

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2020

**(With Independent Auditors'
Report Thereon)**

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.

Table of Contents

	<u>Page</u>
Independent Auditor’s Report.....	1
Financial Statements	
Statement of Financial Position	4
Statement of Activities.....	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to Financial Statements.....	8

Supplemental Information

Single Audit	
Schedule of Expenditures of Federal Awards.....	19
Notes to Schedule of Expenditures of Federal Awards	20
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 <i>Government Auditing Standards</i>	
	21
Independent Auditor’s Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance.....	
	23
Summary Schedule of Prior Audit Finding.....	26
Schedule of Findings and Questioned Costs.....	28
Schedule of Compensation, Benefits & Other Payments.....	30

TERRIE L. JACKSON
Certified Public Accountant
P. O. Box 31873
Houston, Texas 77231-1873
(713) 728-0650

Membership:

American Institute of Certified Public Accountants
Texas Society of Certified Public Accountants
Houston Chapter, Texas Society of CPAs

Independent Auditors' Report

To the Board of Directors
Bossier Office of Community Services, Inc.
Bossier City, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Bossier Office of Community Services, Inc. (a non-profit corporation), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, cash flows, and functional expenses 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our 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 we 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, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bossier Office of Community Services, Inc. as of December 31, 2020, 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

Our audit was conducted for the purpose of forming an opinion on the financial statements of Bossier Office of Community Services, Inc. as a whole. The statement on page 30 of this report is presented for purposes of additional analysis and is not a required part of these financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is also 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 our 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*, we have also issued our report dated September 28, 2021, on our consideration of Bossier Office of Community Services, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Bossier Office of Community Services, Inc.'s 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 Bossier Office of Community Services Inc.'s internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Texas L Jackson". The signature is written in a cursive style with a large, sweeping initial "T".

Houston, Texas
September 28, 2021

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.

Statement of Financial Position

December 31, 2020

Assets

Current assets:	
Cash	\$ 483,942
Certificate of deposit	7,700
Grants receivable	149,659
Total current assets	<u>641,301</u>
Property and equipment:	
Land and land improvements	112,364
Buildings	949,905
Vehicles	716,183
Total property and equipment	<u>1,778,452</u>
Less accumulated depreciation	<u>1,349,402</u>
Net property and equipment	<u>429,050</u>
Total assets	<u>\$ 1,070,351</u>

Liabilities and Net Assets

Current liabilities:	
Accounts payable	\$ 117,572
Accrued payroll related liabilities	35,695
Total liabilities - current	<u>153,267</u>
Net assets:	
Without donor restrictions	425,154
With donor restrictions	491,930
Total net assets	<u>917,084</u>
Total liabilities and net assets	<u>\$ 1,070,351</u>

See accompanying notes to financial statements.

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.

Statement of Activities

Year ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and other support:			
Federal grant funds	\$ -	\$ 4,728,460	\$ 4,728,460
Interest income	94	-	94
Other income	38,269	-	38,269
	<u>38,363</u>	<u>4,728,460</u>	<u>4,766,823</u>
In-kind income	-	145,019	145,019
	<u>38,363</u>	<u>4,873,479</u>	<u>4,911,842</u>
Net assets released from restrictions:			
Satisfaction of program restrictions	4,646,606	(4,646,606)	-
Total revenues and other support	<u>4,684,969</u>	<u>226,873</u>	<u>4,911,842</u>
Expenses:			
Program Expenses:			
Head Start	2,886,708	-	2,886,708
Early Head Start	466,707	-	466,707
Food Service	353,109	-	353,109
Community Services Block Grant I	332,967	-	332,967
Community Services Block Grant II	51,075	-	51,075
Low Income Home Energy Assistance Program	827,082	-	827,082
Community Development Block Grant	9,115	-	9,115
Total program expenses	<u>4,926,763</u>	-	<u>4,926,763</u>
General and administrative expenses	40,402	-	40,402
Total expenses	<u>4,967,165</u>	-	<u>4,967,165</u>
Change in net assets	(282,196)	226,873	(55,323)
Net assets at beginning of year	707,350	265,057	972,407
Net assets at end of year	<u>\$ 425,154</u>	<u>\$ 491,930</u>	<u>\$ 917,084</u>

See accompanying notes to financial statements.

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.

Statement of Functional Expenses

Year Ended December 31, 2020

	Program Services							General and Administrative	Total
	Head Start	Early Head Start	Food Service	CSBG I	CSBG II	LIHEAP	CDBG		
Salaries and related expenses:									
Salaries and wages	\$ 1,661,278	\$ 282,314	\$ 129,690	\$ 163,865	\$ 24,378	\$ 59,703	\$ 6,261	\$ -	\$ 2,327,489
Payroll taxes and fringe benefits	441,423	86,428	31,578	55,094	14,981	24,199	1,197	18,866	673,766
Total salaries wages and benefits	<u>2,102,701</u>	<u>368,742</u>	<u>161,268</u>	<u>218,959</u>	<u>39,359</u>	<u>83,902</u>	<u>7,458</u>	<u>18,866</u>	<u>3,001,255</u>
Expenses:									
Food services	101,910	42	176,891	-	-	-	-	-	278,843
Supplies	160,493	33,211	480	5,465	537	2,837	-	91	203,114
Accounting and auditing expenses	-	3,705	3,115	7,230	3,000	1,705	-	-	18,755
Consulting services	16,605	1,215	-	-	-	-	-	-	17,820
Telephone and utilities	97,200	17,569	-	6,071	885	2,711	-	-	124,436
Insurance	118,037	17,261	-	15,717	-	3,138	-	-	154,153
Rent expense	139,356	5,664	-	-	-	-	-	-	145,020
Repairs and maintenance	41,217	8,393	5,240	4,465	1,597	5,007	1,657	64	67,640
Travel	-	-	120	334	3,777	-	-	-	4,231
Training and development	7,196	634	-	-	-	-	-	-	7,830
Direct assistance program	-	-	-	68,816	106	727,428	-	15,000	811,350
Other expenses	53,444	354	5,995	5,910	1,814	354	-	3,162	71,033
Total expenses before depreciation	<u>2,838,159</u>	<u>456,790</u>	<u>353,109</u>	<u>332,967</u>	<u>51,075</u>	<u>827,082</u>	<u>9,115</u>	<u>37,183</u>	<u>4,905,480</u>
Depreciation expense	48,549	9,917	-	-	-	-	-	3,219	61,685
Total expenses	<u>\$ 2,886,708</u>	<u>\$ 466,707</u>	<u>\$ 353,109</u>	<u>\$ 332,967</u>	<u>\$ 51,075</u>	<u>\$ 827,082</u>	<u>\$ 9,115</u>	<u>\$ 40,402</u>	<u>\$ 4,967,165</u>

See accompanying notes to the financial statements.

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.

Statement of Cash Flows

Year ended December 31, 2020

Cash flows from operating activities:	
Change in net assets	\$ (55,323)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation expense	61,685
Increase in value of certificate of deposit	(27)
(Increase) decrease in operating assets:	
Grants receivable	115,398
Increase (decrease) in operating liabilities:	
Accounts payable	47,896
Accrued payroll related liabilities	(51,301)
Net cash provided by operating activities	<u>118,328</u>
Cash flows from investing activities:	
Acquisition of capital assets	<u>(98,030)</u>
Net cash used in investing activities	<u>(98,030)</u>
Net increase in cash	20,298
Cash at beginning of year	<u>463,644</u>
Cash at the end of year	<u><u>\$ 483,942</u></u>

See accompanying notes to financial statements.

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND PROGRAM DESCRIPTION

Bossier Office of Community Services, Incorporated (BOCS) is a private nonprofit corporation established under the laws of the State of Louisiana. The corporation is organized to operate a Community Services Program in and for Bossier Parish, Louisiana. Specifically, the corporation is organized to:

- A. serve as the official anti-poverty agency in Bossier Parish, Louisiana;
- B. create, plan, develop, implement, conduct and administer programs according to Federal rules, regulations and guidelines that involve the maximum participation of the community served;
- C. ensure and provide affordable, safe, sanitary and decent housing to very low, low and moderate income residents of the State and expand economic development and home ownership opportunities for low and moderate income residents of the State;
- D. provide assistance and educational materials related to housing to very low-, low- and moderate-income residents of the State;
- E. improvise and utilize all community resources both public and private in an organized approach on eliminating poverty.

BOCS's operations are segregated into general grant programs as follows:

Head Start and Early Head Start Programs (HS and EHS) provides comprehensive educational and support services to low-income and disabled children zero to five years of age and children who have not reached the compensatory school age. This program provides health, mental health, nutrition, education, and parent involvement services to children, to enable the child to function at an optimum level in their environment. Funding is provided through federal funds from the U.S. Department of Health and Human Services.

Child and Adult Care Food Program (CACFP) provides a food service program in conjunction with the Head Start and Early Head Start Programs. Funding is provided by federal funds passed through the State of Louisiana, Department of Education.

Community Services Block Grant (CSBG) provides assistance to the poor, disadvantaged and unemployed through housing services, community projects, nutrition services, emergency assistance, employment services, transportation services, and other services. Funding is provided by federal funds passed through the State of Louisiana, Department of Labor.

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

Transit Services provides transportation services to citizens in the urban and rural areas of Bossier Parish. Funding is provided by federal funds passed through the State of Louisiana, Department of Social Services, federal funds passed through the City of Bossier City, transit fares and other miscellaneous revenues.

Low-Income Home Energy Assistance Program (LIHEAP) provides assistance to low income households in offsetting the burden of high energy costs. Funding is provided by federal funds passed through the Louisiana Housing Corporation.

Emergency Food and Shelter Program (EFSP) provides assistance to individuals, families, and households who have economic, non-disaster related emergencies. It helps those who are experiencing, or at risk of, food insecurity and/or homelessness.

Reporting Entity - The governing body of BOCS is its Board of Directors. The Board appoints an Executive Director to administer the affairs of the agency. BOCS is not considered a component of the city, parish or any governmental body. The governing board independently oversees the agency's operations.

- 1) The accompanying financial statements include all of the organization's programs, activities and functions of BOCS for which the Board has oversight responsibility, except as described in the following paragraph. Such oversight responsibilities include designation of management, the ability to significantly influence operations, accountability for fiscal matters, and the scope of public services.
- 2) Some equipment is owned by BOCS while used in the program for which it was purchased or in other future authorized programs. The funding sources, however, have a reversionary interest in the equipment purchased with grant funds, therefore its disposition, as well as the ownership of any sale proceeds therefrom is subject to funding source regulations.

BASIS OF ACCOUNTING

Accounting Policies – The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). BOCS uses the accrual basis of accounting.

Financial Statement Presentation – The financial statements are presented as recommended by Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958-205, *Financial Statements of Not-for-Profit Organizations*.

BOCS is required to report information regarding its financial statements and activities according to two classes of net assets as follows:

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

- *Net Assets Without Donor Restrictions* – Net assets available for use in the general operations and not subject to donor restrictions. Assets restricted solely through the actions of the Board are reported as net assets without donor restrictions, board-designated.

- *Net Assets With Donor Restrictions* – Net assets subject to donor-imposed restrictions that are more restrictive than BOCS’s mission and purpose. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Revenue and Support – Grant revenues (Grants and Governmental reimbursements) are recognized using the legal and contractual requirements of the Agency’s programs as guidance. Grant revenues (where funds must be expended for specific purposes prior to amount being reimbursed to the Agency) are recognized based on expenditures recorded.

BOCS reports grants and gifts of cash and other assets as restricted support if they are received with donor or grant stipulations that limit the use of the donated assets.

Property and Equipment – Property and equipment are recorded at costs unless donated. If donated, property and equipment are carried at the approximate fair value at the date of donation. It is BOCS’s policy to capitalize property and equipment with a unit cost of \$5,000 or more, while lesser amounts are expensed. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose.

Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulation regarding how long those donated assets must be maintained, the Agency reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor.

BOCS recognizes depreciation on its fixed assets in accordance with GAAP. The Federal government has a reversionary interest in property purchased with Federal funds. Its disposition, as well as any disposition proceeds, is subject to federal regulations. The use of assets purchased with federal funds is limited to the purposes intended by the funding source. Fixed assets are depreciated using the straight-line method.

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

BOCS's fixed assets are stated at cost and are depreciated as follows:

<u>Fixed Asset</u>	<u>Useful Life</u>	<u>Method</u>
Furniture & Equipment	5 – 10 Years	Straight Line
Vehicles	5 – 10 Years	Straight Line
Buildings	40 – 50 Years	Straight Line

Depreciation expense for the year ended December 31, 2020, totaled \$61,685.

Cash and Cash Equivalents – For purposes of the Statement of Cash Flows, BOCS considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

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

Grants/Accounts Receivable, Accounts Payable and Accrued Expenses - The carrying amounts approximate fair value because of the short-term maturity of these instruments. Account receivable consists of grant and contribution agreements that were received during the calendar year and for which payment has not been received.

Revenue Recognition - BOCS accounts for contributions in accordance with FASB ASC 958-605, “Not-for-Profit Entities, Revenue Recognition” which supersedes SFAS No. 116, “Accounting for Contributions Received and Contributions Made”. Per FASB ASC 958-605, contributions, including unconditional promises-to-give, are recognized as revenue in the period received. Conditional promises to give are not recognized as revenue until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions from unconditional promises to give that are to be received after one year are discounted at an appropriate discount rate based on an average Federal Funds rate.

Contributions - BOCS accounts for contributions in accordance with FASB ASC 958-605, *Not-for-Profit Entities, Revenue Recognition*. Per FASB ASC 958-605, contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are not recognized as revenue until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions from unconditional promises to give that are to be received after one year are discounted at an appropriate discount rate based on an average federal funds rate.

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

Income Taxes – BOCS is a not-for-profit organization that is exempt from income taxes under Section 501 (c) (3) of the Internal Revenue Code and classified by the Internal Revenue Service as a private corporation.

BOCS had no unrelated business income during the year ended December 31, 2020; consequently, no provision for federal or state income taxes has been made in the accompanying financial statements. BOCS determined that it was not required to record a liability related to uncertain tax positions.

Functional Allocation of Expenses - The cost of program and supporting services activities have been summarized on a functional basis in the statement of activities and changes in net assets. The statement presents the natural classification detail of expenses by function for certain categories of expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited.

The financial statement reports certain categories of expenses that are attributed to one or more program or supporting function of BOCS. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, payroll taxes and health benefits, which are allocated based on employees' actual time worked for each program.

Contributed Services – BOCS received donated services from a variety of unpaid volunteers assisting in its program services. No amounts for donated services have been recognized in the accompanying statements of activities since the criteria for recognition of such volunteer efforts under FASB ASC 985 has not been satisfied.

Pension Plan – A 403 (b) Retirement Plan was established for employees of BOCS effective May 1, 2001.

Fair Value Measurements

GAAP established a framework for measuring fair value that provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820-10-50 are as follows:

- Level 1. Quoted prices for identical assets or liabilities in active markets to which BOCS has access at the measurement date.
- Level 2. Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:
 - * quoted prices for similar assets or liabilities in active markets;

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

- * quoted prices for identical or similar assets in markets that are not active;
 - * observable inputs other than quoted prices for the assets or liability (for example, interest rates and yield curves); and
 - * inputs derived principally from, or corroborated by, observable market data by correlation or by other means.
- Level 3. Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

When available, BOCS measures fair value using level 1 inputs because they generally provide the most reliable evidence of fair value. However, level 1 inputs are not available for many of the assets and liabilities that BOCS is required to measure at fair value.

Donated Services - Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills and are provided by individuals possessing those skills which would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. Contributions of space, operating supplies, and expenses are recorded at their fair value when received.

Recently Implemented Accounting Pronouncements - In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities: Presentation of Financial Statements of Not-for-Profit Entities* (ASU 2016-14). ASU 2016-14 amends the reporting model for not-for-profit organizations and enhances required disclosures. The major changes include: requiring the presentation of only two classes of net assets – those with restrictions and those without restrictions; requiring all not-for-profits to present an analysis of expenses by both function and nature in a single location, generally as separate financial statement or by disclosure in the notes, and to provide additional information about the methods used to allocate costs across functional reporting categories; requiring disclosure of both quantitative and qualitative information about liquidity and availability of financial resources; requiring the presentation of investment return net of all external and direct internal expenses. BOCS adopted ASU 2016-14 effective in fiscal year 2019. Accordingly, certain amounts previously reported for fiscal year 2018 were reclassified to conform to the fiscal year 2019 presentation.

In November 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows (Topic 230) - Restricted Cash*. This standard requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The provisions of this standard are effective for fiscal years beginning after December 15, 2017 for public business entities and December 15, 2018 for all other entities and

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

early adoption is permitted. BOCS has adopted ASU 2016-18 effective in fiscal year 2019 and there was no impact to the financial statements.

In June 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958) – Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made. ASU 2018-08 provides a more robust framework to determine when a transaction should be accounted for as a contribution or as an exchange transaction and provides additional guidance about how to determine whether a contribution is conditional. This ASU is effective for annual periods beginning after June 15, 2018, including interim periods therein, and will be applied on a modified prospective basis. BOCS has adopted ASU 2018-08 effective in fiscal year 2019 and the impact was not material to the financial statements.

Recent Accounting Pronouncements to be Considered for Implementation - In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). The ASU requires that leases recognize a right-of-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the statement of operations. The provisions of this standard are effective for fiscal years beginning after December 15, 2021, as extended by ASU 2020-05 and early adoption is permitted. Management is currently assessing the potential effect of this ASU to the financial statements.

In September 2020, the FASB issued ASU No. 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets, to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind, for not-for-profit organizations through enhancements to presentation and disclosure. ASU No. 2020-07 was issued to address certain stakeholders' concerns about the lack of transparency about the measurement of contributed nonfinancial assets recognized by not-for-profits, as well as the amount of those contributions used in an entity's programs and other activities. The standard is effective for annual reporting periods beginning after June 15, 2021 and should be applied on a retrospective basis. The Club is evaluating the effect that ASU No. 2020-07 will have on its financial statements and related disclosures.

NOTE 2. SHORT-TERM INVESTMENTS

Short-term investments consist of the following at December 31, 2020:

Certificate of Deposit	<u>\$7,700</u>
------------------------	----------------

As noted, BOCS is required to report its fair value measurements in one to three levels, which are based on the ability to observe in the marketplace the inputs to the organization's valuation techniques. Level 1, the most observable level of inputs, is for investments measured at quoted

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

prices in active markets for identical investments as of December 31, 2020. All of BOCS short-term investments are measured using Level 1.

BOCS used the following ways to determine the fair value of its investments at December 31, 2020:

- **Certificates of deposit:** Determined by the published net asset value per unit at the end of the last trading day of the year, which is the basis for transactions at that date.

NOTE 3: LEASE COMMITMENTS

BOCS leases equipment under operating leases from various entities. No leases have initial or remaining non-cancelable terms in excess of one year. There were no minimum lease payments at December 31, 2020.

NOTE 4: PENSION PLAN

A 403 (b) Retirement Plan was established for employees of BOCS effective May 1, 2001. Employees with at least one year of service may contribute a portion of their wages to the plan. An amount equal to 5% of the total salary of eligible employees is contributed to the plan by BOCS.

The amount contributed by BOCS to retirement plans on behalf of the employees for the year ended December 31, 2020 was \$105,223.

NOTE 5: COMPENSATED ABSENCES

The personnel policy of BOCS provides for paid annual leave and/or vacation pay. The earned but unpaid amounts are recognized in the accounting period when actual payment is made.

NOTE 6: CONCENTRATION OF CREDIT RISK AND MARKET RISK

BOCS maintains its cash and cash equivalents in bank deposit accounts which, at times, may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 through December 31, 2020. BOCS also has \$800,000 Pledged Security in place as of December 31, 2020, since deposits in accounts were in excess of FDIC insured limits.

BOCS received over 99% of its funding from Federal grants, with the Head Start program providing 61% of all grant revenues.

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

Concentrations of credit risk with respect to grant receivables are limited due to these amounts being due from governmental agencies under contractual terms. As of December 31, 2020, BOCS had no significant concentrations of credit risk in relation to grant receivables.

NOTE 7: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects BOCS's financial assets of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position because of contractual obligations:

	2020
Cash and cash equivalents	\$ 641,300
Less: cash for accounts payable and payroll liabilities	(<u>153,267</u>)
Financial assets available to meet cash needs for general expenditures within one year	\$ <u>488,033</u>

Due to the nature of the BOCS's cash flow, it is customary for Operational funds to be obtained during each respective year.

NOTE 8: COMMITMENTS AND CONTINGENCIES

BOCS participates in certain governmental financial assistance programs. Although BOCS grant programs have been audited through December 31, 2020 in accordance with provisions of the Single Audit Act, these programs are still subject to financial and compliance audits by the grantor agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although BOCS expects such amounts, if any, to be immaterial.

NOTE 9: RISKS AND UNCERTAINTIES

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the BOCS's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry and workforce.

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

Although the BOCS cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may have a material adverse effect on the BOCS's results of future operations, financial position, and liquidity in fiscal year 2021.

NOTE 10: SUBSEQUENT EVENTS

Subsequent events were evaluated through September 28, 2021, the date that the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2020

<u>Federal Grantor/Pass through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-through Number</u>	<u>Federal Expenditures</u>
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Direct Program			
Head Start Program	93.600	06CH1139501	\$ 2,701,632
Early Head Start Program	93.600	06CH1139501	446,266
COVID-19 Head Start CARES Act	93.600	06CH1139501C3	100,061
Total Head Start Cluster			<u>3,247,959</u>
Passed through Louisiana Department of Labor			
Community Services Block Grant (CSBG)	93.569	2019N0033	52,438
Community Services Block Grant (CSBG)	93.569	2020N0033	254,354
COVID-19 Community Services Block Grant CARES Act	93.569	2001LACSC3	77,139
Total Community Services Block Grant			<u>383,930</u>
Passed through Louisiana Housing Corporation			
Low Income Home Energy Assistance Program (LIHEAP)	93.568	Unknown	582,281
COVID-19 Low Income Home Energy Assistance Program CARES Act	93.568	Unknown	244,800
Total Low Income Home Energy Assistance Program			<u>827,081</u>
			<u>4,458,970</u>
U. S. DEPARTMENT OF AGRICULTURE			
Passed Through Louisiana Department of Education			
Child and Adult Care Food Program (CACFP)	10.558	93-136	165,312
Total U.S. Department of Agriculture			<u>165,312</u>
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed through City of Bossier City			
Community Development Block Grant - (CDBG)			
Transportation Assistance	14.218	B-19-MC-22-0009	3,660
Transportation Assistance	14.218	B-20-MC-22-0009	3,664
Total Department of Housing and Urban Development			<u>7,324</u>
U. S. DEPARTMENT OF HOMELAND SECURITY			
Passed through a local governing board			
Emergency Food and Shelter Program (EFSP FEMA)	97.024	356400-019	10,000
COVID-19 Emergency Food and Shelter Program CARES Act	97.024	356400-019	5,000
Total U.S. Department of Homeland Security			<u>15,000</u>
			<u>\$ 4,646,606</u>
Total Expenditures of Federal Awards			
In-kind matching expenditures (Noncash Awards)			
Head Start	93.600	06CH1139501	\$ 139,356
Early Head Start	93.600	06CH1139501	5,664
Total Noncash Awards			<u>\$ 145,020</u>

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
NOTES TO SCHEDULE OF EXPENDITURES FEDERAL AWARDS
December 31, 2020

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of Bossier Office of Community Services, Inc. (BOCS) under programs of the federal government for the year ended December 31, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of BOCS, it is not intended to and does not present the financial position, changes in net assets or cash flows of BOCS.

(2) Summary of Significant Accounting Policies

Expenditures reported in the accompanying schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. There were no amounts passed-through to subrecipients.

(3) Indirect Cost Rate

BOCS has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

TERRIE L. JACKSON
Certified Public Accountant
P. O. Box 31873
Houston, Texas 77231-1873
(713) 728-0650

Membership:

American Institute of Certified Public Accountants
Texas Society of Certified Public Accountants
Houston Chapter, Texas Society of CPAs

**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
Bossier Office of Community Services, Inc.
Bossier City, Louisiana

We 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 Bossier Office of Community Services, Inc. (BOCS) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 28, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Bossier Office of Community Services Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Bossier Office of Community Services, Inc.'s internal control. Accordingly, we 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.

Our 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 our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bossier Office of Community Services, Inc.'s financial statements are free from material misstatement, we 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance 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 our 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.

A handwritten signature in black ink that reads "Texas L. Jackson". The signature is written in a cursive style with a large initial "T" and a long, sweeping underline.

Houston, Texas
September 28, 2021

TERRIE L. JACKSON
Certified Public Accountant
P. O. Box 31873
Houston, Texas 77231-1873
(713) 728-0650

Membership:

American Institute of Certified Public Accountants
Texas Society of Certified Public Accountants
Houston Chapter, Texas Society of CPAs

**Independent Auditor's Report on Compliance For Each Major
Federal Program and on Internal Control Over Compliance
Required by the Uniform Guidance**

To the Board of Directors
Bossier Office of Community Services, Inc.
Bossier City, Louisiana

Report on Compliance for Each Major Federal Program

We have audited Bossier Office of Community Services, Inc.'s (BOCS) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of BOCS's major federal programs for the year ended December 31, 2020. Bossier Office of Community Services, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of BOCS's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that

could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about BOCS's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of BOCS's compliance.

Opinion on Each Major Federal Program

In our opinion, Bossier Office of Community Services, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control over Compliance

Management of Bossier Office of Community Services, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered BOCS's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of BOCS's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all

deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Texas L Jackson". The signature is written in a cursive style with a large initial "T" and a long, sweeping underline.

Houston, Texas
September 28, 2021



*Board President
Pam Glorioso*

BOSSIER OFFICE OF COMMUNITY SERVICES
700 Benton Road
Post Office Box 6004
BOSSIER CITY, LA 71171-6004
PHONE 318/747-1045

*Executive Director
Debra Hamilton*

SUMMARY SCHEDULE OF PRIOR FINDINGS
YEAR ENDED DECEMBER 31, 2020

Financial Statement Audit Findings

None reported.

Major Federal Award Program Audit Findings

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Head Start Cluster – CFDA No. 93.600

Finding 2019-001 – Lack of Proper Authorization

Condition: Internal Control testing over federal programs resulted in nine (9) of twenty-five (25) items having one or more of the following conditions noted: (1) Expense was signed as being authorized by the Executive Director and/or Finance Director after acquiring goods and/or check written; (2) Payment Authorization date on the Payment Request preceded the vendor invoice date by over two weeks; (3) Payment Authorization was not dated; (4) Expense was not authorized by proper personnel; (5) Expense approval was not dated by proper level of approval.

Corrective Action: Comply with requirements of Federal Awards and Internal Controls per Financial Procedures.

Current Status: Once the corrective action plan was implemented, similar findings were not noted.

Finding 2019-002 – Misclassification of Expenses

Condition: Cell phone expense was charged to local travel. Copier expenses were charged to classroom supplies. Insurance expense was charged to maintenance and repair.

Corrective Action: Comply with requirements of Uniform Guidance, Federal Awards, Internal Controls per Financial Procedures and Generally Accepted Auditing Procedures. All financial transactions are to be properly classified within the proper cost reimbursement line item and the proper Financial Statement classification within the general ledger.

EQUAL OPPORTUNITY EMPLOYER / PROGRAM

“Auxiliary Aids and Services are available upon request to individuals with disabilities.”

Current Status: Once the corrective action plan was implemented, similar findings were not noted.

Finding 2019-003 – Lack of Supporting Documentation

Condition: For one (1) of twenty-five (25) items, supporting documentation was not provided.

Corrective Action: Auditee will comply with requirements of Uniform Guidance and Federal Awards to avoid findings and questioned costs.

Current Status: Once the corrective action plan was implemented, similar findings were not noted.

**BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2020**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued – Unmodified

Internal control over financial reporting:

Material weaknesses identified? No

Significant deficiencies identified? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

Material weaknesses identified? No

Significant deficiencies identified? None reported

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? No

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
93.600	Head Start Cluster
93.568	Low-Income Home Energy Assistance Program

Dollar threshold used to distinguish between type A and type B programs:
\$750,000

Auditee qualified as low-risk auditee? No

**BOSSIER OFFICE OF COMMUNITY SERVICE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2020**

Section II – Financial Statement Finding

None reported.

Section III – Federal Award Findings and Questioned Costs

None reported.

**Bossier Office of Community Services, Inc.
Schedule of Compensation, Benefits and
Other Payments to Chief Executive Officer
For the Year ended December 31, 2020**

Chief Executive Officer's Name: Debra A. Hamilton	<u>Amount</u>
Purpose	
Salary	\$ 107,189
Benefits--insurance	4,936
Benefits --retirement	5,260
Benefits--STD/LTD	1,589
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	1,220
Registration fees	200
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	30
 Total	 <u>\$ 120,424</u>