional recognition of the partnership. As of December 31, 2017, the full amount of the agreement had been fulfilled and is reflected in these financial statements.

(F) COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD

Compensation, benefits, and other payments paid to Tom Cox, President of the Board for the year ended December 31, 2017 were \$-0-.

(G) SUBSEQUENT EVENTS

Subsequent events were evaluated through June 17, 2018 which is the date the financial statements were available to be issued.

OPPORTUNITY MACHINE, INC.

**SCHEDULE OF FUNCTIONAL EXPENSES
DECEMBER 31, 2017**

	<u>PROGRAM SERVICES</u>	<u>SUPPORT SERVICES</u>	<u>TOTAL</u>
Depreciation	\$ -	\$ 577	\$ 577
Marketing	8,558	-	8,558
Office Operations	-	49,287	49,287
Rent Expense	244,578		244,578
Special Projects	<u>32,137</u>	<u>-</u>	<u>32,137</u>
Totals	<u>\$ 285,273</u>	<u>\$ 49,864</u>	<u>\$ 335,137</u>

See Independent Accountants' Review Report

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
Opportunity Machine, Inc.

We have performed the procedures included in the Louisiana Governmental Audit Guide as enumerated below, which were agreed to by the management of Opportunity Machine, Inc., (the Organization) the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Opportunity Machine Inc.'s compliance with certain laws and regulations during the year ended December 31, 2017 included in the accompanying Louisiana Attestation Questionnaire. Management of Opportunity Machine, Inc. is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed 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.

Federal, State, and Local Awards

1. Obtain the list of federal, state, and local government grant award expenditures for the fiscal year, by grant and grant year, from the Agency's management.

Not applicable.

2. For each federal, state, and local grant award, randomly select six disbursements from each grant administered during the fiscal year, provided that no more than 30 disbursements are selected.

Not applicable.

3. Obtain documentation for the disbursements selected in Procedure 2. Compare the selected disbursements to supporting documentation, and report whether the disbursements agree to the amount and payee in the supporting documentation.

Not applicable.

4. Report whether the selected disbursements were coded to the correct fund and general ledger account.

Not applicable.

5. Report whether the selected disbursements were approved in accordance with the Agency's policies and procedures.

Not applicable.

6. For each selected disbursement made for federal grant awards, obtain the *Compliance Supplement* for the applicable federal program. For each disbursement made for a state or local grant award, or for a federal program not included in the *Compliance Supplement*, obtain the grant agreement. Compare the documentation for each disbursement to the program compliance requirements or the requirements of the grant agreement relating to activities allowed or unallowed, eligibility, and reporting; and report whether the disbursements comply with these requirements.

Not applicable.

7. Obtain the close-out reports, if required, for any program selected in Procedure 2 that was closed out during the fiscal year. Compare the close-out reports, if applicable, with the Agency's financial records; and report whether the amounts in the close-out reports agree with the Agency's financial records.

Not applicable.

8. Obtain evidence from management that agendas for meetings recorded in the minute book were posted as required by Louisiana Revised Statute 42:11 through 42:28 (the open meetings law), and report whether there are any exceptions.

Opportunity Machine, Inc. is a not-for-profit and is not subject to the open meetings laws.

Budget

9. For each grant exceeding five thousand dollars, obtain the comprehensive grant budgets that the agency provided to the applicable federal, state or local grantor agency. Report whether the budgets for federal, state and local grants included the purpose and duration of the grants; and whether budgets for state grants also included specific goals, objectives, and measures of performance.

Not Applicable.

Prior-Year Comments

10. Obtain and report management's representation as to whether any prior year suggestions, recommendations, and/or comments have been resolved.

Not applicable. This is the first year of operations.

*Wright, Moore, DeHart,
Dupuis & Hutchinson, LLC*

WRIGHT, MOORE, DEHART,
DUPUIS & HUTCHINSON, L.L.C.
Certified Public Accountants

June 17, 2018
Lafayette, Louisiana

OPPORTUNITY MACHINE, INC.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

We have reviewed the financial statements of Opportunity Machine, Inc., as of and for the year ended December 31, 2017, and have issued our report thereon dated June 17, 2018. We conducted our review in accordance with Statements on Standards for Accounting and Review Services (SSARS) and the provisions of Louisiana Revised Statutes 24:513.

Section I – Summary of Accountants’ Report

Type of Report issued: Review

Section II – Financial Statement Findings

None noted.

Section III – Federal Award Findings and Questioned Costs

This section is not applicable for the current year.

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Agencies)

March 15, 2018 (Date Transmitted)

Wright, Moore, Dehart, Dupuis and Hutchinson (CPA Firm Name)
P.O. Box 80569 (CPA Firm Address)
Lafayette, LA 70598 (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of _____ (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Federal, State, and Local Awards

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 []

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

Yes [] No []

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

Yes [] No []

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes [] No []

Open Meetings

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.lia.state.la.us/llala.nsf>, to determine whether a non-profit agency is subject to the open meetings law.**

N/A Yes [] No []

Budget

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

Yes [] No []

Reporting

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.

N/A Yes [] No []

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

N/A

Yes [] No []

General

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes [] No []

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes [] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes [] No []

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes [] No []

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants 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 your report.

Yes [] No []

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes [] No []

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

<u><i>J Gottrvaax</i></u>	Secretary	<u>3/2018</u>	Date
<u><i>J Gottrvaax</i></u>	Treasurer	<u>3/2018</u>	Date
<u><i>Tim Cox</i></u>	President	<u>3/20/18</u>	Date