

**Webster Parish Office of Community Services  
A Component Unit of the Webster Parish Police Jury  
Minden, Louisiana**

**Basic Financial Statements  
And Independent Auditor's Report  
As of and for the Year Ended December 31, 2019**



**Webster Parish Office of Community Services**

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(Concluded)



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## Independent Auditor's Report

Board Members  
Webster Parish Office of Community Services  
A Component Unit of Webster Parish Police Jury  
Minden, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Webster Parish Office of Community Services, a component unit of the Webster Parish Police Jury, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Office of Community Services' basic financial statements as listed in the table of contents.

### ***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 opinions 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 *Governmental 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 opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Webster Parish Office of Community Services, a component unit of the Webster Parish Police Jury, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedules, and the notes to the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Office of Community Services' basic financial statements. The accompanying supplementary information, as listed in the table of contents, including the Financial Data Schedule as required by the United States Department of Housing and Urban Development and 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*, and the other information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

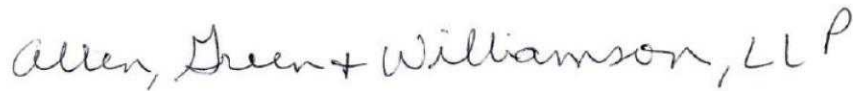
The accompanying supplementary information, as listed in the table of contents, including the Financial Data Schedule as required by the United States Department of Housing and Urban Development and schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information, as listed in the table of contents, including the Financial Data Schedule as required by the United States Department of Housing and Urban Development and 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*, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying other information, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2020 on our consideration of the Office of Community Services' 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 the Office of Community Services' 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 the Office of Community Services' internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Allen, Green & Williamson, LLP". The signature is written in dark ink and is positioned above the printed name of the firm.

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
December 23, 2020

Webster Parish Office of Community Services  
Minden, Louisiana

## **REQUIRED SUPPLEMENTARY INFORMATION**

### **Management's Discussion And Analysis (MD&A)**



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**Webster Parish Office of Community Services**  
**Management's Discussion and Analysis (MD&A)**  
December 31, 2019

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Our discussion and analysis of Webster Parish Office of Community Services' financial performance provides an overview of the Office of Community Services' financial activities for the year ended December 31, 2019.

**FINANCIAL HIGHLIGHTS** Our financial statements provide these insights into the results of this year's operations for the governmental activities:

- The assets of the Office of Community Services exceeded its liabilities at the close of 2019 by \$1,377,908. Of this amount, \$(73,025) (unrestricted net position deficit) may be used to meet the ongoing obligations to citizens and creditors in accordance with the Office of Community Services' fund designation and fiscal policies.
- The Office of Community Services' net position of the governmental activities increased by \$327,720 as a result of this year's operations.
- The Office of Community Services' total general and program revenues for governmental activities were \$4,755,648 in 2019 which is an increase of \$531,683 over 2018. Total miscellaneous revenues increased over prior year due to an additional dividend of over \$36,000 being issued by Louisiana Worker's Compensation Corporation (LWCC). Grant funding received for the Head Start program was approximately \$720,000 more than the previous year; however, funding received for the Transportation program was \$128,000 less.
- During the year ended December 31, 2019, the Office of Community Services had total expenses of \$4,427,928, which includes depreciation expense. Expenses for 2018 totaled \$4,319,297. Expenses increased in 2019 by \$108,631 mainly due to increases in the costs of education, classroom and training supplies, facility maintenance, and liability and fleet insurance expense in the Head Start program.

**USING THIS ANNUAL REPORT** The Office of Community Services' annual report consist of a series of financial statements that show information for the Office of Community Services as a whole, and its funds. The Statement of Net Position and the Statement of Activities provide information about the activities of the Office of Community Services as a whole and present a longer-term view of the Office of Community Services' finances. Our fund financial statements are included later in this report. For our governmental activities, these statements tell how we financed our services in the short-term as well as what remains for future spending. Fund statements also may give you some insights into the Office of Community Services' overall financial health. Fund financial statements also report the Office of Community Services' operations in more detail than the government-wide financial statements by providing information about the Office of Community Services' most significant funds - General Fund, Head Start Fund, Transportation Fund, Food Fund, and CSBG Fund.

**Required Supplementary Information**

**Management's Discussion & Analysis (MD&A)**

**Basic Financial Statements**

**Government-wide  
Financial Statements**



**Fund  
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**Notes to the Financial Statements**

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**Budgetary Information for Major Funds**

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**Nonmajor Funds Statements  
Schedule of Compensation Paid Board Members  
Schedule of Compensation, Benefits and Other Payments to Agency Head  
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**Single Audit Information and Other Information**

**Other Reports Required By Government Auditing Standards and By  
Uniform Guidance**

**Other Information**

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**Webster Parish Office of Community Services**  
**Management's Discussion and Analysis (MD&A)**  
December 31, 2019

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Our auditor has provided assurance in the independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the basic financial statements are fairly stated. Varying degrees of assurance is being provided by the auditor regarding the Required Supplementary Information (RSI) and the Supplementary Information. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each part of this report.

### **Reporting the Office of Community Services as a Whole**

***The Statement of Net Position and the Statement of Activities*** Our analysis of the Office of Community Services as a whole begins with the government-wide financial statements. One of the most important questions asked about the Office of Community Services is, "Is the Office of Community Services as a whole better off or worse off financially as a result of the year's activities?" The Statement of Net Position and the Statement of Activities, which appear first in the Office of Community Services' financial statements, report information on the Office of Community Services as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets, liabilities, and deferred inflows/outflows of resources, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Office of Community Services' net position - the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources, as reported in the Statement of Net Position as one way to measure the Office of Community Services' financial health, or financial position. Over time, increases or decreases in the Office of Community Services' net position - as reported in the Statement of Activities - are one indicator of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the Office of Community Services' operating results. However, the Office of Community Services' goal is to provide services to our citizens, not to generate profits as commercial entities do. One must consider many other nonfinancial factors, such as the quality of health and welfare services provided to parish citizens.

In the Statement of Net Position and Statement of Activities, we divide the Office of Community Services into two kinds of activities:

Governmental activities - Most of the Office of Community Services' services are reported here, which are health and welfare services. Federal and state grants finance most of these activities.

Business-type activities -The Office of Community Services manages the Section 8 Housing Choice Voucher program and receives administrative fees for the activities. This program is reported here.

### **Reporting the Office of Community Services' Most Significant Funds**

***Fund Financial Statements*** The Office of Community Services' fund financial statements provide detailed information about the most significant funds - not the Office of Community Services as a whole. Some funds are required to be established by state law and by grant terms. However, the Office of Community Services establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain grants and other money. The Office of Community Services' governmental funds use the following accounting approach:

Governmental funds - Most of the Office of Community Services' services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using an accounting method called modified

**Webster Parish Office of Community Services**  
**Management's Discussion and Analysis (MD&A)**  
December 31, 2019

accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Office of Community Services' operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Office of Community Services' programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in the reconciliations on Statements D and F.

**Proprietary funds** - Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the Office of Community Services' Section 8 enterprise fund (a component of proprietary funds) is the same as the business-type activities we report in the government-wide financial statements but provide more detail and additional information, such as cash flows, for proprietary funds.

**THE OFFICE OF COMMUNITY SERVICES AS A WHOLE** The Office of Community Services' governmental activities net position was \$1,377,908, at December 31, 2019. Of this amount, \$(73,025) was unrestricted. Restricted net position is reported separately to show grant restrictions, legal restrictions and enabling legislation that limit the Office of Community Services' ability to use that net position for day-to-day operations. Our analysis below of the Office of Community Services focuses on the net position (Table 1) and change in net position (Table 2) of the Office of Community Services' governmental activities and business-type activities.

**Table 1**  
**Net Position**  
**December 31,**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Other assets	\$ 691,191	\$ 842,392	\$ 100,842	\$ 104,097
Capital assets	1,445,431	996,527	459	349
Total assets	<u>2,136,622</u>	<u>1,838,919</u>	<u>101,301</u>	<u>104,446</u>
Other liabilities	325,110	360,395	3,442	2,345
Long-term liabilities	433,604	428,336	2,476	3,047
Total liabilities	<u>758,714</u>	<u>788,731</u>	<u>5,918</u>	<u>5,392</u>
Net position				
Investment in capital assets	1,445,431	996,527	459	349
Restricted	5,502	55,517	4,905	23,706
Unrestricted	<u>(73,025)</u>	<u>(1,856)</u>	<u>90,019</u>	<u>74,999</u>
Total net position	<u>\$ 1,377,908</u>	<u>\$ 1,050,188</u>	<u>\$ 95,383</u>	<u>\$ 99,054</u>

The \$(73,025) in unrestricted net position deficit of governmental activities represents the accumulated results of all past years' operations. It means that if we had to pay off all of our bills today including all of our noncapital liabilities (compensated absences for example) we would be short by \$73,025.

The net position for governmental activities increased by \$327,720. This year the Office of Community Services increased assets by purchasing approximately \$605,000 in capital assets, including \$419,000 in buses and vans, \$127,000 roof improvement, and approximately \$57,700 in equipment for use in the Head Start program.

**Webster Parish Office of Community Services  
Management's Discussion and Analysis (MD&A)  
December 31, 2019**

The results of this year's operations for the Office of Community Services are reported in the Statement of Activities. Table 2 takes the information from that Statement and rearranges them slightly so you can see our total revenues for the year.

**Table 2  
Changes in Net Position  
For the Years Ended December 31,**

	Governmental Activities			Business-type Activities		
	2019	2018	Increase (Decrease) From 2018	2019	2018	Increase (Decrease) From 2018
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 126,042	\$ 141,411	\$ (15,369)	\$ -	\$ -	\$ -
Operating grants & contributions	4,518,130	4,006,252	511,878	622,682	701,776	(79,094)
General revenues:						
Other revenues	111,476	76,302	35,174	7,251	7,869	(618)
Total revenues	4,755,648	4,223,965	531,683	629,933	709,645	(79,712)
<b>Functions/Program Expenses:</b>						
Health & welfare	4,427,928	4,319,297	108,631	633,605	678,839	(45,234)
Total expenses	4,427,928	4,319,297	108,631	633,605	678,839	(45,234)
Increase (decrease) in net position	327,720	(95,332)	423,052	(3,672)	30,806	(34,478)
Net Position Beginning - as originally stated	1,050,188	1,305,825	(255,637)	99,055	68,248	30,807
Prior period adjustment	-	(160,305)	160,305	-	-	-
Net Position Beginning - as restated	1,050,188	1,145,520	(95,332)	99,055	68,248	30,807
Net Position - Ending	\$ 1,377,908	\$ 1,050,188	\$ 327,720	\$ 95,383	\$ 99,054	\$ (3,671)

**THE OFFICE OF COMMUNITY SERVICES' FUNDS** As we noted earlier, the Office of Community Services uses funds to help it control and manage money for particular purposes. Looking at funds helps you consider whether the Office of Community Services is being accountable for the resources state and federal agencies and others provide to it but may also give you more insight into the Office of Community Services' overall financial health.

As the Office of Community Services completed this year, our governmental funds reported a combined fund balance of \$362,082 which is a decrease of \$(113,192) from last year. Some changes in fund balance are explained below:

Our General fund is our principal operating fund. The fund balance in the General fund decreased by \$(84,684). The 2019 decrease to the General Fund balance is attributed to the following:

Total revenues of the General fund were higher, largely due to an additional LWCC dividend of approximately \$36,000. These revenues were used to help cover additional expenditures of approximately \$107,000 in interest on federal debt owed to Head Start. The fund balance decreased because the General fund resources were used to cover deficits occurring in various programs. A total of \$64,599 was transferred to other programs to help cover costs in excess of funding.

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**Webster Parish Office of Community Services**  
**Management's Discussion and Analysis (MD&A)**  
December 31, 2019

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The Head Start Fund accounts for funds used for the purpose of providing young children, generally ages 3 to 5 in low income families with services designed to meet the needs in various areas such as health, education, social services, etc. The fund balance in this fund decreased by \$(755) which is which is the Head Start fund balance available to cover the current year costs of the program that exceeded program funding. The General fund transferred local funds of \$4,824 to cover the remaining deficit in the Head Start fund.

The Transportation fund accounts for funds used to provide transportation services to citizens within the parish. The fund balance in this fund decreased \$(14,700) to \$4,090. Transportation program expenditures exceeded local and federal funding by \$14,700. However, both revenues and expenditures decreased compared to the prior year, with the deficit being covered by the Transportation fund balance. No transfers were made from the General fund in 2019 to cover the deficit.

The Food Service program receives funds from CACFP to reimburse programs for meals provided to students enrolled in the Head Start Program and the Family Home Daycare program. The fund balance in these two funds increased \$8,891 to \$456. The increase was due mainly to the General fund transferring \$35,945 to cover the deficit caused by expenditures exceeding Food Service program funding.

The CSBG fund accounts for funds used to assist the Office of Community Services with operations. The fund balance in this fund increased by \$14,420 to \$1,555. This is due to the General fund transferring \$11,507 to cover the prior year deficit.

The Nonmajor Governmental funds are comprised of the other special revenue funds (Housing, LIHEAP Energy and Emergency Assistance). The combined funds showed a decrease in fund balance of \$(36,364) to \$2,833. The LIHEAP Energy funding covered more personnel costs in the current year, being the major reason for the decrease in fund balance.

The Section 8 Voucher fund accounts for the activity for HUD's Section 8 Housing Choice Voucher program. The net position in this fund decreased \$(3,672) to \$95,383. The deficit can be attributed to an increase in administration expense, specifically due to increasing the allowance by \$13,382 to offset the receivable recognized in the Section 8 Housing program.

**FUND BUDGETARY HIGHLIGHTS** Over the course of the year, the Office of Community Services revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. (A schedule showing the Office of Community Services' original and final budget amounts compared with amounts actually paid and received is provided later in this report).

**General Fund** There were no revisions made to the 2019 General Fund original budget.

The final actual revenues exceeded budgeted by \$51,999 due to actual revenues including additional income that was not originally budgeted. Additional revenues were reported from receipt of a second dividend from LWCC, Webster Parish Police Jury reimbursements to offset the costs of software, and rebates from the health insurance provider.

The final actual expenditures exceeded the budget by \$72,084 due to the General fund paying interest on federal debt owed for Head Start which was not originally budgeted.

**Webster Parish Office of Community Services**  
**Management's Discussion and Analysis (MD&A)**  
December 31, 2019

**CAPITAL ASSETS**

**Capital Assets** At December 31, 2019, the Office of Community Service’s governmental activities had \$1,445,431 invested in a broad range of capital assets including buildings, furniture and equipment and intangible assets such as software. This amount represents a net increase (including additions, deductions, and depreciation) of \$448,904, or 45% from last year.

	<b>Capital Assets</b>			
	<b>December 31,</b>			
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Buildings and improvements	\$ 1,166,071	\$ 1,038,811	\$ -	\$ -
Furniture, equipment & vehicles	2,297,485	1,819,178	6,412	6,212
Intangibles	18,160	18,160	-	-
Total cost of capital net assets	<u>3,481,716</u>	<u>2,876,149</u>	<u>6,412</u>	<u>6,212</u>
Less: accumulated depreciation & amortization	<u>(2,036,285)</u>	<u>(1,879,622)</u>	<u>(5,953)</u>	<u>(5,863)</u>
Net capital assets	<u>\$ 1,445,431</u>	<u>\$ 996,527</u>	<u>\$ 459</u>	<u>\$ 349</u>

Capital asset additions for 2019 included purchases of seven (7) buses and vans, \$127,000 roof improvement, and approximately \$57,700 in equipment, all used in the Head Start program. For further information on capital assets, see Note 6 of the Notes to the Financial Statements.

**Long Term Debt** At December 31, 2019 the Office of Community Service’s governmental activities had \$433,604 in long term debt which included \$64,395 in compensated absences and \$369,209 claim payable for prior year disallowed costs.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES** Our appointed officials and citizens consider many factors when setting the Office of Community Services’ 2020 year budget. One of the most important factors affecting the budget is our federal grant funding. We have budgeted no change in the federal funding for the 2020 year. In 2020, we received additional funding to address additional costs related to dealing with COVID-19.

**CONTACTING THE OFFICE OF COMMUNITY SERVICES' FINANCIAL MANAGEMENT** Our financial report is designed to provide our citizens, taxpayers, parents, students, and investors and creditors with a general overview of the Office of Community Services’ finances and to show the Office of Community Services’ accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Melinda Davidson, Executive Director, at Webster Parish Office of Community Services, P. O. Box 876, Minden, Louisiana, 71058-0876, telephone number 318-377-7022.

# **BASIC FINANCIAL STATEMENTS**

## **Government-wide Financial Statements (GWFS)**



WEBSTER PARISH OFFICE OF COMMUNITY SERVICES

STATEMENT OF NET POSITION

December 31, 2019

Statement A

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>ASSETS</b>			
Cash and cash equivalents	\$ 214,731	\$ 91,438	\$ 306,169
Investments	36,385	5,903	42,288
Receivables, net	420,304	-	420,304
Internal balances	2,594	(2,594)	-
Prepaid items	17,177	6,095	23,272
Capital Assets:			
Capital assets, net of depreciation and amortization	1,445,431	459	1,445,890
<b>TOTAL ASSETS</b>	<b>2,136,622</b>	<b>101,301</b>	<b>2,237,923</b>
<b>LIABILITIES</b>			
Accounts, salaries and other payables	317,334	3,442	320,776
Unearned revenue	7,776	-	7,776
Long-term liabilities			
Due within one year	64,395	128	64,523
Due in more than one year	369,209	2,348	371,557
<b>TOTAL LIABILITIES</b>	<b>758,714</b>	<b>5,918</b>	<b>764,632</b>
<b>NET POSITION</b>			
Investment in capital assets	1,445,431	459	1,445,890
Restricted for grants	5,502	4,905	10,407
Unrestricted	(73,025)	90,019	16,994
<b>TOTAL NET POSITION</b>	<b>\$ 1,377,908</b>	<b>\$ 95,383</b>	<b>\$ 1,473,291</b>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

WEBSTER PARISH OFFICE OF COMMUNITY SERVICES

STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2019

Statement B

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET		TOTAL
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTION	GOVERNMENT ACTIVITIES	BUSINESS-ACTIVITIES	
<b>Primary government</b>						
<i>Governmental Activities</i>						
Health and Welfare	\$ (4,427,928)	\$ 126,042	\$ 4,518,130	\$ 216,244	\$ -	\$ 216,244
Total governmental activities	<u>(4,427,928)</u>	<u>126,042</u>	<u>4,518,130</u>	<u>216,244</u>	<u>-</u>	<u>216,244</u>
<i>Business-type activities</i>						
Health and Welfare	(633,605)	-	622,682	-	(10,923)	(10,923)
Total	<u>\$ (5,061,533)</u>	<u>\$ 126,042</u>	<u>\$ 5,140,812</u>	<u>216,244</u>	<u>(10,923)</u>	<u>205,321</u>
General revenues:						
Interest and investment earnings				1,903	75	1,978
Miscellaneous				109,573	7,176	116,749
Total general revenues				<u>111,476</u>	<u>7,251</u>	<u>118,727</u>
Change in net position				327,720	(3,672)	324,048
Net position beginning				<u>1,050,188</u>	<u>99,055</u>	<u>1,149,243</u>
Net position - ending				<u>\$ 1,377,908</u>	<u>\$ 95,383</u>	<u>\$ 1,473,291</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

## **BASIC FINANCIAL STATEMENTS**

### **Fund Financial Statements (FFS)**

WEBSTER PARISH OFFICE OF COMMUNITY SERVICES

GOVERNMENTAL FUNDS  
Balance Sheet  
December 31, 2019

	<u>GENERAL</u>	<u>HEADSTART</u>	<u>TRANSPORTATION</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 149,132	\$ 4,824	\$ -
Investments	36,385	-	-
Receivables	503	217,114	45,827
Interfund receivables	176,459	52,559	-
Prepaid items	-	12,170	1,981
	<u>362,479</u>	<u>286,667</u>	<u>47,808</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts, salaries and other payables	9,331	190,724	18,530
Interfund payables	-	85,229	24,389
Unearned revenue	-	7,776	-
Accrued compensated absences	-	2,938	799
	<u>9,331</u>	<u>286,667</u>	<u>43,718</u>
Fund balances:			
Nonspendable	-	12,170	1,981
Restricted	-	-	2,109
Unassigned	353,148	(12,170)	-
	<u>353,148</u>	<u>-</u>	<u>4,090</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 362,479</u>	<u>\$ 286,667</u>	<u>\$ 47,808</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Statement C

<u>FOOD</u>	<u>CSBG</u>	<u>NONMAJOR GOVERNMENTAL</u>	<u>TOTAL</u>
\$ 35,945	\$ 8,391	\$ 16,439	\$ 214,731
-	-	-	36,385
143,180	13,671	9	420,304
-	-	-	229,018
1,073	995	958	17,177
<u>180,198</u>	<u>23,057</u>	<u>17,406</u>	<u>917,615</u>
91,626	5,323	1,800	317,334
87,996	16,037	12,773	226,424
-	-	-	7,776
120	142	-	3,999
<u>179,742</u>	<u>21,502</u>	<u>14,573</u>	<u>555,533</u>
1,073	995	958	17,177
-	560	2,833	5,502
(617)	-	(958)	339,403
<u>456</u>	<u>1,555</u>	<u>2,833</u>	<u>362,082</u>
<u>\$ 180,198</u>	<u>\$ 23,057</u>	<u>\$ 17,406</u>	<u>\$ 917,615</u>

**Webster Parish Office of Community Services**



**WEBSTER PARISH OFFICE OF COMMUNITY SERVICES**

**Reconciliation of the Governmental Funds  
Balance Sheet to the Statement of Net Position  
December 31, 2019**

**Statement D**

Total fund balances - governmental funds \$ 362,082

The cost of capital assets (land, buildings, furniture and equipment and intangibles) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the Office of Community Service as a whole. The cost of those capital assets is allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.

Costs of capital assets	\$ 3,481,716	
Accumulated depreciation	<u>(2,036,285)</u>	1,445,431

Long-term liabilities applicable to the Office of Community Service's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long term - are reported in the Statement of Net Position.

Balances at December 31, 2019 are:

Long-term liabilities		
Compensated absences payable		(60,396)
Claims payable		<u>(369,209)</u>

Net position of governmental activities \$ 1,377,908

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**WEBSTER PARISH OFFICE OF COMMUNITY SERVICES**

**GOVERNMENTAL FUNDS  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended December 31, 2019**

	<b>GENERAL</b>	<b>HEADSTART</b>	<b>TRANSPORTATION</b>
<b>REVENUES</b>			
Local Sources:			
Interest and investment earnings	\$ 1,901	\$ 2	\$ -
Other revenue	99,098	7,345	126,042
Federal Sources	-	2,661,057	283,635
	100,999	2,668,404	409,677
<b>TOTAL REVENUES</b>	<b>100,999</b>	<b>2,668,404</b>	<b>409,677</b>
<b>EXPENDITURES</b>			
Current:			
Health and welfare:			
Personnel	73	1,513,257	237,694
Gas, oil & repairs	-	52,177	72,925
Office expense	943	240,811	28,321
Insurance	-	39,352	55,321
Utilities	5	89,019	14,234
Service providers	-	-	-
Food services	-	2,158	-
Other	12,942	132,242	15,682
Capital outlay	-	604,967	200
Debt service - Interest	107,121	-	-
	121,084	2,673,983	424,377
<b>TOTAL EXPENDITURES</b>	<b>121,084</b>	<b>2,673,983</b>	<b>424,377</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(20,085)</b>	<b>(5,579)</b>	<b>(14,700)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	4,824	-
Transfers out	(64,599)	-	-
	(64,599)	4,824	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(64,599)</b>	<b>4,824</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(84,684)</b>	<b>(755)</b>	<b>(14,700)</b>
<b>FUND BALANCES BEGINNING</b>	<b>437,832</b>	<b>755</b>	<b>18,790</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 353,148</b>	<b>\$ -</b>	<b>\$ 4,090</b>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.



Statement E

<u>FOOD</u>	<u>CSBG</u>	<u>NONMAJOR GOVERNMENTAL</u>	<u>TOTAL</u>
\$ -	\$ -	\$ -	\$ 1,903
3,130	-	-	235,615
<u>1,066,858</u>	<u>151,199</u>	<u>355,381</u>	<u>4,518,130</u>
<u>1,069,988</u>	<u>151,199</u>	<u>355,381</u>	<u>4,755,648</u>
225,812	138,118	35,988	2,150,942
-	-	-	125,102
18,468	1,493	9,578	299,614
1,661	-	1,661	97,995
5,987	2,661	4,517	116,423
640,275	-	339,281	979,556
183,237	-	-	185,395
21,402	6,014	12,843	201,125
200	-	200	605,567
<u>-</u>	<u>-</u>	<u>-</u>	<u>107,121</u>
<u>1,097,042</u>	<u>148,286</u>	<u>404,068</u>	<u>4,868,840</u>
<u>(27,054)</u>	<u>2,913</u>	<u>(48,687)</u>	<u>(113,192)</u>
35,945	11,507	12,323	64,599
<u>-</u>	<u>-</u>	<u>-</u>	<u>(64,599)</u>
<u>35,945</u>	<u>11,507</u>	<u>12,323</u>	<u>-</u>
8,891	14,420	(36,364)	(113,192)
<u>(8,435)</u>	<u>(12,865)</u>	<u>39,197</u>	<u>475,274</u>
<u>\$ 456</u>	<u>\$ 1,555</u>	<u>\$ 2,833</u>	<u>\$ 362,082</u>

**WEBSTER PARISH OFFICE OF COMMUNITY SERVICES**

**Reconciliation of the Governmental Funds  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
to the Statement of Activities  
For the Year Ended December 31, 2019**

**Statement F**

Net change in fund balances - total governmental funds \$ (113,192)

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the period:

Capital outlay	\$	605,567	
Depreciation expense		<u>(156,663)</u>	448,904

In the Statement of Activities, certain operating expenses-compensated absences (vacation and comp time) and claims payable - are measured by the amounts earned during the year. In the governmental funds however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation and comp time earned was more than the amounts used.

Vacation and comp time	<u>(7,992)</u>
------------------------	----------------

Change in net position of governmental activities \$ 327,720

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

WEBSTER PARISH OFFICE OF COMMUNITY SERVICES

PROPRIETARY FUND TYPE- ENTERPRISE FUND

Statement of Net Position

December 31, 2019

	Statement G
	<u>SECTION 8</u> <u>VOUCHER</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 91,438
Investments	5,903
Accounts receivable, net	-
Prepaid items	6,095
Total current assets	<u>103,436</u>
Non-current assets:	
Capital assets, net of accumulated depreciation	<u>459</u>
TOTAL ASSETS	<u>103,895</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts, salaries and other payables	3,442
Interfund payables	2,594
Compensated absences	128
Total current liabilities	<u>6,164</u>
Non-current liabilities:	
Compensated absences	<u>2,348</u>
TOTAL LIABILITIES	<u>8,512</u>
<b>NET POSITION</b>	
Investment in capital assets	459
Restricted for HAP	4,905
Unrestricted	<u>90,019</u>
TOTAL NET POSITION	<u>\$ 95,383</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

WEBSTER PARISH OFFICE OF COMMUNITY SERVICES

PROPRIETARY FUND TYPE- ENTERPRISE FUND  
 Statement of Revenues, Expenses,  
 and Changes in Fund Net Position  
 For the Year Ended December 31, 2019

	Statement H
	<u>SECTION 8</u> <u>VOUCHER</u>
OPERATING REVENUES	
Federal grants	\$ 622,682
Other income	7,176
	<hr/>
TOTAL OPERATING REVENUES	629,858
	<hr/>
OPERATING EXPENSES	
Administration	87,373
Utilities	4,517
General	2,665
Depreciation	91
Housing assistance payments	538,959
	<hr/>
TOTAL OPERATING EXPENSES	633,605
	<hr/>
OPERATING INCOME (LOSS)	(3,747)
NON-OPERATING REVENUES	
Interest income	75
	<hr/>
CHANGE IN NET POSITION	(3,672)
NET POSITION AT BEGINNING OF YEAR	99,055
	<hr/>
NET POSITION AT END OF YEAR	\$ 95,383
	<hr/> <hr/>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

WEBSTER PARISH OFFICE OF COMMUNITY SERVICES

PROPRIETARY FUND TYPE - ENTERPRISE FUND

Statement of Cash Flows

For the Year Ended December 31, 2019

Statement I

**SECTION 8  
VOUCHER**

CASH FLOWS FROM OPERATING ACTIVITIES	
Payments to vendors	\$ (46,241)
Payments to employees	(46,294)
Payments to private landlords and others	(538,959)
Federal grants	622,682
Other receipts	20,999
	<hr/>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	12,187
	<hr/>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	(200)
	<hr/>
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(200)
	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest	75
	<hr/>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	75
	<hr/>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	12,062
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	79,376
	<hr/>
CASH AND CASH EQUIVALENTS AT END OF YEAR	91,438
	<hr/> <hr/>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	(3,747)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	91
Change in assets and liabilities:	
Accounts receivable	13,823
Prepaid items	(718)
Compensated absences	(571)
Accounts, salaries and other payables	1,097
Interfunds	2,212
	<hr/>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 12,187
	<hr/> <hr/>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**Webster Parish Office of Community Services**  
**Notes to the Financial Statements**  
**December 31, 2019**

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**Webster Parish Office of Community Services**  
**Notes to the Financial Statements**  
**December 31, 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** The accompanying financial statements of Webster Parish Office of Community Services have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting financial reporting principles.

**A. REPORTING ENTITY** Webster Parish Office of Community Services was established by the Webster Parish Police Jury under the provisions of LSA-R.S. 23:63 to operate state and federally funded programs to assist low-income members of the community in obtaining adequate employment, education and housing, meeting certain medical needs and obtaining proper assistance to satisfy other needs of low-income families that arise within the community.

As the governing authority of the parish, for reporting purposes, the Webster Parish Police Jury is the financial reporting entity for Webster Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statement to be misleading or incomplete.

GASB Statements establish criteria for determining the governmental reporting entity and component units that should be considered part of the Webster Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and:
  - a. The ability of the police jury to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations that are fiscally dependent on the police jury and there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Police Jury appoints members to Webster Parish Office of Community Services' Board and the Office of Community Services is financially accountable to the Police Jury, Webster Parish Office of Community Services was determined to be a component unit of the Webster Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Office of Community Services and do not present information on the Police Jury, the governmental services provided by that governmental unit, or the governmental units that comprise the financial reporting entity.

**Webster Parish Office of Community Services**  
**Notes to the Financial Statements**  
**December 31, 2019**

**B. FUNDS** The accounts of the Office of Community Services are organized and operated on the basis of funds. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

**Governmental Funds** The governmental funds are divided into separate "fund types." Governmental funds are used to account for the government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. The major governmental funds of the Office of Community Services are described as follows:

**General fund** – This fund is the general operating fund of the Office of Community Services. It accounts for all activities except those required to be accounted for in other funds.

**Headstart** – This fund accounts for grant funding received for the purpose of providing young children, generally ages 3 to 5, in low-income families with services designed to meet their needs in various areas such as health, education, social services, etc.

**Transportation** – This fund accounts for the grant funding received and the operations of the transportation program that provides affordable transportation to the residents within the parish.

**Food** – This fund accounts for the operations of the programs providing meal reimbursements to eligible institutions that serve meals to students at various locations within the parish.

**CSBG** – This fund accounts for grant funding received through Community Development Block Grants to assist the Office of Community Services with operations.

**Proprietary Funds** The proprietary fund accounts for activities similar to those found in the private sector where the determination of net income is necessary or useful to sound financial administration. The proprietary fund differs from a governmental fund in that its focus is on income measurement which, together with the maintenance of equity, is an important financial indicator.

**Section 8 Voucher** – This fund accounts for the activity for HUD's Section 8 Housing Choice Voucher program. The purpose is to assist low-income families in obtaining affordable housing.

**C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

**Government-Wide Financial Statements (GWFS)** The Statement of Net Position and the Statement of Activities displays information about the reporting government as a whole. The Statement of Net Position and the Statement of Activities was prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, liabilities and deferred inflows/outflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, liabilities, and deferred inflow/outflows of resources resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions." Fiduciary funds are not included in the government-wide financial statements.



**Webster Parish Office of Community Services**  
**Notes to the Financial Statements**  
**December 31, 2019**

**Program revenues** Program revenues included in the Statement of Activities include charges for services provided and operating grants and contributions; program revenues reduce the cost of the function to be financed from the Office of Community Services' general revenues.

**Allocation of indirect expenses** The Office of Community Services reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function.

**Fund Financial Statements (FFS)**

**Governmental Funds** The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

With this measurement focus, only current assets, current liabilities, and current deferred outflows and inflows of resources are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures:

**Revenues**

Federal and state grants are recognized when the Office of Community Services is entitled to the funds.

Interest income on investments is recorded when earned and the income is available.

Substantially all other revenues are recorded when they become available to the Office of Community Services.

**Expenditures** Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on long-term obligations, which are recognized when due.

**Other Financing Sources (Uses)** Sale of capital assets, increases in capital lease purchases, and transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) and are recognized when the underlying events occur.

**Proprietary Funds**

**Operating Revenues and Expenses** Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations which is providing affordable housing. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Webster Parish Office of Community Services**  
**Notes to the Financial Statements**  
**December 31, 2019**

**D. ENCUMBRANCES** Outstanding encumbrances lapse at year-end. Authorization for the eventual expenditure will be included in the following year's budget appropriations. Encumbrance accounting is not employed in governmental funds.

Encumbrance accounting (e.g., purchase orders, contracts) is not recognized within the accounting records for budgetary control purposes.

**E. CASH AND CASH EQUIVALENTS** Cash includes amounts in demand deposits, petty cash, interest-bearing demand deposits, and time deposit accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Office of Community Services may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law or any other state in the United States or under the laws of the United States. For purposes of the Proprietary Fund Statement of Cash Flows, the Office of Community Services considers all investments with a maturity of three months or less when purchased to be cash equivalents.

**F. INVESTMENTS** Investments are limited by R.S. 33:2955 and the Office of Community Services' investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

The investments are reflected at fair value except for the following which are required/permitted as per GASB Statement No. 31:

1. Investments in *nonparticipating* interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.
2. The Office of Community Services reports at amortized cost money market investments and *participating* interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less.

**Definitions:**

Interest-earning investment contracts include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

Money market investments are short-term, highly liquid debt instruments that include U. S. Treasury obligations.

The Office of Community Services participates in the Louisiana Asset Management Pool, Inc., (LAMP) which is an external investment pool that, to the extent practical invest in a manner consistent with GASB Statement 79, *Certain External Investment Pools and Pool Participants*.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33:2955. LAMP issues financial reports which may be obtained at [www.lamppool.com](http://www.lamppool.com).

**Webster Parish Office of Community Services**  
**Notes to the Financial Statements**  
**December 31, 2019**

Investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

**G. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES (FFS)** During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as interfund receivables/payables on the balance sheet. Short-term interfund loans are also classified as interfund receivables/payables.

**H. ELIMINATION AND RECLASSIFICATIONS** In the process of aggregating data for the Statement of Net Position and the Statement of Activities some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the “grossing up” effect on assets and liabilities within the governmental activities column.

**I. INVENTORY AND PREPAID ITEMS** Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. All inventory items are valued at cost using first-in, first-out method. Inventory is recorded using the consumption method.

**J. CAPITAL ASSETS** Capital assets for the Office of Community Services purchased or acquired with an original cost of \$500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at their acquisition value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Straight line depreciation is used based on the following estimated useful lives:

Buildings	20-40 years
Furniture and equipment	5 - 10 years
Vehicles	5-15 years
Intangibles-software	5 years
Intangibles-other	5 years

**K. COMPENSATED ABSENCES** All full-time employees earn 80 to 160 hours of vacation each year, depending on length of service. Employees can accumulate up to 240 hours of unused vacation time. Upon termination or retirement, an employee is compensated for up to 160 hours of previous years’ accumulated annual leave.

All full-time employees earn 4 hours of sick leave every two weeks, effective from date of employment. Other employees considered less than full-time receive 40 hours of sick leave per year. Upon termination or retirement, accrued sick leave is excluded from paid benefits.

All professional staff members are entitled to earn compensatory time for overtime worked. Employees can accumulate up to 80 hours of unused compensatory time. Upon termination or retirement, an employee is compensated for accumulated compensatory time.

**Webster Parish Office of Community Services**  
**Notes to the Financial Statements**  
**December 31, 2019**

The Office of Community Services' recognition and measurement criterion for compensated absences follows:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

The employees' right to receive compensation is attributable to services already rendered.

It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

**L. RESTRICTED NET POSITION** For the government-wide Statement of Net Position, net position is reported as restricted when constraints placed on net position use are either:

- Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;
- Imposed by law through constitutional provisions or enabling legislation.

It is the Office of Community Services' policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**M. FUND EQUITY OF FUND FINANCIAL STATEMENTS** Fund balances are reported in the following categories:

**Non-spendable:** Fund balance that is not in spendable form or legally or contractually required to be maintained intact. This category includes items that are not easily converted to cash such as inventories and prepaid items.

**Restricted:** Fund balance that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

**Committed:** Fund balance that can only be used for specific purposes determined by the Office of Community Services' highest level of decision making authority. The Board is the highest level of decision making authority of the Office of Community Services that can, by adoption of a resolution prior to fiscal year end, commit fund balance. Committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action it employed to previously commit the funds.

**Assigned:** Fund balance that is constrained by the Board's intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the Board.

**Unassigned:** Fund balance that is the residual classification for the General fund or a deficit fund balance in other funds.

The Office of Community Services reduces committed amounts, followed by assigned amounts and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. The Office of Community Services considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available.

**Webster Parish Office of Community Services**  
**Notes to the Financial Statements**  
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**N. INTERFUND TRANSACTIONS** Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**O. UNEARNED REVENUE** Unearned revenues arise when assets are recognized before the revenue recognition criteria have been satisfied.

**P. USE OF ESTIMATES** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**NOTE 2 - STEWARDSHIP AND ACCOUNTABILITY**

**Actual Expenditures Exceeding Budgeted Expenditures** For the fiscal year ending December 31, 2019 the following funds reported actual expenditures that exceeded budgeted expenditures:

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General	\$ 49,000	\$ 121,084	\$ (72,084)
Headstart	2,664,114	2,673,983	(9,869)

**NOTE 3 - DEPOSITS** Deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

**Custodial Credit Risk-Deposits:** At year-end the Office of Community Services' carrying amount of deposits was \$306,169 and the bank balance was \$350,445. Of the bank balance, \$250,000 was covered by federal deposit insurance. The remaining balance was collateralized with securities held by the pledging financial institution's trust department or agent but not in the Office of Community Services' name. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Office of Community Services that the fiscal agent has failed to pay deposited funds upon demand. The Office of Community Services' policy does not address custodial credit risk.

**Interest Rate Risk-Deposits:** The Office of Community Services' policy does not address interest rate risk.

**NOTE 4 - INVESTMENTS** Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the Statement of Net Position at the end of each reporting period. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

**Webster Parish Office of Community Services**  
**Notes to the Financial Statements**  
**December 31, 2019**

At year end, the Office of Community Services investment balances were as follows:

<u>Type of Investment</u>	<u>Level 2</u>
Louisiana Asset Management Pool (LAMP)	\$ 42,288

Investments held at December 31, 2019 consist of \$42,288 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7-like investment pools:

**Credit Risk:** LAMP is rated AAAM by Standard and Poor’s.

**Custodial Credit Risk-Investments:** LAMP participants’ investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity’s investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

**Concentration of Credit Risk:** Pooled investments are excluded from the 5 percent disclosure requirement.

**Interest Rate Risk:** LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP’s total investments is 46 as of December 31, 2019.

**Foreign Currency Risk:** Not applicable.

**NOTE 5 - RECEIVABLES** The following is a summary of receivables at December 31, 2019 related to governmental funds:

<u>Class of Receivables</u>	<u>Governmental Activities</u>					<u>Nonmajor Governmental</u>	<u>Total</u>
	<u>General</u>	<u>Headstart</u>	<u>Transportation</u>	<u>Food</u>	<u>CSBG</u>		
Grants	\$ -	\$ 215,313	\$ 44,676	\$ 142,848	\$ 13,671	\$ -	\$ 416,508
Other	503	1,801	1,151	332	-	9	3,796
Total	\$ 503	\$ 217,114	\$ 45,827	\$ 143,180	\$ 13,671	\$ 9	\$ 420,304

The balance of accounts receivable is expected to be collected in full for all governmental funds so no allowance for doubtful accounts has been established. In the Section 8 program, the allowance for doubtful accounts is \$13,193.

**Webster Parish Office of Community Services**  
**Notes to the Financial Statements**  
**December 31, 2019**

**NOTE 6 - CAPITAL ASSETS** The following schedule presents changes in capital assets for governmental activities:

	Balance Beginning	Additions	Deletions	Balance Ending
Capital assets, being depreciated:				
Buildings and improvements	\$ 1,038,811	\$ 127,260	\$ -	\$ 1,166,071
Furniture, equipment and vehicles	1,819,178	478,307	-	2,297,485
Intangibles	18,160	-	-	18,160
Total	<u>2,876,149</u>	<u>605,567</u>	<u>-</u>	<u>3,481,716</u>
Less accumulated depreciation and amortization:				
Buildings and improvements	417,926	37,465	-	455,391
Furniture, equipment and vehicles	1,448,414	115,566	-	1,563,980
Amortization	13,282	3,632	-	16,914
Total	<u>1,879,622</u>	<u>156,663</u>	<u>-</u>	<u>2,036,285</u>
Governmental Activities, capital assets net	<u>\$ 996,527</u>	<u>\$ 448,904</u>	<u>\$ -</u>	<u>\$ 1,445,431</u>

Depreciation and amortization expense of \$156,663 was charged to the health and welfare function.

The following schedule presents changes in capital assets for the business-type activities:

	Balance Beginning	Additions	Deletions	Balance Ending
Capital assets, being depreciated:				
Furniture, equipment and vehicles	\$ 6,212	\$ 200	\$ -	\$ 6,412
Total	<u>6,212</u>	<u>200</u>	<u>-</u>	<u>6,412</u>
Less accumulated depreciation and amortization:				
Furniture, equipment and vehicles	5,862	91	-	5,953
Total	<u>5,862</u>	<u>91</u>	<u>-</u>	<u>5,953</u>
Business-type activities, capital assets net	<u>\$ 350</u>	<u>\$ 109</u>	<u>\$ -</u>	<u>\$ 459</u>

Depreciation expense of \$91 was charged to the health and welfare function.

**NOTE 7 - RETIREMENT SYSTEMS**

The Office of Community Services has an agreement with Mutual of America to participate in a 401(k) defined contribution plan. The plan was approved by the Board and any changes to the plan must be approved by the Board.

The Office of Community Services acts as the plan administrator and establishes separate accounts for each employee. An employee who wishes to participate in the plan will complete an application which is forwarded to the plan trustee for review and approval of the percentages and types of investment options chosen. All participants in the plan may elect to make salary reduction contributions. The employee can decide the percentage of deductions and type(s) of investments but no less than 1% of their salary may be chosen for salary reduction. Included in the options for

**Webster Parish Office of Community Services  
Notes to the Financial Statements  
December 31, 2019**

employees is the option to participate in a Roth account. There is also a catch-up option for those employees who wish to have a larger portion deducted from their salaries. The employer (plan administrator) contributes 4% of the employee's salary per year.

All employees are eligible to participate in the 401(k) plan on the first day of employment. Vesting rules of employees under the plan are as follows:

Employees will be 100% vested under any of the following circumstances:

1. The retirement age is reached, which is the date of attainment of age 60.
2. Death occurs during employment.
3. Total and permanent disability occurs during employment.

If termination of employment occurs for any reason other than retirement, death, or total and permanent disability, the percentage of vesting is determined as follows:

Year of Service	Percentage of Vesting
Less than 2	0%
2 but less than 3	20%
3 but less than 4	40%
4 but less than 5	60%
5 but less than 6	80%
6 or more	100%

Any non-vested amounts are forfeited and used to pay any charges incurred in connection with the termination of employment of the participant whose account was forfeited. Additionally, the employer can elect to use forfeitures to restore the forfeited portion of participants' accounts in the case of re-employment. At December 31, 2019, forfeited non-vested accounts totaled \$1,884.

The employer contributions by the Office of Community Services for the year ended December 31, 2019 were \$56,613. No employee contributions were made under the retirement plan for fiscal year ended December 31, 2019. The employer has no accounts payable to the retirement plan at December 31, 2019.

**NOTE 8 - LONG-TERM LIABILITIES** The following is a summary of the long-term liabilities transactions and balances for the year ended December 31, 2019:

Governmental Activities:

	Compensated Absences	Claims Payable	Total
Balance, Beginning	\$ 59,127	\$ 369,209	\$ 428,336
Additions	62,937	-	62,937
Deletions	57,669	-	57,669
Balance, Ending	64,395	369,209	433,604
Amount due within one year	\$ 64,395	\$ -	\$ 64,395

The compensated absences liability attributable to the governmental activities will be liquidated by the fund in which the salary is paid. Compensated absences primarily have been paid from the General fund, Headstart fund, Transportation fund and Food fund. See Note 11 for additional information regarding claims payable.



**Webster Parish Office of Community Services**  
**Notes to the Financial Statements**  
**December 31, 2019**

**Business-Type Activities:**

	Compensated Absences
Balance, Beginning	\$ 3,047
Additions	1,478
Deletions	2,049
Balance, Ending	2,476
Amount due within one year	\$ 128

**NOTE 9 - INTERFUND TRANSACTIONS (FFS LEVEL ONLY)**

**Interfund Receivable/Payables:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Headstart	\$ 85,229
	Transportation	24,389
	Food	35,437
	CSBG	16,037
	Nonmajor Governmental	12,773
	Section 8 Voucher	2,594
Headstart	Food	52,559
		\$ 229,018

The purpose of the interfund receivable/payables is to cover expenditures on cost-reimbursement programs until reimbursements are received.

**Interfund transfers:**

<u>Transfer In</u>	<u>Transfer Out</u>	
Headstart	General fund	\$ 4,824
Food	General fund	35,945
CSBG	General fund	11,507
Nonmajor Governmental	General fund	12,323
		\$ 64,599

The purposes of the interfund transfers was to clear deficits in grant funds.

**NOTE 10 - ACCOUNTS, SALARIES AND OTHER PAYABLES** The payables at December 31, 2019, are as follows:

	Governmental Activities					Nonmajor	Business- Type Activities	Total
	General	Headstart	Transportation	Food	CSBG	Governmental	Section 8 Voucher	
	Salaries	\$ 8,818	\$ 39,341	\$ 4,802	\$ 5,317	\$ 2,451	\$ 962	
Accounts	513	151,383	13,728	86,309	2,872	838	2,161	257,804
Total	\$ 9,331	\$ 190,724	\$ 18,530	\$ 91,626	\$ 5,323	\$ 1,800	\$ 3,442	\$ 320,776

**Webster Parish Office of Community Services**  
**Notes to the Financial Statements**  
**December 31, 2019**

**NOTE 11 - LITIGATION AND CLAIMS**

**Litigation** Per legal counsel, the Office of Community Services was involved in one lawsuit at December 31, 2019 that is covered under insurance.

**Grant Disallowances** The Office of Community Services participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grant.

**Headstart Program Disallowance** The Department of Health and Human Services' (HHS), Administration for Children and Families conducted a monitoring review of the 2012 Headstart program year. The monitoring reported findings resulting in disallowed costs by the Office of Community Services in the amount of \$369,209 which is reported as a liability due in more than one year on the Statement of Net Position. Interest of \$107,121 was paid on this liability and is included in the health and welfare expense on the Statement of Activities. No more interest is accruing as the Office of Community Services is currently negotiating the interest rate with the Department of Health and Human Services.

**NOTE 12 - RISK MANAGEMENT** The Office of Community Services is exposed to various risk related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Office of Community Services carries commercial insurance to manage these risks. In the past, the insurance has been sufficient to cover any settlements. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three years.

**NOTE 13 - OPERATING LEASE** The Office of Community Services leases buses under non-cancelable operating leases. Total costs for such leases were \$17,300 for the year ended December 31, 2019. The lease expired at the end of 2019.

**NOTE 14 - FUND BALANCE CLASSIFICATION DETAILS:** The following are details of the fund balance classifications:

	<u>General Fund</u>	<u>Headstart</u>	<u>Transportation</u>	<u>Food</u>	<u>CSBG</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Non-spendable:							
Prepaid items	\$ -	\$ 12,170	\$ 1,981	\$ 1,073	\$ 995	\$ 958	\$ 17,177
Restricted for:							
Grants	-	-	2,109	-	560	2,833	5,502
Unassigned:	353,148	(12,170)	-	(617)	-	(958)	339,403
Total	<u>\$ 353,148</u>	<u>\$ -</u>	<u>\$ 4,090</u>	<u>\$ 456</u>	<u>\$ 1,555</u>	<u>\$ 2,833</u>	<u>\$ 362,082</u>

**NOTE 15 – SUBSEQUENT EVENTS:** In March 2020, the United States Government and citizens began responding to the Coronavirus Pandemic (COVID-19). As part of this response, the State of Louisiana had issued a stay-at-home order for the citizens, which had also called for nonessential businesses to temporarily halt operations. Because of the unknown ramifications of COVID-19 and related corresponding Governor's stay-at-home orders and proclamations, the exact financial impact to the Office of Community Services cannot be determined at this point. Accordingly, these financial statements do not include any adjustment for any unfavorable revenue declines.

**REQUIRED SUPPLEMENTARY INFORMATION**

## Webster Parish Office of Community Services

### Budgetary Comparison Schedules

#### General Fund and Any Major Special Revenue Funds With a Legally Adopted Annual Budget

**GENERAL FUND** - This fund is the general operating fund of the Office of Community Services. It accounts for all activities except those required to be accounted for in other funds.

**HEADSTART** - This fund accounts for grant funding received for the purpose of providing young children, generally ages 3 to 5, in low-income families with services designed to meet their needs in various areas such as health, education, social services, etc.

**TRANSPORTATION** - This fund accounts for the grant funding received for the operations of the transportation program that provides affordable transportation to the residents within the parish.

**FOOD** - This fund accounts for the operations of the programs providing meal reimbursements to eligible institutions that serve meals to students at various locations within the parish.

**CSBG** - This fund accounts for grant funding received through Community Development Block Grants to assist the Office of Community Services with operations.

WEBSTER PARISH OFFICE OF COMMUNITY SERVICES

GENERAL FUND  
 Budgetary Comparison Schedule  
 For the Year Ended December 31, 2019

Exhibit 1-1

	BUDGETARY AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Local Sources:				
Interest and investment earnings	\$ -	\$ -	\$ 1,901	\$ 1,901
Other revenue	49,000	49,000	99,098	50,098
TOTAL REVENUES	49,000	49,000	100,999	51,999
EXPENDITURES				
Current:				
Health and welfare:				
Personnel	-	-	73	(73)
Office expense	24,250	24,250	943	23,307
Utilities	-	-	5	(5)
Other	16,250	16,250	12,942	3,308
Capital outlay	6,000	6,000	-	6,000
Debt service - Interest	2,500	2,500	107,121	(104,621)
TOTAL EXPENDITURES	49,000	49,000	121,084	(72,084)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	(20,085)	(20,085)
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(64,599)	(64,599)
NET CHANGE IN FUND BALANCES	-	-	(84,684)	(84,684)
FUND BALANCES - BEGINNING	-	-	437,832	437,832
FUND BALANCES - ENDING	\$ -	\$ -	\$ 353,148	\$ 353,148

WEBSTER PARISH OFFICE OF COMMUNITY SERVICES

HEADSTART  
Budgetary Comparison Schedule  
For the Year Ended December 31, 2019

Exhibit 1-2

	BUDGETARY AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Local Sources:				
Interest and investment earnings	\$ -	\$ -	\$ 2	\$ 2
Other revenue	-	-	7,345	7,345
Federal Sources	2,118,275	2,664,114	2,661,057	(3,057)
<b>TOTAL REVENUES</b>	<b>2,118,275</b>	<b>2,664,114</b>	<b>2,668,404</b>	<b>4,290</b>
EXPENDITURES				
Current:				
Health and welfare:				
Personnel	1,683,481	1,683,481	1,513,257	170,224
Gas, oil & repairs	70,500	70,500	52,177	18,323
Office expense	141,099	107,700	240,811	(133,111)
Insurance	60,902	60,902	39,352	21,550
Utilities	80,000	80,000	89,019	(9,019)
Food services	-	-	2,158	(2,158)
Other	82,293	82,293	132,242	(49,949)
Capital outlay	-	579,238	604,967	(25,729)
<b>TOTAL EXPENDITURES</b>	<b>2,118,275</b>	<b>2,664,114</b>	<b>2,673,983</b>	<b>(9,869)</b>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	(5,579)	(5,579)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	4,824	4,824
<b>NET CHANGE IN FUND BALANCES</b>	<b>-</b>	<b>-</b>	<b>(755)</b>	<b>(755)</b>
FUND BALANCES - BEGINNING	-	-	755	755
FUND BALANCES - ENDING	\$ -	\$ -	\$ -	\$ -

WEBSTER PARISH OFFICE OF COMMUNITY SERVICES

TRANSPORTATION  
 Budgetary Comparison Schedule  
 For the Year Ended December 31, 2019

Exhibit 1-3

	BUDGETARY AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Local Sources:				
Other revenue	\$ 154,300	\$ 154,300	\$ 126,042	\$ (28,258)
Federal Sources	375,000	375,000	283,635	(91,365)
<b>TOTAL REVENUES</b>	<b>529,300</b>	<b>529,300</b>	<b>409,677</b>	<b>(119,623)</b>
EXPENDITURES				
Current:				
Health and welfare:				
Personnel	305,126	305,126	237,694	67,432
Gas, oil & repairs	160,000	160,000	72,925	87,075
Office expense	39,275	39,275	28,321	10,954
Insurance	61,000	61,000	55,321	5,679
Utilities	12,000	12,000	14,234	(2,234)
Other	20,100	20,100	15,682	4,418
Capital outlay	-	-	200	(200)
<b>TOTAL EXPENDITURES</b>	<b>597,501</b>	<b>597,501</b>	<b>424,377</b>	<b>173,124</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(68,201)</b>	<b>(68,201)</b>	<b>(14,700)</b>	<b>53,501</b>
OTHER FINANCING SOURCES (USES)				
Transfers in	33,000	33,000	-	(33,000)
<b>NET CHANGE IN FUND BALANCES</b>	<b>(35,201)</b>	<b>(35,201)</b>	<b>(14,700)</b>	<b>20,501</b>
FUND BALANCES - BEGINNING	35,201	35,201	18,790	(16,411)
FUND BALANCES - ENDING	\$ -	\$ -	\$ 4,090	\$ 4,090

WEBSTER PARISH OFFICE OF COMMUNITY SERVICES

FOOD  
 Budgetary Comparison Schedule  
 For the Year Ended December 31, 2019

Exhibit 1-4

	BUDGETARY AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Local Sources:				
Other revenue	\$ -	\$ -	\$ 3,130	\$ 3,130
Federal Sources	1,187,527	1,193,989	1,066,858	(127,131)
<b>TOTAL REVENUES</b>	<b>1,187,527</b>	<b>1,193,989</b>	<b>1,069,988</b>	<b>(124,001)</b>
EXPENDITURES				
Current:				
Health and welfare:				
Personnel	263,187	269,648	225,812	43,836
Office expense	17,988	17,988	18,468	(480)
Insurance	-	-	1,661	(1,661)
Utilities	-	-	5,987	(5,987)
Service providers	620,000	620,000	640,275	(20,275)
Food services	254,937	254,937	183,237	71,700
Other	31,415	31,416	21,402	10,014
Capital outlay	-	-	200	(200)
<b>TOTAL EXPENDITURES</b>	<b>1,187,527</b>	<b>1,193,989</b>	<b>1,097,042</b>	<b>96,947</b>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	(27,054)	(27,054)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	35,945	35,945
<b>NET CHANGE IN FUND BALANCES</b>	<b>-</b>	<b>-</b>	<b>8,891</b>	<b>8,891</b>
FUND BALANCES - BEGINNING	-	-	(8,435)	(8,435)
FUND BALANCES - ENDING	\$ -	\$ -	\$ 456	\$ 456



WEBSTER PARISH OFFICE OF COMMUNITY SERVICES

CSBG  
 Budgetary Comparison Schedule  
 For the Year Ended December 31, 2019

Exhibit 1-5

	BUDGETARY AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Federal Sources	\$ 162,008	\$ 162,008	\$ 151,199	\$ (10,809)
TOTAL REVENUES	162,008	162,008	151,199	(10,809)
EXPENDITURES				
Current:				
Health and welfare:				
Personnel	149,540	149,540	138,118	11,422
Office expense	2,338	2,338	1,493	845
Utilities	2,375	2,375	2,661	(286)
Other	7,755	7,755	6,014	1,741
TOTAL EXPENDITURES	162,008	162,008	148,286	13,722
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	2,913	2,913
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	11,507	11,507
NET CHANGE IN FUND BALANCES	-	-	14,420	14,420
FUND BALANCES - BEGINNING	-	-	(12,865)	(12,865)
FUND BALANCES - ENDING	\$ -	\$ -	\$ 1,555	\$ 1,555

**Webster Parish Office of Community Services**

**Notes to Budgetary Comparison Schedules  
For the Year Ended December 31, 2019**

**A. BUDGETS**

**General Budget Policies** Preliminary budgets for the ensuing year are prepared for each program by the Executive Director prior to the beginning of the new grant year according to the related grant terms. During regular Board meetings the Executive Director presents the budgets to the Board for formal approval. The Executive Director answers any questions and makes any necessary changes and the budgets are formally adopted by the Board.

The Executive Director presents necessary budget amendments to the Board during the year when, in her judgment, actual operations or grant funding are differing materially from those anticipated in the original budget. During a regular meeting, the Board reviews the proposed amendments, makes changes as it deems necessary, and formally adopts the amendments.

The Office of Community Services exercises budgetary control at the functional level. Within functions the Executive Director has the discretion to make changes as she deems necessary for proper control. Unexpended appropriations lapse at year end and must be re-appropriated in the next year's budget to be expended. Formal budgetary integration is employed as a management control device.

For the year ended December 31, 2019, modified accrual budgets were adopted for the General fund and all special revenue funds. Budgets are adopted based on the grant budget year which may be different from the fiscal year end. The Transportation and Food budgets are on a grant year end which is different from the fiscal year end.

**Encumbrances** Encumbrance accounting is not recognized within the accounting records for budgetary control purposes. Authorization for the eventual expenditure will be included in the following year's budget appropriations.

**Budget Basis of Accounting** All governmental funds' budgets are prepared on the modified accrual basis of accounting. Budgeted amounts are as originally adopted or as amended by the Board.

**B. Actual Expenditures Exceeding Budgeted Expenditures**

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General	\$ 49,000	\$ 121,084	\$ (72,084)
Headstart	2,664,114	2,673,983	(9,869)

**SUPPLEMENTARY INFORMATION**

**Webster Parish Office of Community Services**

**NONMAJOR SPECIAL REVENUE FUNDS**

**HOUSING** – This fund accounts for grants received to assist low-income citizens in obtaining affordable housing.

**LIHEAP ENERGY** – This fund accounts for grant funding received through the Department of Health and Human Services to assist low-income citizens with energy payments.

**EMERGENCY ASSISTANCE** – This fund accounts for grant funds provided through FEMA to provide emergency assistance to meet needs of low-income citizens within the parish.

WEBSTER PARISH OFFICE OF COMMUNITY SERVICES

NONMAJOR SPECIAL REVENUE FUNDS  
 Combining Balance Sheet  
 December 31, 2019

Exhibit 2

	<u>HOUSING</u>	<u>LIHEAP ENERGY</u>	<u>EMERGENCY ASSISTANCE</u>	<u>TOTAL</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 259	\$ 12,323	\$ 3,857	\$ 16,439
Receivables	-	9	-	9
Prepaid items	-	958	-	958
	<u>259</u>	<u>13,290</u>	<u>3,857</u>	<u>17,406</u>
<b>TOTAL ASSETS</b>				
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts, salaries and other payables	-	1,800	-	1,800
Interfund payables	169	11,490	1,114	12,773
	<u>169</u>	<u>13,290</u>	<u>1,114</u>	<u>14,573</u>
<b>TOTAL LIABILITIES</b>				
Fund balances:				
Nonspendable	-	958	-	958
Restricted	90	-	2,743	2,833
Unassigned	-	(958)	-	(958)
	<u>90</u>	<u>-</u>	<u>2,743</u>	<u>2,833</u>
<b>TOTAL FUND BALANCES</b>				
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 259</u>	<u>\$ 13,290</u>	<u>\$ 3,857</u>	<u>\$ 17,406</u>

WEBSTER PARISH OFFICE OF COMMUNITY SERVICES

NONMAJOR SPECIAL REVENUE FUNDS  
 Combining Statement of Revenues, Expenditures,  
 and Changes in Fund Balances  
 For the Year Ended December 31, 2019

Exhibit 3

	HOUSING	LIHEAP ENERGY	EMERGENCY ASSISTANCE	TOTAL
REVENUES				
Federal Sources	\$ -	\$ 355,381	\$ -	\$ 355,381
TOTAL REVENUES	<u>-</u>	<u>355,381</u>	<u>-</u>	<u>355,381</u>
EXPENDITURES				
Current:				
Health and welfare:				
Personnel	-	35,988	-	35,988
Office expense	-	9,578	-	9,578
Insurance	-	1,661	-	1,661
Utilities	-	4,517	-	4,517
Service providers	-	339,281	-	339,281
Other	-	12,843	-	12,843
Capital outlay	-	200	-	200
TOTAL EXPENDITURES	<u>-</u>	<u>404,068</u>	<u>-</u>	<u>404,068</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(48,687)	-	(48,687)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	12,323	-	12,323
NET CHANGE IN FUND BALANCES	-	(36,364)	-	(36,364)
FUND BALANCES - BEGINNING	<u>90</u>	<u>36,364</u>	<u>2,743</u>	<u>39,197</u>
FUND BALANCES - ENDING	<u>\$ 90</u>	<u>\$ -</u>	<u>\$ 2,743</u>	<u>\$ 2,833</u>

**Webster Parish Office of Community Services  
Schedule of Compensation Paid Board Members  
For the Year Ended December 31, 2019**

**Exhibit 4**

**COMPENSATION PAID BOARD MEMBERS** The schedule of compensation paid to Board Members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

The following board members received no compensation for the year ended December 31, 2019.

Joseph Jefferson	Steve Lemmons
L.R. Clemons	Patsy Dees
Cat Cox	Virginia Jefferson
Shirley Williams	Vera Davison
Steve Wilson	Latasha Hill
Steve Ramsey	Joe Cornelius
Jim Yocum	Carl Thompson
Bammer Fuller	Charlotte Jones
Debbie Thomas	Jerri Lee

**Webster Parish Office of Community Services  
Schedule of Compensation, Benefits and Other Payments to Agency Head  
For the Year Ended December 31, 2019**

**Exhibit 5**

**Agency Head Name: Melinda Davidson, Executive Director**

<u>Purpose</u>	<u>Melinda Davidson</u>
Salary	\$ 52,000
Benefits-insurance	7,728
Benefits-retirement	5,980
Travel	13,632



## Webster Parish Office of Community Services

Webster Parish Police Jury (LA213)

Minden, LA

### Program Balance Sheet Summary

Submission Type:	Audited/Single Audit	Fiscal Year End:	<b>Exhibit 6</b>
			12/31/2019
		14.871 Housing Choice Vouchers	Total
111	Cash - Unrestricted	\$86,533	\$86,533
112	Cash - Restricted - Modernization and Development		
113	Cash - Other Restricted	\$4,905	\$4,905
114	Cash - Tenant Security Deposits		
115	Cash - Restricted for Payment of Current Liabilities		
100	Total Cash	\$91,438	\$91,438
121	Accounts Receivable - PHA Projects		
122	Accounts Receivable - HUD Other Projects		
124	Accounts Receivable - Other Government		
125	Accounts Receivable - Miscellaneous		
126	Accounts Receivable - Tenants		
126.1	Allowance for Doubtful Accounts - Tenants		
126.2	Allowance for Doubtful Accounts - Other		
127	Notes, Loans, & Mortgages Receivable - Current		
128	Fraud Recovery	\$13,193	\$13,193
128.1	Allowance for Doubtful Accounts - Fraud	-\$13,193	-\$13,193
129	Accrued Interest Receivable		
120	Total Receivables, Net of Allowances for Doubtful Accounts	\$0	\$0
131	Investments - Unrestricted	\$5,903	\$5,903
132	Investments - Restricted		
135	Investments - Restricted for Payment of Current Liability		
142	Prepaid Expenses and Other Assets	\$6,095	\$6,095
143	Inventories		
143.1	Allowance for Obsolete Inventories		
144	Inter Program Due From		
145	Assets Held for Sale		
150	Total Current Assets	\$103,436	\$103,436
161	Land		
162	Buildings		
163	Furniture, Equipment & Machinery - Dwellings		
164	Furniture, Equipment & Machinery - Administration	\$6,412	\$6,412
165	Leasehold Improvements		
166	Accumulated Depreciation	-\$5,953	-\$5,953
167	Construction in Progress		
168	Infrastructure		
160	Total Capital Assets, Net of Accumulated Depreciation	\$459	\$459
171	Notes, Loans and Mortgages Receivable - Non-Current		
172	Notes, Loans, & Mortgages Receivable - Non Current - Past		
173	Grants Receivable - Non Current		
174	Other Assets		
176	Investments in Joint Ventures		
180	Total Non-Current Assets	\$459	\$459
200	Deferred Outflow of Resources		
290	Total Assets and Deferred Outflow of Resources	\$103,895	\$103,895

(Continued)

**Webster Parish Office of Community Services**

Webster Parish Police Jury (LA213)

Minden, LA

**Program Balance Sheet Summary**

**Exhibit 6**

311 Bank Overdraft		
312 Accounts Payable <= 90 Days	\$2,161	\$2,161
313 Accounts Payable >90 Days Past Due		
321 Accrued Wage/Payroll Taxes Payable	\$1,281	\$1,281
322 Accrued Compensated Absences - Current Portion	\$128	\$128
324 Accrued Contingency Liability		
325 Accrued Interest Payable		
331 Accounts Payable - HUD PHA Programs	\$2,594	\$2,594
332 Account Payable - PHA Projects		
333 Accounts Payable - Other Government		
341 Tenant Security Deposits		
342 Unearned Revenue		
343 Current Portion of Long-term Debt - Capital		
344 Current Portion of Long-term Debt - Operating Borrowings		
345 Other Current Liabilities		
346 Accrued Liabilities - Other		
347 Inter Program - Due To		
348 Loan Liability - Current		
310 Total Current Liabilities	\$6,164	\$6,164
351 Long-term Debt, Net of Current - Capital Projects/Mortgage		
352 Long-term Debt, Net of Current - Operating Borrowings		
353 Non-current Liabilities - Other		
354 Accrued Compensated Absences - Non Current	\$2,348	\$2,348
355 Loan Liability - Non Current		
356 FASB 5 Liabilities		
357 Accrued Pension and OPEB Liabilities		
350 Total Non-Current Liabilities	\$2,348	\$2,348
300 Total Liabilities	\$8,512	\$8,512
400 Deferred Inflow of Resources		
508.4 Net Investment in Capital Assets	\$459	\$459
511.4 Restricted Net Position	\$4,905	\$4,905
512.4 Unrestricted Net Position	\$90,019	\$90,019
513 Total Equity - Net Assets / Position	\$95,383	\$95,383
600 Total Liabilities, Deferred Inflows of Resources and Equity	\$103,895	\$103,895

(Continued)

## Webster Parish Office of Community Services

Webster Parish Police Jury (LA213)  
Minden, LA

### Program Revenue and Expense Summary

**Exhibit 6**

Submission Type:	Audited/Single Audit	Fiscal Year End:	12/31/2019
		14,871 Housing Choice Vouchers	Total
70300	Net Tenant Rental Revenue		
70400	Tenant Revenue - Other		
70500	Total Tenant Revenue	\$0	\$0
70600	HUD PHA Operating Grants	\$622,682	\$622,682
70610	Capital Grants		
70710	Management Fee		
70720	Asset Management Fee		
70730	Book Keeping Fee		
70740	Front Line Service Fee		
70750	Other Fees		
70700	Total Fee Revenue		
70800	Other Government Grants		
71100	Investment Income - Unrestricted	\$75	\$75
71200	Mortgage Interest Income		
71300	Proceeds from Disposition of Assets Held for Sale		
71310	Cost of Sale of Assets		
71400	Fraud Recovery	\$2,719	\$2,719
71500	Other Revenue	\$4,457	\$4,457
71600	Gain or Loss on Sale of Capital Assets		
72000	Investment Income - Restricted		
70000	Total Revenue	\$629,933	\$629,933
91100	Administrative Salaries	\$38,789	\$38,789
91200	Auditing Fees	\$6,324	\$6,324
91300	Management Fee		
91310	Book-keeping Fee		
91400	Advertising and Marketing	\$799	\$799
91500	Employee Benefit contributions - Administrative	\$7,727	\$7,727
91600	Office Expenses	\$15,957	\$15,957
91700	Legal Expense		
91800	Travel	\$3,214	\$3,214
91810	Allocated Overhead		
91900	Other	\$0	\$0
91000	Total Operating - Administrative	\$72,810	\$72,810
92000	Asset Management Fee		
92100	Tenant Services - Salaries		
92200	Relocation Costs		
92300	Employee Benefit Contributions - Tenant Services		
92400	Tenant Services - Other		
92500	Total Tenant Services	\$0	\$0
93100	Water		
93200	Electricity	\$2,144	\$2,144
93300	Gas		
93400	Fuel		
93500	Labor		
93600	Sewer		
93700	Employee Benefit Contributions - Utilities		
93800	Other Utilities Expense	\$2,373	\$2,373
93000	Total Utilities	\$4,517	\$4,517

(Continued)

## Webster Parish Office of Community Services

Webster Parish Police Jury (LA213)

Minden, LA

### Program Revenue and Expense Summary

**Exhibit 6**

94100 Ordinary Maintenance and Operations - Labor		
94200 Ordinary Maintenance and Operations - Materials and		
94300 Ordinary Maintenance and Operations Contracts		
94500 Employee Benefit Contributions - Ordinary Maintenance		
94000 Total Maintenance	\$0	\$0
95100 Protective Services - Labor		
95200 Protective Services - Other Contract Costs		
95300 Protective Services - Other		
95500 Employee Benefit Contributions - Protective Services		
95000 Total Protective Services	\$0	\$0
96110 Property Insurance		
96120 Liability Insurance	\$1,102	\$1,102
96130 Workmen's Compensation		
96140 All Other Insurance	\$1,563	\$1,563
96100 Total insurance Premiums	\$2,665	\$2,665
96200 Other General Expenses	\$730	\$730
96210 Compensated Absences		
96300 Payments in Lieu of Taxes		
96400 Bad debt - Tenant Rents	\$13,832	\$13,832
96500 Bad debt - Mortgages		
96600 Bad debt - Other		
96800 Severance Expense		
96000 Total Other General Expenses	\$14,562	\$14,562
96710 Interest of Mortgage (or Bonds) Payable		
96720 Interest on Notes Payable (Short and Long Term)		
96730 Amortization of Bond Issue Costs		
96700 Total Interest Expense and Amortization Cost	\$0	\$0
96900 Total Operating Expenses	\$94,554	\$94,554
97000 Excess of Operating Revenue over Operating Expenses	\$535,379	\$535,379
97100 Extraordinary Maintenance		
97200 Casualty Losses - Non-capitalized		
97300 Housing Assistance Payments	\$538,959	\$538,959
97350 HAP Portability-In		
97400 Depreciation Expense	\$91	\$91
97500 Fraud Losses		
97600 Capital Outlays - Governmental Funds		
97700 Debt Principal Payment - Governmental Funds		
97800 Dwelling Units Rent Expense		
90000 Total Expenses	\$633,604	\$633,604

(Continued)

**Webster Parish Office of Community Services**

Webster Parish Police Jury (LA213)

Minden, LA

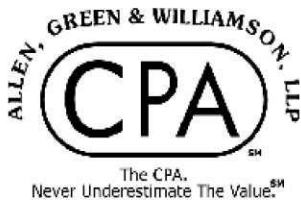
**Program Revenue and Expense Summary**

**Exhibit 6**

10010 Operating Transfer In		
10020 Operating transfer Out		
10030 Operating Transfers from/to Primary Government		
10040 Operating Transfers from/to Component Unit		
10050 Proceeds from Notes, Loans and Bonds		
10060 Proceeds from Property Sales		
10070 Extraordinary Items, Net Gain/Loss		
10080 Special Items (Net Gain/Loss)		
10091 Inter Project Excess Cash Transfer In		
10092 Inter Project Excess Cash Transfer Out		
10093 Transfers between Program and Project - In		
10094 Transfers between Project and Program - Out		
10100 Total Other financing Sources (Uses)	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	-\$3,671	-\$3,671
11020 Required Annual Debt Principal Payments	\$0	\$0
11030 Beginning Equity	\$99,054	\$99,054
11040 Prior Period Adjustments, Equity Transfers and		
11050 Changes in Compensated Absence Balance		
11060 Changes in Contingent Liability Balance		
11070 Changes in Unrecognized Pension Transition Liability		
11080 Changes in Special Term/Severance Benefits Liability		
11090 Changes in Allowance for Doubtful Accounts - Dwelling		
11100 Changes in Allowance for Doubtful Accounts - Other		
11170 Administrative Fee Equity	\$90,478	\$90,478
11180 Housing Assistance Payments Equity	\$4,905	\$4,905
11190 Unit Months Available	1635	1635
11210 Number of Unit Months Leased	1635	1635
11270 Excess Cash		
11610 Land Purchases		
11620 Building Purchases		
11630 Furniture & Equipment - Dwelling Purchases		
11640 Furniture & Equipment - Administrative Purchases		
11650 Leasehold Improvements Purchases		
11660 Infrastructure Purchases		
13510 CFFP Debt Service Payments		
13901 Replacement Housing Factor Funds		

(Concluded)

**Other Reports Required by *Government Auditing Standards* and  
Uniform Guidance**



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Ernest L. Allen, CPA  
(Retired) 1963 - 2000

## **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***

### **Independent Auditor's Report**

Board Members  
Webster Parish Office of Community Services  
A Component Unit of the Webster Parish Police Jury  
Minden, Louisiana

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Webster Parish Office of Community Services, a component unit of the Webster Parish Police Jury, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise Office of Community Services' basic financial statements, and have issued our report thereon dated December 23, 2020.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Office of Community Services' 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Office of Community Services' internal control. Accordingly, we do not express an opinion on the effectiveness of the Office of Community Services' 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.

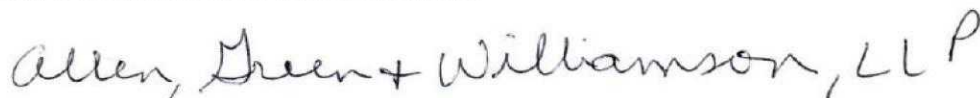
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 the Office of Community Services' 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "Allen, Green & Williamson, LLP". The signature is written in dark ink and is positioned above the printed name of the firm.

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
December 23, 2020





# ALLEN, GREEN & WILLIAMSON, LLP

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## **Report on Compliance for Each Major Federal Program; and Report on Internal Control over Compliance Required by the Uniform Guidance**

### **Independent Auditor's Report**

#### Board Members

Webster Parish Office of Community Services  
A Component Unit of the Webster Parish Police Jury  
Minden, Louisiana

#### **Report on Compliance for Each Major Federal Program**

We have audited Webster Parish Office of Community Services, a component unit of the Webster Parish Police Jury's, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Office of Community Services' major federal programs for the year ended December 31, 2019. The Office of Community Services' 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 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 the Office of Community Services' 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 of 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 the Office of Community Services' 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 the Office of Community Services' compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the Office of Community Services 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, 2019.

### **Report on Internal Control Over Compliance**

Management of the Office of Community Services 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 the Office of Community Services' 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 the Office of Community Services' 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 a 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

*Allen, Green & Williamson, LLP*

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
December 23, 2020

**Webster Parish Office of Community Services  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2019**

**Exhibit 7**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA <u>Number</u>	Pass-Through <u>Grantor No.</u>	<u>Expenditures</u>
<b>FEDERAL AWARDS</b>			
United States Department of Agriculture			
Passed through the State of Louisiana Department of Education:			
Child and Adult Care Food Program – Family Day Care	10.558	FY2018 & FY 2019	\$ 784,491
Child and Adult Care Food Program – Head Start Food Service	10.558	93-416	<u>259,740</u>
Total Child and Adult Care Food Program			<u>\$ 1,044,231</u>
Total U. S. Department of Agriculture			<u>1,044,231</u>
United States Department of Housing and Urban Development			
Direct Programs:			
Section 8 Housing Choice Vouchers Cluster	14.871	LA213	<u>622,682</u>
Total U. S. Department of Housing and Urban Development			<u>622,682</u>
United States Department of Transportation			
Passed Through Webster Parish Police Jury			
		LA-18-X028	
Formula Grants for Rural Areas - FTA Section 5311	20.509	LA-2019-011	<u>283,635</u>
Total U. S. Department of Transportation			<u>283,635</u>
U. S. Department of Health and Human Services			
Direct programs:			
Head Start	93.600	06CH10140-05	2,683,684
Passed Through Louisiana Office of Workforce Development:			
Community Services Block Grant (477 Cluster)	93.569	2019P0012	151,199
Passed Through Louisiana Housing Corporation			
Low Income Home Energy Assistance	93.568	FY2018 & FY2019	<u>355,381</u>
Total Department of Health and Human Services			<u>3,190,264</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 5,140,812</u></u>

The accompanying notes are an integral part of the schedule.

**Webster Parish Office of Community Services**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2019**

**NOTE 1 - BASIS OF PRESENTATION** The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Webster Parish Office of Community Services, a component unit of the Webster Parish Police Jury, under programs of the federal government for the year ended December 31, 2019. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the Webster Parish Office of Community Services, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Office of Community Services.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** Expenditures reported on the Schedule are reported on the modified accrual basis of accounting except for Section 8 Voucher which is reported on the full accrual basis which is described in Note 1 of the Notes to the Financial Statements of the Office of Community Service's annual financial report. 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.

**NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS** Federal awards revenues are reported in the Office of Community Services' fund financial statements as follows:

	<u>Federal Sources</u>
Major:	
Headstart	\$ 2,661,057
Transportation	283,635
Food	1,066,858
CSBG	151,199
Nonmajor Special Revenue:	
LIHEAP Energy	355,381
Total governmental funds	4,518,130
Business-Type Activities	
Section 8 Voucher	622,682
Total	\$ 5,140,812

**NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS** Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

**NOTE 5 - MATCHING REVENUES AND STATE FUNDING** For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

**NOTE 6 - DE MINIMUS INDIRECT COST RATE** The Office of Community Services has not elected to utilize the 10% de minimus indirect cost rate allowed under the Uniform Guidance.

**Webster Parish Office of Community Services  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2019**

**PART I - Summary of the Auditor's Results**

**Financial Statement Audit**

- i. The type of audit report issued was unmodified.
- ii. There were no significant deficiencies identified that are required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States of America.
- iii. There were no instances of noncompliance identified that are considered to be material, as defined by the Government Auditing Standards, to the basic financial statements.

**Audit of Federal Awards**

- iv. There were no significant deficiencies identified that are required to be disclosed by the Uniform Guidance (2 CFR 200).
- v. The type of report the auditor issued on compliance for major programs was unmodified.
- vi. The audit disclosed no audit findings which the auditor is required to report under Uniform Guidance.
- vii. The major federal programs are:
  - CFDA #93.600                      Head Start
- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in the Uniform Guidance was \$750,000.
- ix. The auditee does not qualify as a low-risk auditee under the Uniform Guidance.





Webster Parish Police Jury  
**OFFICE OF COMMUNITY SERVICES**

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**Summary of Prior Year Audit Findings and Questioned Costs  
For the Year Ended December 31, 2019**

**Reference # and title:**        **2018-001**    **Inadequate Internal Control Over Activities Allowed or Unallowed and Allowable Cost/Cost Principles**

**Origination date:** This finding originated in fiscal year end December 31, 2018.

**CFDA#, Federal Award Title, Federal Agency, Federal Award # and Year:** This finding is specific to Head Start program, CFDA #93.600, for the Federal Award year 2017 received from Federal Agency: United States Department of Health and Human Services.

**Condition:** Good internal control over activities allowed or unallowed and allowable cost/cost principles require that accounting records contain accurate and complete information, which would ensure that financial data can be relied upon to monitor the financial well-being of the Office of Community Services. Good internal controls also require that budget to actual comparisons are performed on a timely basis. Additionally, the Office of Community Services should establish procedures to ensure that checks are properly voided and that only expenditures that relate to the period are recorded within that period.

When reviewing the accounting records related to the Head Start program, the following items were noted:

- When performing a review of material checks written during the year, there was one check written that was later voided, but was not properly voided. It was noted that the voided check was not marked as voided and included both manual signatures needed to process for payment.
- When reviewing checks written after year-end, there was one check noted that was accrued at year-end that did not relate to the audit period.
- When reviewing year-end accounts payable, there were several disbursements noted for a total of \$176,821 after year-end that were improperly accrued at year-end. The auditors requested a journal entry for both accounts payable and the related receivable to correct this error. It was also noted that this amount was incorrectly reported on the year-end form 425 that was submitted.
- Various adjusting journal entries were proposed by the auditor to correct year-end revenue balances, prior year balances, and to record unearned revenue related to the Head Start program for amounts drawn down in error during the year.
- It was noted that the Head Start budget was not closely monitored the last six months of the year due to change in personnel.

**Corrective action taken:** Procedures have been implemented to ensure checks are properly voided that will prevent processing of a check that was voided in the system. Procedures have been implemented to ensure proper amounts are drawn down from the Payment Management System for the grant and that disbursements are recorded in the proper period and that amounts are not accrued at year-end that do not relate to fiscal year. This finding is considered cleared.

## Summary of Prior Year Audit Findings and Questioned Costs (continued)

**Reference # and title:**      **2018-002**    **Cash Management**

**Origination date:** This finding originated in fiscal year end December 31, 2018.

**CFDA#, Federal Award Title, Federal Agency, Federal Award # and Year:** This finding is specific to Head Start program, CFDA #93.600, for the Federal Award year 2017 received from Federal Agency: United States Department of Health and Human Services.

**Condition:** Federal regulation 48 CFR section 52.216-7(b) requires that when non-Federal entities are paid on a reimbursement basis, that program costs must be paid for with entity funds before reimbursement is requested from the Federal Government.

When reviewing a sample of three reimbursement draw-downs for the Head Start program during the year, it was noted that each request included more expenses than actual paid during the period. This resulted in the Office of Community Services having total unearned revenue recorded as of the end of the year of \$109,266 related to the Head Start program.

**Corrective action taken:** Controls have been put in place to ensure that proper amounts are drawn down for reimbursement. This finding is considered cleared.

**Reference # and title:**      **2018-003**    **Special Test and Provisions- Performance-Based Requirement**

**Origination date:** This finding originated in fiscal year end December 31, 2018.

**CFDA#, Federal Award Title, Federal Agency, Federal Award # and Year:** This finding is specific to LIHEAP Energy Assistance program, CFDA #93.568, for the Federal Award year 2017 received from Federal Agency: United States Department of Health and Human Services, passed through Louisiana Housing Corporation.

**Condition:** The terms of the subrecipient contract with Louisiana Housing Corporation establishes minimum percentages to be expended at various times throughout the term of the grant (50% after six months, 90% after nine months and 100% by the end of the contract term). Good internal controls require that procedures should be established to ensure these minimum percentages are obtained.

When reviewing the level of spending throughout the grant terms, as reported on the weekly reports, it was noted that the Office of Community Services did not meet the required minimum level of expenditures as agreed to in the subrecipient contract. The Office of Community Services spent 46% after six months, 71% after nine months and only spent 97% of the grant amount by the end of the fiscal year.

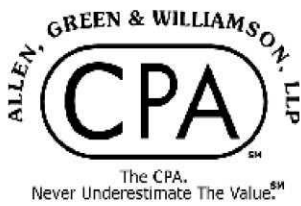
**Corrective action taken:** Executive Director is working closely with the LIHEAP Director to make sure that the proper level of expenditures are monitored throughout the year. This finding is considered cleared.

Respectfully submitted,



## **AGREED-UPON PROCEDURES**





# ALLEN, GREEN & WILLIAMSON, LLP

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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING STATEWIDE AGREED-UPON PROCEDURES

Board Members  
Webster Parish Office of Community Services  
Minden, Louisiana

We have performed the procedures enumerated below, which were agreed to by the management of Webster Parish Office of Community Services, Minden, Louisiana, and the Louisiana Legislative Auditor (LLA), on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year ended December 31, 2019. The Office of Community Services' management is responsible for the control and compliance areas identified in these SAUPs.

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 the reports. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

### Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
  - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) **Disbursements**, including processing, reviewing, and approving
  - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics** including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

**Comment:** When reviewing the applicable written policies and procedures for the required elements, it was noted that the ethics policy did not include the requirement that all employees annually attest that they have read the policy and the disaster recovery policy does not address identification of critical data or use of antivirus software on all computers.

**Management's Response:** Webster Parish Office of Community Services has reviewed the above mentioned policies and procedures and the necessary changes have been made to include that employees annually attest they have read the ethics policy and changes have been made to the disaster recovery policy to address identification of critical data and use of anti-virus software on all computers.

### **Bank Reconciliations**

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3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
  - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
  - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
  - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

**Comment:** Five bank accounts were selected for testing. One account had 7 checks outstanding for more than one year.

**Management's Response:** All checks left outstanding for more than six months will be researched and processed in a timely manner.

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

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8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
  - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
  - a) Observe that the disbursement matched the related original invoice/billing statement.
  - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

**Comment:** The accounting technician can add vendors to the system and also processes payments. The compensating controls are that all checks required 2 signatures one of which must be a manual signature and bank statements are sent to a contracted CPA to do the bank reconciliation. Bank statements are not sent to the accounting department.

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

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11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

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

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

**Comment:** There were no exceptions noted as a result of applying the agreed upon procedures.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those control and compliance areas identified in the SAUPs. 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 those control and compliance areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.



ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
December 23, 2020