

CHRISTIAN SERVICE PROGRAM

SHREVEPORT, LOUISIANA

DECEMBER 31, 2017

CHRISTIAN SERVICE PROGRAM

SHREVEPORT, LOUISIANA

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HEARD, McELROY, & VESTAL

LLC

CERTIFIED PUBLIC ACCOUNTANTS

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June 25, 2018

To the Board of Directors
Christian Service Program
Shreveport, Louisiana

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

We have reviewed the accompanying financial statements of Christian Service Program, which comprise the statement of financial position as of December 31, 2017, and the related statements of activities and functional expenses and cash flows for the year then ended, and the related notes to the financial statements. 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement 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.

Accountant's Conclusion

Based on our review, except for the issue noted in the known departure from accounting principles generally accepted in the United States of America paragraph, 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.

Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 12, certain conditions raise an uncertainty about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 12. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our conclusion is not modified with respect to this matter.

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Known Departure From Accounting Principles Generally Accepted in the United States of America

Because of the inadequacy of accounting records for the years prior to 2013, management has informed us that it has insufficient support regarding the amounts at which property and equipment acquired prior to 2013 are recorded in the accompanying statement of financial position at December 31, 2017 (stated at \$58,510) and the related loss on disposal of fixed assets of \$52,395 reflected on the statement of functional expenses and statement of cash flows. Depreciation on these assets acquired prior to 2013 has been omitted from the financial statements referred to above and is not presently determinable. This is a departure from accounting principles generally accepted in the United States of America which requires calculation of depreciation on fixed assets currently in use.

Supplementary Information

The supplementary information included on page 13 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is required in accordance with Louisiana Revised Statute (LRS) 24:513(A)(3). 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 supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the information and, accordingly, do not express an opinion on such information.

Heard, McElroy & Vestal, LLC

Shreveport, Louisiana

CHRISTIAN SERVICE PROGRAM
STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2017

ASSETS

Current assets:

Cash and cash equivalents	63,145
Investments	<u>120,755</u>
Total current assets	183,900

Fixed assets:

Acquired prior to 2013	58,510
Acquired during 2013 and thereafter	<u>1,463,062</u>
Total book value of fixed assets	1,521,572

Beneficial interest in assets of foundation	<u>186,661</u>
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Total assets	<u>1,892,133</u>
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LIABILITIES AND STOCKHOLDER'S EQUITY

Current liabilities:

Payroll liabilities	<u>4,145</u>
Total current liabilities	4,145

Net assets:

Unrestricted	168,520
Investment in fixed assets	<u>1,521,572</u>
Total unrestricted net assets	1,690,092

Temporarily restricted	11,235
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Permanently restricted	<u>186,661</u>
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Total net assets	<u>1,887,988</u>
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Total liabilities and net assets	<u>1,892,133</u>
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The accompanying notes are an integral part of these financial statements.

CHRISTIAN SERVICE PROGRAM

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<u>Revenue and other support:</u>				
Contributions	198,258	21,418	-	219,676
Room and board	8,954	-	-	8,954
Grants	59,501	267,700	-	327,201
Other investment income	9,601	639	1,050	11,290
Realized and unrealized gain (loss) on investments	<u>(2,973)</u>	<u>-</u>	<u>17,776</u>	<u>14,803</u>
Total revenue and other support	273,341	289,757	18,826	581,924
<u>Net assets released from restrictions</u>	<u>1,231,945</u>	<u>(1,225,068)</u>	<u>(6,877)</u>	<u>-</u>
Total revenue, other support, and reclassifications	1,505,286	(935,311)	11,949	581,924
<u>Expenses:</u>				
Program services	165,437	-	-	165,437
General and administrative	<u>269,768</u>	<u>-</u>	<u>-</u>	<u>269,768</u>
Total expenses	<u>435,205</u>	<u>-</u>	<u>-</u>	<u>435,205</u>
<u>Change in net assets</u>	1,070,081	(935,311)	11,949	146,719
<u>Net assets-beginning of year</u>	650,132	946,546	174,712	1,771,390
Prior period restatement	<u>(30,121)</u>	<u>-</u>	<u>-</u>	<u>(30,121)</u>
Net assets after restatement	<u>620,011</u>	<u>946,546</u>	<u>174,712</u>	<u>1,741,269</u>
<u>Net assets-end of year</u>	<u>1,690,092</u>	<u>11,235</u>	<u>186,661</u>	<u>1,887,988</u>

The accompanying notes are an integral part of these financial statements.

CHRISTIAN SERVICE PROGRAM

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Direct Services</u>	<u>Transitional Housing</u>	<u>Hospitality House</u>	<u>Total Program Services</u>	<u>General and Administrative</u>	<u>Total</u>
Banking fees	-	-	-	-	1,697	1,697
Building repairs and maintenance	-	150	8,126	8,276	8,421	16,697
Contract labor	-	14,300	3,040	17,340	300	17,640
Depreciation	-	-	-	-	20,856	20,856
Equipment repairs and maintenance	-	-	3,485	3,485	-	3,485
Food and supplies	-	-	24,795	24,795	-	24,795
Fundraising	-	-	-	-	807	807
Insurance	-	-	-	-	19,499	19,499
Loss on disposal of assets	-	-	-	-	52,395	52,395
Miscellaneous	-	-	-	-	1,315	1,315
Office supplies	-	-	-	-	1,114	1,114
Payroll	-	-	63,218	63,218	103,631	166,849
Payroll taxes	-	-	5,025	5,025	9,741	14,766
Professional fees	-	-	-	-	19,883	19,883
Rent assistance	6,215	-	-	6,215	-	6,215
Stipends	-	-	-	-	12,000	12,000
Taxes and licenses	-	-	-	-	1,456	1,456
Telephone	-	-	415	415	2,878	3,293
Utilities	-	12,010	21,374	33,384	13,775	47,159
Utilities assistance	3,284	-	-	3,284	-	3,284
Total expenses	<u>9,499</u>	<u>26,460</u>	<u>129,478</u>	<u>165,437</u>	<u>269,768</u>	<u>435,205</u>

The accompanying notes are an integral part of these financial statements.

CHRISTIAN SERVICE PROGRAM

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2017

Cash flows from operating activities:

Change in net assets	146,719
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation expense	20,856
Loss on disposal of property and equipment	52,395
(Gain) loss on investments (realized & unrealized)	(14,803)
<i>(Increase) decrease in:</i>	
Grants receivable	102,300
Contributions receivable	50,000
<i>Increase (decrease) in:</i>	
Accounts payable-trade	(74)
Payroll liabilities	(12)
Total adjustments	<u>210,662</u>
Net cash provided by operating activities	357,381

Cash flows from investing activities:

Purchases of property and equipment	(1,221,902)
Proceeds from sale of investments	120,405
Purchase of investments	(43,006)
Investment in beneficial interest in assets of foundation	<u>5,827</u>
Net cash (used) by investing activities	(1,138,676)

Net (decrease) in cash and cash equivalents (781,295)

Cash-beginning of year 844,440

Cash-end of year 63,145

The accompanying notes are an integral part of these financial statements.

CHRISTIAN SERVICE PROGRAM

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

1. **Organization**

Christian Service Program is incorporated as a nonprofit organization under the laws of the State of Louisiana for the purpose of assisting individuals who lack the basic necessities of life. During 2017, the program provided the following services in fulfilling this purpose:

- 1) Direct Services to individuals in emergency situations for rent, utilities, medication, clothing or other necessities.
- 2) Transitional Housing while homeless individuals find permanent shelter (ceased operations during 2017).
- 3) Hospitality House to feed needy individuals two meals per day.

During 2013, the Board elected to move the organization's location to the Hope Connections Facility where area non-profits have joined together to provide at one location an array of services to those in need. Christian Service Program completed construction and moved its facilities to its new location during 2017. In conjunction with the move, the organization ceased operations of its transitional housing facilities and disposed of the related properties.

2. **Summary of Significant Accounting Policies**

The significant accounting policies followed by the Organization and the methods of applying those policies which materially affect the determination of financial position, changes in financial position, or changes in net assets are summarized below:

(a) Basis of Presentation

The financial statements of the Organization are prepared on the accrual basis. The Organization is required to report information regarding its financial position and activities according to three classes of net asset, as applicable:

Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations. Some unrestricted net assets may be designated by the Board for specific purposes.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or will be met by actions of the Organization, and/or by the passage of time.

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, donors permit all or part of the income earned on these assets to be used for general or specific purposes.

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor-imposed restrictions. Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor may be reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in

2. Summary of Significant Accounting Policies (Continued)

which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, restricted net assets are reclassified to unrestricted net assets.

(b) Beneficial Interest in Assets of Foundation

Transfers by Christian Service Program of its own funds to the Community Foundation of North Louisiana, specifying itself as beneficiary, are accounted for as an asset in accordance with generally accepted accounting principles.

(c) Use of Estimates

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

(d) Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported in the statement of financial position at their fair values. Fair values for marketable securities are based on quoted market prices. Gains and losses on the sale of marketable securities are determined using the specific identification method. Unrealized gains and losses are included in the change in net assets.

(e) Fixed Assets

Purchased property, plant and equipment are recorded at cost and donated assets at fair value as of the date of donation. The organization did not maintain adequate records relating to fixed assets acquired prior to January 1, 2013; therefore, these amounts have been recorded at the estimated net book value as of that date. Depreciation related to these assets has not been reflected in these statements due to the total amount being indeterminable. Depreciation has been calculated and reflected for assets acquired during 2013 and thereafter. The organization uses a capitalization policy of \$1,000 for fixed assets.

(f) Tax Status

Christian Service Program qualifies as a tax-exempt organization as described in the Internal Revenue Service Code Section 501(c)(3). Accordingly, no provision for income taxes has been made in the accompanying financial statement. Contributions to the Organization are deductible as charitable contributions under Internal Revenue Code Section 170.

Christian Service Program is required to review various tax positions it has taken with respect to its exempt status and determine whether in fact it continues to qualify as a tax exempt entity. It must also consider whether it has nexus in jurisdictions in which it has income and whether a tax return is required in those jurisdictions. In addition, as a tax exempt entity, the Christian Service Program must assess whether it has any tax positions associated with unrelated business income subject to income tax. Christian Service Program does not expect any of its tax positions to change significantly over the next twelve months. Any penalties related to late filing or other requirements would be recognized as penalties expense in the Christian Service Program's accounting records.

2. **Summary of Significant Accounting Policies** (Continued)

Christian Service Program is required to file U.S. federal Form 990 for informational purposes. Its federal income tax returns are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

(g) ***Functional Expenses***

Functional expenses have been allocated between Program Services and General and Administrative based on actual costs incurred, as well as an analysis of personnel time and space utilized for the related activities.

(h) ***Cash***

The Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

3. **Cash**

At December 31, 2017, the Organization's cash position is summarized as follows:

Unrestricted	51,910
Temporarily restricted	<u>11,235</u>
	<u>63,145</u>

4. **Property, Plant, and Equipment**

A summary of fixed assets at December 31, 2017 is as follows:

Acquired prior to 2013	
Buildings and equipment	10,072
Land	<u>48,438</u>
	58,510
Acquired during 2013 and thereafter	
Buildings and equipment	1,386,919
Land	82,000
Automobiles	<u>45,120</u>
	1,514,039
Less: accumulated depreciation	<u>50,977</u>
Total assets acquired during 2013 and thereafter	<u>1,463,062</u>
Total property, plant, and equipment	<u>1,521,572</u>

5. **Investments**

The value of the investments at December 31, 2017 is summarized as follows:

	<u>Fair Value</u>	<u>Cost</u>	<u>Unrealized Gain (Loss)</u>
Cash & cash alternatives			
Interest program	22,264	22,264	-
Equities			
Unit investment trusts	41,290	35,831	5,459
Mutual funds			
Open-end funds	<u>57,201</u>	<u>62,132</u>	<u>(4,931)</u>
Total	<u>120,755</u>	<u>120,227</u>	<u>528</u>

6. Fair Value Measurements

Generally accepted accounting principles define fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date.

Under generally accepted accounting principles, a three-level fair value hierarchy was established that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1 – Quoted prices in active markets for identical assets or liabilities.
- Level 2 – Observable inputs other than the quoted prices included in level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

The Organization's mutual funds are valued at the net asset value of shares held at year end. The fair values of investments as of December 31, 2017 are summarized in the tables below:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and cash alternatives				
Interest program	<u>22,264</u>	<u>-</u>	<u>-</u>	<u>22,264</u>
Total cash and cash alternatives	<u>22,264</u>	<u>-</u>	<u>-</u>	<u>22,264</u>
Equities				
Unit investment trusts	<u>-</u>	<u>41,290</u>	<u>-</u>	<u>41,290</u>
Total equities	<u>-</u>	<u>41,290</u>	<u>-</u>	<u>41,290</u>
Mutual funds				
Open-end funds	<u>57,201</u>	<u>-</u>	<u>-</u>	<u>57,201</u>
Total mutual funds	<u>57,201</u>	<u>-</u>	<u>-</u>	<u>57,201</u>
Total investments	<u><u>79,465</u></u>	<u><u>41,290</u></u>	<u><u>-</u></u>	<u><u>120,755</u></u>

7. Concentrations of Credit Risk

Financial instruments that potentially subject Christian Service Program to concentrations of credit risk consist principally of cash and investments. The Organization maintains cash balances at one financial institution. Total cash held by the organization, at times, includes monies that are not covered by insurance provided by the federal government. Management monitors the soundness of the financial institution in which cash deposits are held and believes the solvency of the financial institution is not a particular concern at this time. Substantially all investment amounts are dependent solely upon the faith and credit of the corporate issuer.

8. **Grant Revenue**

Grant revenue for 2017 is summarized as follows:

City of Shreveport - CDBG	197,700
Private Building Grants	70,000
Caddo Parish Commission	25,000
Miscellaneous Private Grants	<u>34,501</u>
Total grant revenue	<u>327,201</u>

9. **Donated Materials, Equipment and Services**

During the course of operations, Christian Service Program receives donations of food supplies, clothing, and equipment from many businesses and individuals. While the Organization recognizes the importance of the volunteers and the donated supplies and equipment, no objective basis for valuation of these items was determined and they are not included in the financial statements.

10. **Beneficial Interest in Assets of Foundation**

Christian Service Program established an endowment fund, the income distribution of which is used by the Program to support its charitable activities. Control of this endowment fund is vested in the Community Foundation of North Louisiana. Under the terms of the agreement, variance power and legal ownership of the funds rest with the Foundation, and net investment income and capital appreciation/depreciation accumulate in the endowment fund. The Foundation is obligated to distribute 4% of the average market value of the fund to Christian Service Program annually, provided the average market value is greater than the amount contributed to the fund.

Activity of this beneficial interest is summarized as follows:

Beginning balance, endowment fund	174,712
Interest	2,768
Net realized and unrealized gains	17,776
Administrative fees	(1,718)
Distributions to Christian Service Program	<u>(6,877)</u>
Ending balance, endowment fund	<u>186,661</u>

11. **Restrictions on Assets**

Christian Service Program has received donations and grants for the primary purpose of building and equipment for a food service kitchen at the Hope Connections Facility. These amounts are recorded as temporarily restricted net assets totaling \$11,235 as of December 31, 2017.

12. **Uncertainties**

Christian Service Program has experienced recurring losses from unrestricted operating activities. As indicated in the accompanying financial statements, the organization's unrestricted net assets (net of investment in fixed assets) has decreased to \$168,520 as of December 31, 2017 from \$247,090 in 2016. Management is actively pursuing grant opportunities as well as additional fundraising options.

13. **Prior period restatement**

During the year ended December 31, 2017, management determined that selected fixed assets depreciation for fixed assets acquired during 2013 and thereafter had not been calculated and reflected in the financial statements. The financial statements reflect changes for the depreciation realized on these assets up to December 31, 2016 and related changes in accumulated depreciation. The depreciation calculated for this period is reflected as a prior period adjustment on the statement of activities.

14. Subsequent Events

Christian Service Program is required to evaluate events or transactions that may occur after the date of the statement of financial position for potential recognition or disclosure in the financial statements. The Organization performed such an evaluation through June 25, 2018, the date the financial statements were available to be issued, noting no significant items to be disclosed.

SUPPLEMENTARY INFORMATION

CHRISTIAN SERVICE PROGRAM
SUPPLEMENTARY INFORMATION IN ACCORDANCE WITH
LOUISIANA REVISED STATUTE 24:513(A)(3) (ACT 706 OF 2014)
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2017

Executive Director: Alvin Moore

Salary	49,624
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OTHER REPORTS

HEARD, McELROY, & VESTAL

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CERTIFIED PUBLIC ACCOUNTANTS

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June 25, 2018

To the Board of Directors
Christian Service Program
Shreveport, Louisiana

Independent Accountant's Report on Applying Agreed-Upon Procedures

We have performed the procedures enumerated below, which were agreed to by the management of Christian Service Program and the Legislative Auditor, (the specified parties), on the organization's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2017, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. Management of Christian Service Program is responsible for its financial records and compliance with applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated 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:

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 organization's management.

Christian Service Program provided us with the list of expenditures made for grant awards received during the fiscal year ended December 31, 2017:

Award	Grant Year	Amount
City of Shreveport – CDBG Program	2015	197,700
Caddo Parish Commission Grant	2017	<u>25,000</u>
Total expenditures		<u>222,700</u>

2. For each of the above awards, randomly select six disbursements from each grant administered during the fiscal year, provided no more than 30 disbursements are selected.
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.

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We examined supporting documentation for each of the selected disbursements noting two exceptions.

- a. H MV noted check number 1036 was hand written in the amount of \$9,210.92 agreeing to the supporting invoice, however the check was entered into the GL and cleared the bank for \$9,216.92, noting a difference of \$6.

Management's Response: Management will use their GL system to prepare and print checks in the future, therefore eliminating the possibility of misinterpretation of handwritten amounts.

- b. H MV also noted check number 1032 was hand written for \$67,232.20, however was entered into the GL system as check number 1031. H MV verified it was an entry error noting check number 1031 was hand written for \$14,918.48 and entered into the GL system as check number 1032 on the same day. H MV traced each check to supporting documentation noting no exceptions.

Management's Response: Management will use their GL system to prepare and print checks in the future, therefore eliminating the possibility of recording checks issued under the incorrect check number.

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

All of the disbursements were coded to the correct fund and general ledger account.

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

All items were properly approved.

6. For each selected disbursement made for a state or local grant award, 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:

Activities allowed or unallowed:

We compared documentation for each of the selected disbursements with program compliance requirements related to services allowed or not allowed. We noted 3 of the six reimbursements selected as part of the grant from Caddo Parish Commission included charges for food related supplies. The grant restricted the use of public monies to "emergency rental assistance, emergency utility assistance and food." No other exceptions were noted.

Management's Response: Management believes these expenditures qualify under the grant agreement; however will request further clarification from the grantor agency.

Eligibility

We compared documentation for applicable disbursements with program compliance requirements related to eligibility. No exceptions were noted.

Reporting

We compared documentation for each of the selected disbursements with program compliance requirements related to reporting. No exceptions were noted.

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 organization's financial records; and report whether the amounts in the close-out reports agree with the Agency's financial records.

The organization's management represented that the organization was not required to provide close-out reports during the current year.

Open Meetings

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.

Management was unaware of the requirement to post notice of open meetings. They did, however conduct monthly open meetings at their facilities. Upon notification during 2018, the organization began posting notice for their regular board meetings, beginning with the meeting scheduled for June 19, 2018 in which the Attestation Questionnaire was discussed and approved.

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, objective, and measures of performance..

The organization adopted a budget, for both the organization as a whole and the building project (City of Shreveport grant) individually.

We reviewed the original budget submitted by the organization to the City of Shreveport, as well as the revised construction budget. We reviewed reports submitted by the organization to the City of Shreveport regarding expenditure of funds. These budgets included the purpose and duration of the grant program.

We reviewed reports submitted by the organization to the Caddo Parish Commission regarding expenditure of funds.

State Audit Law

10. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

The agency's report was submitted to the Legislative Auditor before the statutory due date of June 30, 2018.

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

The organization's management represented that the organization did not enter into any contracts during the fiscal year that were subject to the public bid law.

Prior Comments and Recommendations

12. Obtain and report management's representation as to whether any prior-year suggestions, exceptions, recommendations, and/or comments have been resolved.
 - a. No procedures performed in prior year.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagement contained in Government Auditing Standards, issued by the United States comptroller General. We were not engaged to, and did not, perform an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the organization's compliance with the foregoing matters. Accordingly, we do not express such an opinion or conclusion. Had we 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 the organization's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, 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 Legislative Auditor as a public document.

Heard, McElroy & Vestal, LLC

Shreveport, Louisiana

CHRISTIAN SERVICE PROGRAM.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017

I. Summary of Review Results

1. The accountant's review report noted no material modifications to the financial statements of Christian Service Program.
2. Four instances of noncompliance were disclosed during the attestation engagement, as noted above. See management's response noted within the report on pages 14-17.
3. Christian Service Program is not subject to a Federal Single audit for 2017.

II. Findings – Financial Statement Review

None

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes [] No []

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

Yes [] No []?

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 []

Prior-Year Comments

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

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 [] *NA*

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 [] *NA*

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>Jim Wellborn</i></u>	Secretary	<u><i>6-25-2018</i></u>	Date
<u><i>John C. May</i></u>	Treasurer	<u><i>6-22-2018</i></u>	Date
<u><i>Bill E. Hill</i></u>	President	<u><i>6-7-2018</i></u>	Date