

**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, 2017**

Webster Parish Office of Community Services

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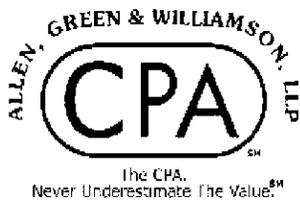
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Webster Parish Office of Community Services

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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, 2017, 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, 2017, 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 and Budgetary Comparison Schedules, 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 June 30, 2018 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.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
June 30, 2018

**Webster Parish Office of Community Services
Minden, Louisiana**

REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion And Analysis (MD&A)

**Webster Parish Office of Community Services
Management's Discussion and Analysis (MD&A)
December 31, 2017**

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, 2017.

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 2017 by \$1,305,829. Of this amount, \$170,990 (unrestricted net position) 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 \$85,210, or 7% compared to 2016.
- The Office of Community Services' total general and program revenues were \$4,301,136 in 2017 which is an increase of \$2,083 over 2016. There was an overall increase in federal funding of \$41,275. The federal funding for the Head Start and Food programs increased \$85,738 and \$24,341, respectively, with decreases in the total funding of the Transportation, Community Services grants, and LIHEAP programs exceeding \$68,804.
- During the year ended December 31, 2017, the Office of Community Services had total expenses of \$4,215,926, which includes depreciation expense. Expenses for 2016 totaled \$4,259,574. Expenses decreased in 2017 by \$43,648 with the largest decreases occurring in salaries and benefits.

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 Community Services Fund.

**Webster Parish Office of Community Services
Management's Discussion and Analysis (MD&A)
December 31, 2017**

Required Supplementary Information

Management's Discussion & Analysis (MD&A)

Basic Financial Statements

**Government-wide
Financial Statements**



**Fund
Financial Statements**

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Budgetary Information for Major Funds

Supplementary Information

**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

**Webster Parish Office of Community Services
Management's Discussion and Analysis (MD&A)
December 31, 2017**

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:

**Webster Parish Office of Community Services
Management's Discussion and Analysis (MD&A)
December 31, 2017**

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 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 \$1,305,829, at December 31, 2017. Of this amount, \$170,990 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,**

	Governmental Activities		Business-Type Activities	
	2017	2016	2017	2016
Other assets	\$ 842,018	\$ 744,753	\$ 70,952	\$ 103,853
Capital assets	986,844	985,770	-	-
Total assets	<u>1,828,862</u>	<u>1,730,523</u>	<u>70,952</u>	<u>103,853</u>
Other liabilities	199,012	171,451	2,704	59,546
Long-term liabilities	324,021	338,453	-	-
Total liabilities	<u>523,033</u>	<u>509,904</u>	<u>2,704</u>	<u>59,546</u>
Net position				
Investment in capital assets	986,844	985,771	-	-
Restricted	147,995	85,241	8,323	15,573
Unrestricted	170,990	149,607	59,925	28,734
Total net position	<u>\$ 1,305,829</u>	<u>\$ 1,220,619</u>	<u>\$ 68,248</u>	<u>\$ 44,307</u>

**Webster Parish Office of Community Services
Management's Discussion and Analysis (MD&A)
December 31, 2017**

The \$170,990 in unrestricted net position 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 have \$170,990 left.

The net position for governmental activities increased by \$85,210 during the fiscal year ended December 31, 2017. As mentioned earlier, this increase in net position results from total overall expenses being comparable with the revenues, and receipt of restitution for a theft that occurred several years ago.

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,**

	<u>Governmental Activities</u>			<u>Business-type Activities</u>		
	<u>2017</u>	<u>2016</u>	<u>Increase (Decrease) From 2016</u>	<u>2017</u>	<u>2016</u>	<u>Increase (Decrease) From 2016</u>
Revenues:						
Program revenues:						
Charges for services	\$ 45,904	\$ 52,290	\$ (6,386)	\$ -	\$ -	\$ -
Operating grants & contributions	4,054,378	4,013,103	41,275	682,655	634,361	48,294
General revenues:						
Other revenues	200,854	233,660	(32,806)	10,290	116	10,174
Total revenues	<u>4,301,136</u>	<u>4,299,053</u>	<u>2,083</u>	<u>692,945</u>	<u>634,477</u>	<u>58,468</u>
Functions/Program Expenses:						
Health & welfare	4,215,926	4,259,574	(43,648)	669,004	626,571	42,433
Total expenses	<u>4,215,926</u>	<u>4,259,574</u>	<u>(43,648)</u>	<u>669,004</u>	<u>626,571</u>	<u>42,433</u>
Increase (decrease) in net position	85,210	39,479	45,731	23,941	7,906	16,035
Net Position - Beginning	<u>1,220,619</u>	<u>1,181,140</u>	<u>39,479</u>	<u>44,307</u>	<u>36,401</u>	<u>7,906</u>
Net Position - Ending	<u>\$ 1,305,829</u>	<u>\$ 1,220,619</u>	<u>\$ 85,210</u>	<u>\$ 68,248</u>	<u>\$ 44,307</u>	<u>\$ 23,941</u>

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.

**Webster Parish Office of Community Services
Management's Discussion and Analysis (MD&A)
December 31, 2017**

As the Office of Community Services completed this year, our governmental funds reported a combined fund balance of \$643,006 which is an increase of \$69,703 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 increased by \$54,541 to \$530,752. Revenues of the general fund of \$76,551, included the receipt \$18,816 for a workmens' compensation insurance dividend distribution, \$16,860 in restitution proceeds from a prior year theft and interest earned from the Louisiana Asset Management Pool Account. In addition, the general fund reported \$4,320 in transfers from the transportation fund. These revenues and other sources exceeded the general fund expenditures of \$26,330 for 2017.

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 increased by \$13,676. Although revenues exceeded expenditures, it was noted that the federal funding was approximately \$86,000 less than last year, and the expenditures were approximately \$100,000 more. This year the program spent \$118,937 in capital outlay expenditures for new roofing for 2 Head Start facilities and air conditioning units.

The Transportation fund accounts for funds used to provide transportation services to citizens within the parish. The fund balance in this fund decreased \$38,595 to (\$39,020). Comparing the activities of this fund to the prior year, the decrease in the transportation program changes was due to a decrease in payments received for transporting Medicaid clients, while the expenditures for transportation remained the same.

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 \$41,350 to \$101,903. The increase was due mainly to an increase in funding for Head Start Food Services. The food expenditures increased, however, administrative expenditures decreased when comparing both to prior year.

The Community Services fund accounts for fund used to assist the Office of Community Services with operations. The fund balance in this fund decreased by \$10,083 to (\$13,736). The decrease was due to funds were used to cover costs not covered by other federal or state programs. The Community Services received the maximum grant from the CSBG and still had expenditures that were not covered. There was an increase in travel of \$3,000 and an increase in telephone and facility maintenance expenditures of \$1,000 each.

The Nonmajor Governmental funds are comprised of the other special revenue funds (Housing, LIHEAP Energy and Emergency Assistance). The combined funds showed an increase in fund balance of \$8,814 to \$21,284. While revenues and expenditures were both approximately \$38,000 less this year, the fund still reported an increase in fund balance. The increase was largely attributed to activities from the LIHEAP program. They received more money for administration costs that were not used in the current year. The audit costs that were allocated to LIHEAP were \$4,000 less than prior year.

The Section 8 Voucher fund accounts for the activity for HUD's Section 8 Housing Choice Voucher program. The net position in this fund increased \$23,941 to \$68,248. Reasons for this increase include an increase in funding for HAP payments and administration and there is a new revenue source for HUD fraud recovery that is being looked at more closely in the audit year. There was also a decrease in administrative costs during the audit year.

**Webster Parish Office of Community Services
Management's Discussion and Analysis (MD&A)
December 31, 2017**

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 2017 General Fund original budget.

The final actual revenues exceeded budgeted by \$25,201. Actual revenues included restitution payments and other revenues which were not included in the original budget. The Office of Community Services budgeted the expenditures were allocated to the various categories to adopt a balanced budget. The resulting actual expenditures covered by the General Fund for all categories was less than originally proposed.

CAPITAL ASSETS

Capital Assets At December 31, 2017, the Office of Community Services had \$986,844 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 \$1,074, or 0.1% from last year. The major additions included installing new roofing on 2 Head Start buildings, and purchases of equipment including 2 air conditioning/heating units, 2 desktop computers, and a stove.

	Capital Assets			
	December 31,			
	Governmental Activities		Business-Type Activities	
	2017	2016	2017	2016
Buildings and improvements	\$ 1,038,811	\$ 927,704	\$ -	\$ -
Furniture, equipment & vehicles	1,730,392	1,722,685	5,824	5,824
Intangibles	18,160	18,160	-	-
Total cost of capital net assets	2,787,363	2,668,549	5,824	5,824
Less: accumulated depreciation & amortization	(1,800,519)	(1,682,779)	(5,824)	(5,824)
Net capital assets	\$ 986,844	\$ 985,770	\$ -	\$ -

For further information on capital assets, see Note 6 of the Notes to the Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES Our appointed officials and citizens consider many factors when setting the Office of Community Services' 2018 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 2018 year. Approximately 95% of total revenue was from federal funding for the fiscal year 2017.

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 Mary Whitaker, 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, 2017**

Statement A

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and cash equivalents	\$ 369,897	\$ 52,216	\$ 422,113
Investments	138,822	5,903	144,725
Receivables, net	287,289	8,259	295,548
Internal balances	6	(6)	-
Prepaid items	46,004	4,580	50,584
Capital assets:			
Capital assets, net of depreciation and amortization	986,844	-	986,844
TOTAL ASSETS	1,828,862	70,952	1,899,814
LIABILITIES			
Accounts, salaries and other payables	199,012	2,704	201,716
Long-term liabilities			
Due within one year	48,303	-	48,303
Due in more than one year	275,718	-	275,718
TOTAL LIABILITIES	523,033	2,704	525,737
NET POSITION			
Investment in capital assets	986,844	-	986,844
Restricted for grants	147,995	8,323	156,318
Unrestricted	170,990	59,925	230,915
TOTAL NET POSITION	\$ 1,305,829	\$ 68,248	\$ 1,374,077

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

WEBSTER PARISH OFFICE OF COMMUNITY SERVICES

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2017

Statement B

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<i>Governmental activities:</i>						
Heath and Welfare	\$ 4,215,926	\$ 45,904	\$ 4,054,378	\$ (115,644)	\$ -	\$ (115,644)
Total Governmental Activities	4,215,926	45,904	4,054,378	(115,644)	-	(115,644)
<i>Business-Type Activities</i>						
Heath and Welfare	669,004	-	682,655	-	13,651	13,651
Total	\$ 4,884,930	\$ 45,904	\$ 4,737,033	(115,644)	13,651	(101,993)
General revenues:						
Interest and investment earnings				1,401	29	1,430
Miscellaneous				199,453	10,261	209,714
Total general revenues				200,854	10,290	211,144
Changes in net position				85,210	23,941	109,151
Net position - beginning				1,220,619	44,307	1,264,926
Net position - ending				\$ 1,305,829	\$ 68,248	\$ 1,374,077

THE NOTES TO THE BASIC 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, 2017

	<u>GENERAL</u>	<u>HEADSTART</u>	<u>TRANSPORTATION</u>
ASSETS			
Cash and cash equivalents	\$ 305,377	\$ 30,798	\$ -
Investments	138,822	-	-
Receivables	655	58,514	64,836
Interfund receivables	142,368	-	137
Prepaid expenses	-	16,029	28,317
	<u>587,222</u>	<u>105,341</u>	<u>93,290</u>
TOTAL ASSETS			
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts, salaries and other payables	24,327	61,718	20,196
Interfund payable	32,143	1,800	112,114
	<u>56,470</u>	<u>63,518</u>	<u>132,310</u>
Total Liabilities			
Fund Balances:			
Nonspendable	-	16,029	28,317
Restricted	-	25,794	-
Unassigned	530,752	-	(67,337)
	<u>530,752</u>	<u>41,823</u>	<u>(39,020)</u>
Total Fund Balances			
TOTAL LIABILITIES AND FUND BALANCES			
	<u>\$ 587,222</u>	<u>\$ 105,341</u>	<u>\$ 93,290</u>

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

Statement C

FOOD	COMMUNITY SERVICES	NONMAJOR GOVERNMENTAL	TOTAL
\$ 12,037	\$ -	\$ 21,685	\$ 369,897
-	-	-	138,822
145,835	16,018	1,431	287,289
32,006	-	-	174,511
785	672	201	46,004
<u>190,663</u>	<u>16,690</u>	<u>23,317</u>	<u>1,016,523</u>
88,442	3,580	749	199,012
318	26,846	1,284	174,505
<u>88,760</u>	<u>30,426</u>	<u>2,033</u>	<u>373,517</u>
785	672	201	46,004
101,118	-	21,083	147,995
-	(14,408)	-	449,007
<u>101,903</u>	<u>(13,736)</u>	<u>21,284</u>	<u>643,006</u>
<u>\$ 190,663</u>	<u>\$ 16,690</u>	<u>\$ 23,317</u>	<u>\$ 1,016,523</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, 2017**

Statement D

Total fund balances - governmental funds \$ 643,006

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	\$ 2,787,363	
Accumulated depreciation	<u>(1,800,519)</u>	986,844

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, 2017 are:

Long-term liabilities		
Compensated absences payable		(51,770)
Claims payable		<u>(272,251)</u>

Net position of governmental activities	<u><u>\$ 1,305,829</u></u>
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THE NOTES TO THE BASIC 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, 2017

	<u>GENERAL</u>	<u>HEADSTART</u>	<u>TRANSPORTATION</u>
REVENUES			
Local sources:			
Interest and investment earnings	\$ 1,401	\$ -	\$ -
Other revenue	75,150	657	169,479
Federal sources	-	2,033,162	309,068
	<u>76,551</u>	<u>2,033,819</u>	<u>478,547</u>
Total Revenues			
EXPENDITURES			
Current:			
Health and welfare:			
Personnel	1,476	1,471,120	296,159
Gas, oil & repairs	-	56,197	127,913
Office expense	10,356	132,963	19,055
Insurance	-	53,346	46,647
Utilities	-	90,068	8,832
Service providers	-	362	-
Food services	-	-	-
Other	14,498	97,150	13,597
Capital outlay	-	118,937	619
	<u>26,330</u>	<u>2,020,143</u>	<u>512,822</u>
Total Expenditures			
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>50,221</u>	<u>13,676</u>	<u>(34,275)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	4,320	-	-
Transfers out	-	-	(4,320)
	<u>4,320</u>	<u>-</u>	<u>(4,320)</u>
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	54,541	13,676	(38,595)
FUND BALANCES - BEGINNING	<u>476,211</u>	<u>28,147</u>	<u>(425)</u>
FUND BALANCES - ENDING	<u>\$ 530,752</u>	<u>\$ 41,823</u>	<u>\$ (39,020)</u>

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

Statement E

FOOD	COMMUNITY SERVICES	NONMAJOR GOVERNMENTAL	TOTAL
\$ -	\$ -	\$ -	\$ 1,401
71	-	-	245,357
1,200,362	132,590	379,196	4,054,378
1,200,433	132,590	379,196	4,301,136
228,854	130,898	11,405	2,139,912
-	-	-	184,110
11,265	2,635	5,354	181,628
1,124	60	1,097	102,274
4,722	2,531	3,716	109,869
672,021	-	346,794	1,019,177
223,617	-	-	223,617
14,641	6,549	1,397	147,832
2,839	-	619	123,014
1,159,083	142,673	370,382	4,231,433
41,350	(10,083)	8,814	69,703
-	-	-	4,320
-	-	-	(4,320)
-	-	-	-
41,350	(10,083)	8,814	69,703
60,553	(3,653)	12,470	573,303
\$ 101,903	\$ (13,736)	\$ 21,284	\$ 643,006

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, 2017**

Statement F

Total net change in fund balances - governmental funds \$ 69,703

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	\$	123,014	
Depreciation expense		<u>(121,940)</u>	1,074

In the Statement of Activities, certain operating expenses-compensated absences (vacation and comp time) - 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 less than the amounts used by \$14,433.

Change in net position of governmental activities.	\$	<u>85,210</u>
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THE NOTES TO THE BASIC 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, 2017

Statement G

**SECTION 8
VOUCHER**

ASSETS

Current Assets:

Cash and cash equivalents	\$	52,216
Investments		5,903
Accounts receivable, net		8,259
Prepaid items		4,580
Total current assets		<u>70,958</u>

Non-Current Assets:

Capital assets, net of accumulated depreciation		<u>-</u>
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TOTAL ASSETS		<u>70,958</u>
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LIABILITIES

Current Liabilities:

Accounts, salaries and other payables		2,704
Interfund payable		<u>6</u>

TOTAL LIABILITIES		<u>2,710</u>
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NET POSITION

Restricted for HAP		8,323
Unrestricted		<u>59,925</u>

TOTAL NET POSITION	\$	<u><u>68,248</u></u>
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THE NOTES TO THE BASIC 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, 2017

Statement H

SECTION 8
 VOUCHER

OPERATING REVENUES	
Federal grants	\$ 682,655
Other income	10,261
	<hr/>
Total operating revenues	692,916
	<hr/>
OPERATING EXPENSES	
Administration	53,382
Utilities	2,089
General	3,004
Housing assistance payments	610,529
	<hr/>
Total operating expenses	669,004
	<hr/>
OPERATING INCOME (LOSS)	23,912
NON-OPERATING REVENUES	
Interest income	29
	<hr/>
CHANGE IN NET POSITION	23,941
NET POSITION AT BEGINNING OF YEAR	44,307
	<hr/>
NET POSITION AT END OF YEAR	\$ 68,248
	<hr/> <hr/>

THE NOTES TO THE BASIC 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, 2017

Statement I

**SECTION 8
VOUCHER**

CASH FLOWS FROM OPERATING ACTIVITIES	
Payments to vendors	\$ (27,065)
Payments to employees	(31,484)
Payments to private landlords and others	(610,529)
Federal grants	626,095
Other receipts	2,579
	<hr/>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(40,404)
	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest	29
	<hr/>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	29
	<hr/>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(40,375)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	92,591
	<hr/>
CASH AND CASH EQUIVALENTS AT END OF YEAR	52,216
	<hr/> <hr/>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	23,912
Change in assets and liabilities:	
Accounts receivable	(7,682)
Prepaid expenses	202
Unearned revenue	(56,560)
Compensated absences	(774)
Wages payable	269
Interfunds	6
Accounts payable	223
	<hr/>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ (40,404)
	<hr/> <hr/>

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

Webster Parish Office of Community Services
Notes to the Financial Statements
December 31, 2017

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Webster Parish Office of Community Services
Notes to the Financial Statements
December 31, 2017

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, 2017

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.

Community Services- 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, 2017

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 and current liabilities 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, 2017

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 is not SEC-registered. Because the LAMP is an arrangement sponsored by a type of governmental entity, it is exempt by statute from regulation by the SEC. LAMP is a 2a7-like investment pool.

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.

Webster Parish Office of Community Services
Notes to the Financial Statements
December 31, 2017

Investments in LAMP are stated at fair value based on quoted market rates. 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.

An annual audit of LAMP is conducted by an independent certified public accountant. The Legislative Auditor of the State of Louisiana has full access to the records of LAMP. LAMP issues financial reports which can be obtained by writing: LAMP, Inc., 228 St. Charles Avenue, Suite 1123, New Orleans, LA 70130.

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.

Webster Parish Office of Community Services
Notes to the Financial Statements
December 31, 2017

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.

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, 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

Webster Parish Office of Community Services
Notes to the Financial Statements
December 31, 2017

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.

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

A. Deficit Fund Balance For the fiscal year ending December 31, 2017, the Community Services, major special revenue fund, reported a deficit fund balance of \$13,736 and the Transportation, major special revenue fund, reported a deficit fund balance of \$39,020. These deficits will be cleared by transfers from the general fund.

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 \$422,113 and the bank balance was \$510,145. 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

Webster Parish Office of Community Services
Notes to the Financial Statements
December 31, 2017

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.

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)	\$ 144,725

Investments held at December 31, 2017 consist of \$144,725 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 note 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 43 as of December 31, 2017.

Foreign Currency Risk: No applicable.

NOTE 5 - RECEIVABLES The following is a summary of receivables at December 31, 2017 related to governmental funds:

<u>Class of Receivables</u>	<u>Governmental Activities</u>					<u>Business-Type Activities</u>		<u>Total</u>
	<u>General</u>	<u>Headstart</u>	<u>Transportation</u>	<u>Food</u>	<u>CSBG</u>	<u>Nonmajor Governmental</u>	<u>Section 8</u>	
Grants	\$ -	\$ 58,152	\$ 56,986	\$ 145,835	\$ 16,018	\$ 1,431	\$ -	\$ 278,422
Other	655	362	7,850	-	-	-	8,259	17,126
Total	\$ 655	\$ 58,514	\$ 64,836	\$ 145,835	\$ 16,018	\$ 1,431	\$ 8,259	\$ 295,548

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 \$4,314.

Webster Parish Office of Community Services
Notes to the Financial Statements
December 31, 2017

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	\$ 927,704	\$ 111,107	\$ -	\$ 1,038,811
Furniture, equipment and vehicles	1,722,685	11,907	4,200	1,730,392
Intangibles	18,160	-	-	18,160
Total	<u>2,668,549</u>	<u>123,014</u>	<u>4,200</u>	<u>2,787,363</u>
Less accumulated depreciation and amortization:				
Buildings and improvements	348,297	32,694	-	380,991
Furniture, equipment and vehicles	1,328,464	85,614	4,200	1,409,878
Amortization	6,018	3,632	-	9,650
Total	<u>1,682,779</u>	<u>121,940</u>	<u>4,200</u>	<u>1,800,519</u>
Governmental Activities, capital assets net	<u>\$ 985,770</u>	<u>\$ 1,074</u>	<u>\$ -</u>	<u>\$ 986,844</u>

Depreciation and amortization expense of \$121,940 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	\$ 5,824	\$ -	\$ -	\$ 5,824
Total	<u>5,824</u>	<u>-</u>	<u>-</u>	<u>5,824</u>
Less accumulated depreciation and amortization:				
Furniture, equipment and vehicles	5,824	-	-	5,824
Total	<u>5,824</u>	<u>-</u>	<u>-</u>	<u>5,824</u>
Business-type Activities, capital assets net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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 employees is the option to participate in a Roth account. There is also a catch-up option for those

Webster Parish Office of Community Services
Notes to the Financial Statements
December 31, 2017

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, 2017, forfeited non-vested accounts totaled \$5,072.

The employer contributions by the Office of Community Services for the year ended December 31, 2017 were \$56,033. No employee contributions were made under the retirement plan for fiscal year ended December 31, 2017. The employer has no accounts payable to the retirement plan at December 31, 2017.

NOTE 8 – LONG-TERM LIABILITIES The following is a summary of the long-term liabilities transactions and balances for the year ended December 31, 2017:

Governmental Activities:

	Compensated Absences	Claims Payable	Total
Balance, Beginning	\$ 66,203	\$ 272,251	\$ 338,454
Additions	46,218	-	46,218
Deletions	60,651	-	60,651
Balance, Ending	51,770	272,251	324,021
Amount due within one year	\$ 48,303	\$ -	\$ 48,303

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, 2017**

The total liability for compensated absences is \$64,674. Of this total liability, \$12,904 is recorded as an accounts, salaries, and other payables in the governmental funds balance sheet (Statement C) and the remaining liability of \$51,770 is recorded as long-term liabilities in the Statement of Net Position (Statement A).

Business-Type Activities

	Compensated Absences
Balance, Beginning	\$ -
Additions	557
Deletions	557
Balance, Ending	\$ -

NOTE 9 - INTERFUND TRANSACTIONS (FFS LEVEL ONLY)

Interfund Receivable/Payables:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Headstart	\$ 1,800
	Transportation	112,114
	Food	318
	Community Services	26,846
	Nonmajor Governmental	1,284
	Section 8 Voucher	6
Transportation	General Fund	137
Food	General Fund	32,006
		\$ 174,511

The purpose of 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>	
General Fund	Transportation	\$ 4,300.00

The transportation fund transferred monies to the general fund to set aside funds for future vehicle purchases.

Webster Parish Office of Community Services
Notes to the Financial Statements
December 31, 2017

NOTE 10 - ACCOUNTS, SALARIES AND OTHER PAYABLES The payables at December 31, 2017, are as follows:

	Governmental Activities					Business-Type Activities		Total
	General	Headstart	Transportation	Food	Community Services	Nonmajor Governmental	Section 8 Voucher	
Salaries	\$ 19,308	\$ 36,199	\$ 3,973	\$ 4,072	\$ 2,131	\$ 123	\$ 786	\$ 66,592
Compensated absences payable	-	5,525	1,630	5,229	464	56	-	12,904
Accounts	5,019	19,994	14,593	79,141	985	570	1,918	122,220
Total	<u>\$ 24,327</u>	<u>\$ 61,718</u>	<u>\$ 20,196</u>	<u>\$ 88,442</u>	<u>\$ 3,580</u>	<u>\$ 749</u>	<u>\$ 2,704</u>	<u>\$ 201,716</u>

NOTE 11 - LITIGATION AND CLAIMS

Litigation Per legal counsel, the Office of Community Services was involved in one lawsuit at December 31, 2017 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 \$272,251 which is reported as a liability due in more than one year on the Statement of Net Position. The Office of Community Services is currently disputing the claim.

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, 2017. The minimum lease payments for the year ending December 31, 2018 are \$17,300.

Webster Parish Office of Community Services
Notes to the Financial Statements
December 31, 2017

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>Community Services</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Non-spendable:							
Prepaid items	\$ -	\$ 16,029	\$ 28,317	\$ 785	\$ 672	\$ 201	\$ 46,004
Restricted for:							
Grants	-	25,794	-	101,118	-	21,083	147,995
Unassigned:	<u>530,752</u>	<u>-</u>	<u>(67,337)</u>	<u>-</u>	<u>(14,408)</u>	<u>-</u>	<u>449,007</u>
Total	<u>\$ 530,752</u>	<u>\$ 41,823</u>	<u>\$ (39,020)</u>	<u>\$ 101,903</u>	<u>\$ (13,736)</u>	<u>\$ 21,284</u>	<u>\$ 643,006</u>

NOTE 15 - NEW GASB STANDARD In fiscal year 2017, the Office of Community Services adopted a new statement of financial accounting standards issued by the Governmental Accounting Standards Board:

- *Statement No. 82 – Pension Issues:* This Statement establishes standards to improve consistency in the application of pension accounting and financial reporting requirements by addressing certain issues that have been raised with respect to Statement No. 67, No. 68, and No. 73. This statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contributions requirements.

The adoption of this standard had no impact on the government-wide or the governmental fund financial statements, but provides for guidance, clarification and/or additional disclosures in the notes to the financial statements.

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.

COMMUNITY SERVICES- 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, 2017

Exhibit 1-1

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
REVENUES				
Local sources:				
Interest and investment earnings	\$ 5	\$ 5	\$ 1,401	\$ 1,396
Other	51,345	51,345	75,150	23,805
Total Revenues	51,350	51,350	76,551	25,201
EXPENDITURES				
Current:				
Health and welfare:				
Personnel	6,373	6,373	1,476	4,897
Office expense	25,773	25,773	10,356	15,417
Utilities	7	7	-	7
Other	19,036	19,036	14,498	4,538
Capital outlay	161	161	-	161
Total Expenditures	51,350	51,350	26,330	25,020
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	-	-	50,221	50,221
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	4,320	4,320
Total Other Financing Sources (Uses)	-	-	4,320	4,320
Net Change in Fund Balances	-	-	54,541	54,541
FUND BALANCES - BEGINNING	-	-	476,211	476,211
FUND BALANCES - ENDING	\$ -	\$ -	\$ 530,752	\$ 530,752

WEBSTER PARISH OFFICE OF COMMUNITY SERVICES

HEADSTART
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2017

Exhibit 1-2

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
REVENUES				
Local sources:				
Other	\$ -	\$ -	\$ 657	\$ 657
Federal sources	2,107,428	2,107,428	2,033,162	(74,266)
Total Revenues	2,107,428	2,107,428	2,033,819	(73,609)
EXPENDITURES				
Current:				
Health and welfare:				
Personnel	1,650,525	1,650,525	1,471,120	179,405
Gas, oil & repairs	76,000	76,000	56,197	19,803
Office expense	161,301	161,301	132,963	28,338
Insurance	58,000	58,000	53,346	4,654
Utilities	90,000	90,000	90,068	(68)
Service providers	-	-	362	(362)
Other	71,602	71,602	97,150	(25,548)
Capital outlay	-	-	118,937	(118,937)
Total Expenditures	2,107,428	2,107,428	2,020,143	87,285
Net Change in Fund Balances	-	-	13,676	13,676
FUND BALANCES - BEGINNING	-	-	28,147	28,147
FUND BALANCES - ENDING	\$ -	\$ -	\$ 41,823	\$ 41,823

WEBSTER PARISH OFFICE OF COMMUNITY SERVICES

TRANSPORTATION
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2017

Exhibit 1-3

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
REVENUES				
Local sources:				
Other	\$ 255,025	\$ 255,025	\$ 169,479	\$ (85,546)
Federal sources	413,686	413,686	309,068	(104,618)
Total Revenues	668,711	668,711	478,547	(190,164)
EXPENDITURES				
Current:				
Health and welfare:				
Personnel	326,295	326,295	296,159	30,136
Gas, oil & repairs	190,000	190,000	127,913	62,087
Office expense	49,900	49,900	19,055	30,845
Insurance	58,250	58,250	46,647	11,603
Utilities	14,000	14,000	8,832	5,168
Other	21,187	21,187	13,597	7,590
Capital outlay	-	-	619	(619)
Total Expenditures	659,632	659,632	512,822	146,810
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	9,079	9,079	(34,275)	(43,354)
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(4,320)	(4,320)
Total Other Financing Sources (Uses)	-	-	(4,320)	(4,320)
Net Change in Fund Balances	9,079	9,079	(38,595)	(47,674)
FUND BALANCES - BEGINNING	-	-	(425)	(425)
FUND BALANCES - ENDING	\$ 9,079	\$ 9,079	\$ (39,020)	\$ (48,099)

WEBSTER PARISH OFFICE OF COMMUNITY SERVICES

FOOD
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2017

Exhibit 1-4

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
REVENUES				
Local sources:				
Other	\$ -	\$ -	\$ 71	\$ 71
Federal sources	1,244,533	1,244,533	1,200,362	(44,171)
Total Revenues	1,244,533	1,244,533	1,200,433	(44,100)
EXPENDITURES				
Current:				
Health and welfare:				
Personnel	247,686	247,686	228,854	18,832
Office expense	20,553	20,553	11,265	9,288
Insurance	-	-	1,124	(1,124)
Utilities	-	-	4,722	(4,722)
Service providers	647,670	647,670	672,021	(24,351)
Food services	308,765	308,765	223,617	85,148
Other	19,859	19,859	14,641	5,218
Capital outlay	-	-	2,839	(2,839)
Total Expenditures	1,244,533	1,244,533	1,159,083	85,450
Net Change in Fund Balances	-	-	41,350	41,350
FUND BALANCES - BEGINNING	-	-	60,553	60,553
FUND BALANCES - ENDING	\$ -	\$ -	\$ 101,903	\$ 101,903

WEBSTER PARISH OFFICE OF COMMUNITY SERVICES

COMMUNITY SERVICES
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2017

Exhibit 1-5

VARIANCE WITH
 FINAL BUDGET
 POSITIVE
 (NEGATIVE)

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Federal sources	\$ 153,370	\$ 157,655	\$ 132,590	\$ (25,065)
Total Revenues	153,370	157,655	132,590	(25,065)
EXPENDITURES				
Current:				
Health and welfare:				
Personnel	141,501	145,786	130,898	14,888
Office expense	3,631	3,631	2,635	996
Insurance	-	-	60	(60)
Utilities	4,031	4,031	2,531	1,500
Other	4,207	4,207	6,549	(2,342)
Total Expenditures	153,370	157,655	142,673	14,982
Net Change in Fund Balances	-	-	(10,083)	(10,083)
FUND BALANCES - BEGINNING	-	-	(3,653)	(3,653)
FUND BALANCES - ENDING	\$ -	\$ -	\$ (13,736)	\$ (13,736)

Webster Parish Office of Community Services

Notes to Budgetary Comparison Schedules
For the Year Ended December 31, 2017

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, 2017, 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.

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, 2017

Exhibit 2

	<u>HOUSING</u>	<u>LIHEAP ENERGY</u>	<u>EMERGENCY ASSISTANCE</u>	<u>TOTAL</u>
ASSETS				
Cash and cash equivalents	\$ 260	\$ 17,568	\$ 3,857	\$ 21,685
Receivables	-	1,431	-	1,431
Prepaid expenses	-	201	-	201
TOTAL ASSETS	<u>260</u>	<u>19,200</u>	<u>3,857</u>	<u>23,317</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	-	749	-	749
Interfund payable	169	1	1,114	1,284
Total Liabilities	<u>169</u>	<u>750</u>	<u>1,114</u>	<u>2,033</u>
Fund Balances:				
Nonspendable	-	201	-	201
Restricted	91	18,249	2,743	21,083
Total Fund Balances	<u>91</u>	<u>18,450</u>	<u>2,743</u>	<u>21,284</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 260</u>	<u>\$ 19,200</u>	<u>\$ 3,857</u>	<u>\$ 23,317</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, 2017

Exhibit 3

	HOUSING	LIHEAP ENERGY	EMERGENCY ASSISTANCE	TOTAL
REVENUES				
Federal sources	\$ -	\$ 379,196	\$ -	\$ 379,196
Total revenues	-	379,196	-	379,196
EXPENDITURES				
Current:				
Health and welfare:				
Personnel	-	11,405	-	11,405
Office expense	307	5,047	-	5,354
Insurance	-	1,097	-	1,097
Utilities	-	3,716	-	3,716
Service providers	-	346,794	-	346,794
Other	-	1,397	-	1,397
Capital outlay	-	619	-	619
Total expenditures	307	370,075	-	370,382
Net Change in Fund Balance	(307)	9,121	-	8,814
FUND BALANCES - BEGINNING	398	9,329	2,743	12,470
FUND BALANCES - ENDING	\$ 91	\$ 18,450	\$ 2,743	\$ 21,284

**Webster Parish Office of Community Services
Schedule of Compensation Paid Board Members
For the Year Ended December 31, 2017**

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, 2017.

Joseph Jefferson	Steve Lemmons
L.R. Clemmons	Patsy Dees
Cat Cox	Virginia Jefferson
Shirley Williams	Vera Davison, Treasurer
Steve Wilson, Parliamentarian	LaQuweisha Watkins
Steve Ramsey	Joe Cornelius
Jerri Lee, President	Carl Thompson, Vice President
Bammer Fuller	Charlotte Jones
Debbie Thomas, Secretary	

**Webster Parish Office of Community Services
Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended December 31, 2017**

Exhibit 5

Agency Head Name: Mary Whitaker, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 50,057
Benefits-insurance	145
Benefits-retirement	2,002
Vehicle rental	140
Travel	889

Webster Parish Police Jury (LA213)
Minden, LA
Financial Data Schedule
Program Balance Sheet Summary
FYE 12/31/17

Exhibit 6

	14.871 Housing Choice Vouchers
111 Cash - Unrestricted	\$43,893
112 Cash - Restricted - Modernization and Development	
113 Cash - Other Restricted	\$8,323
114 Cash - Tenant Security Deposits	
115 Cash - Restricted for Payment of Current Liabilities	
100 Total Cash	\$52,216
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	\$12,573
128.1 Allowance for Doubtful Accounts - Fraud	-\$4,314
129 Accrued Interest Receivable	
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$8,259
131 Investments - Unrestricted	\$5,903
132 Investments - Restricted	
135 Investments - Restricted for Payment of Current Liability	
142 Prepaid Expenses and Other Assets	\$4,580
143 Inventories	
143.1 Allowance for Obsolete Inventories	
144 Inter Program Due From	
145 Assets Held for Sale	
150 Total Current Assets	\$70,958
	(continued)

Webster Parish Police Jury (LA213)
Minden, LA
Financial Data Schedule
Program Balance Sheet Summary
FYE 12/31/17

Exhibit 6

	14.871 Housing Choice Vouchers
161 Land	
162 Buildings	
163 Furniture, Equipment & Machinery - Dwellings	
164 Furniture, Equipment & Machinery - Administration	\$5,824
165 Leasehold Improvements	
166 Accumulated Depreciation	-\$5,824
167 Construction in Progress	
168 Infrastructure	
160 Total Capital Assets, Net of Accumulated Depreciation	\$0
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	\$0
200 Deferred Outflow of Resources	
290 Total Assets and Deferred Outflow of Resources	\$70,958
311 Bank Overdraft	
312 Accounts Payable <= 90 Days	\$1,884
313 Accounts Payable >90 Days Past Due	
321 Accrued Wage/Payroll Taxes Payable	\$786
322 Accrued Compensated Absences - Current Portion	
324 Accrued Contingency Liability	
325 Accrued Interest Payable	
331 Accounts Payable - HUD PHA Programs	
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	\$40
346 Accrued Liabilities - Other	
347 Inter Program - Due To	
348 Loan Liability - Current	
310 Total Current Liabilities	\$2,710
	(continued)

Webster Parish Police Jury (LA213)
Minden, LA
Financial Data Schedule
Program Balance Sheet Summary
FYE 12/31/17

Exhibit 6

	14.871 Housing Choice Vouchers
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	
355 Loan Liability - Non Current	
356 FASB 5 Liabilities	
357 Accrued Pension and OPEB Liabilities	
350 Total Non-Current Liabilities	\$0
300 Total Liabilities	\$2,710
400 Deferred Inflow of Resources	
508.4 Net Investment in Capital Assets	
511.4 Restricted Net Position	\$8,323
512.4 Unrestricted Net Position	\$59,925
513 Total Equity - Net Assets / Position	\$68,248
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$70,958

(continued)

Webster Parish Police Jury (LA213)
Minden, LA
Financial Data Schedule
Program Revenue and Expense Summary
FYE 12/31/17

Exhibit 6

	14.871 Housing Choice Vouchers
70300 Net Tenant Rental Revenue	
70400 Tenant Revenue - Other	
70500 Total Tenant Revenue	\$0
70600 HUD PHA Operating Grants	\$682,655
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	\$29
71200 Mortgage Interest Income	
71300 Proceeds from Disposition of Assets Held for Sale	
71310 Cost of Sale of Assets	
71400 Fraud Recovery	\$10,201
71500 Other Revenue	\$60
71600 Gain or Loss on Sale of Capital Assets	
72000 Investment Income - Restricted	
70000 Total Revenue	\$692,945
91100 Administrative Salaries	\$30,979
91200 Auditing Fees	\$942
91300 Management Fee	
91310 Book-keeping Fee	
91400 Advertising and Marketing	
91500 Employee Benefit contributions - Administrative	\$9,668
91600 Office Expenses	\$11,198
91700 Legal Expense	
91800 Travel	\$595
91810 Allocated Overhead	
91900 Other	
91000 Total Operating - Administrative	\$53,382
	(continued)

Webster Parish Police Jury (LA213)
Minden, LA
Financial Data Schedule
Program Revenue and Expense Summary
FYE 12/31/17

Exhibit 6

	14.871 Housing Choice Vouchers
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
93100 Water	
93200 Electricity	\$2,089
93300 Gas	
93400 Fuel	
93500 Labor	
93600 Sewer	
93700 Employee Benefit Contributions - Utilities	
93800 Other Utilities Expense	
93000 Total Utilities	\$2,089
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
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
96110 Property Insurance	
96120 Liability Insurance	\$507
96130 Workmen's Compensation	\$115
96140 All Other Insurance	\$762
96100 Total insurance Premiums	\$1,384
	(continued)

Webster Parish Police Jury (LA213)
Minden, LA
Financial Data Schedule
Program Revenue and Expense Summary
FYE 12/31/17

Exhibit 6

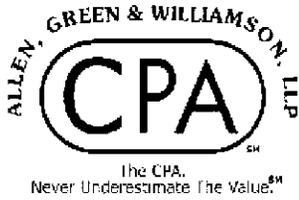
	14.871 Housing Choice Vouchers
96200 Other General Expenses	\$1,620
96210 Compensated Absences	
96300 Payments in Lieu of Taxes	
96400 Bad debt - Tenant Rents	
96500 Bad debt - Mortgages	
96600 Bad debt - Other	
96800 Severance Expense	
96000 Total Other General Expenses	\$1,620
96710 Interest of Mortgage (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
96900 Total Operating Expenses	\$58,475
97000 Excess of Operating Revenue over Operating Expenses	\$634,470
97100 Extraordinary Maintenance	
97200 Casualty Losses - Non-capitalized	
97300 Housing Assistance Payments	\$610,529
97350 HAP Portability-In	
97400 Depreciation Expense	
97500 Fraud Losses	
97600 Capital Outlays - Governmental Funds	
97700 Debt Principal Payment - Governmental Funds	
97800 Dwelling Units Rent Expense	
90000 Total Expenses	\$669,004
	(continued)

Webster Parish Police Jury (LA213)
Minden, LA
Financial Data Schedule
Program Revenue and Expense Summary
FYE 12/31/17

Exhibit 6

	14.871 Housing Choice Vouchers
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
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$23,941
11020 Required Annual Debt Principal Payments	\$0
11030 Beginning Equity	\$44,307
11040 Prior Period Adjustments, Equity Transfers and Correction	
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	\$59,925
11180 Housing Assistance Payments Equity	\$8,323
11190 Unit Months Available	2124
11210 Number of Unit Months Leased	1584
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)



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2441 Tower Drive

Monroe, LA 71201

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Principal: Cindy Thomason, CPA

Eddi Hernandez, CPA
Jennie Henty, CPA
Ronnie Jacola, CPA
Audit Manager: Margie Williamson, CPA

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, 2017, 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 June 30, 2018.

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) to determine the 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 of 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 determination of financial statement amounts. 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*.

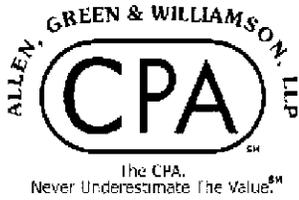
Purpose of this Report

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.

allen, Green + Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
June 30, 2018



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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Ronnie Jacola, CPA
Audit Manager: Margie Williamson, CPA

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

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, 2017. 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, 2017.

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 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
June 30, 2018

**Webster Parish Office of Community Services
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2017**

Exhibit 7

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA <u>Number</u>	Pass-Through <u>Grantor No.</u>	<u>Expenditures</u>
FEDERAL AWARDS			
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	FY2017	\$ 820,370
Child and Adult Care Food Program – Head Start Food Service	10.558	93-416	<u>264,029</u>
Total Child and Adult Care Food Program			<u>\$ 1,084,399</u>
Total U. S. Department of Agriculture			<u>1,084,399</u>
United States Department of Housing and Urban Development			
Direct Programs:			
Section 8 Housing Choice Vouchers	14.871	LA213	<u>682,655</u>
Total U. S. Department of Housing and Urban Development			<u>682,655</u>
United States Department of Transportation			
Passed Through Webster Parish Police Jury			
Formula Grants for Rural Areas - FTA Section 5311	20.509	LA-18-X032 LA-18-X029 LA-2017-013-00	<u>309,068</u>
Total U. S. Department of Transportation			<u>309,068</u>
U. S. Department of Health and Human Services			
Direct programs:			
Head Start	93.600	06CH10140-03	2,149,125
Passed Through Louisiana Office of Workforce Development:			
Community Services Block Grant	93.569	2017P0012	132,590
Passed Through Louisiana Housing Corporation			
LIHEAP Energy Assistance	93.568	FY2017	<u>379,196</u>
Total Department of Health and Human Services			<u>2,660,911</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 4,737,033</u>

Webster Parish Office of Community Services
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2017

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 under programs of the federal government for the year ended December 31, 2017. 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 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 which is described in Note 1 of the Notes to the Basic 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	\$ 2,033,162
Transportation	309,068
Food	1,200,362
Community Services	132,590
Nonmajor Special Revenue:	
LIHEAP Energy	379,196
Business-Type Activities	
Section 8 Voucher	682,655
Total	\$ 4,737,033

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, 2017**

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:

Child and Adult Care Food Program	CFDA #10.558
Section 8 Housing Choice Vouchers	CFDA #14.871
Formula Grants for Rural Areas	CFDA #20.509
- 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.

Other Information

**Webster Parish Office of Community Services
Summary of Prior Year Audit Findings and Questioned Costs
For Year End December 31, 2017**

Reference # and title: **2016-001** **Financial Management**

Origination date: This finding originated in fiscal year end December 31, 2015.

Entity-wide or program/department specific: This finding is entity wide.

Condition: Blank checks should be properly safeguarded to ensure that only authorized checks are issued. Procedures should address accounting for the sequence of check numbers.

Bank accounts should be reconciled as soon as possible after the end of the month to correct any errors in the accounting records.

Some blank checks were used out of sequence and some checks that were on a destroyed check form were also used. These checks were not authorized and was reported in the prior year finding, 2015-001, Unauthorized Payroll Checks.

Bank accounts were not reconciled timely.

Corrective Action Taken: See Corrective Action Taken on page 74. This finding is considered to be cleared.



Webster Parish Police Jury
OFFICE OF COMMUNITY SERVICES

Post Office Box 876
Minden, Louisiana 71058-0876
Phone 318-377-7022
TDD 1-800-846-5277
Fax 318-377-2870
wpcs1@wpcs.org

May 31, 2018

SUBJECT: IPA Audit – Year Ended December 31, 2016

The subject audit report issued by Allen, Green & Williamson, LLP, contained one finding relative to the Financial Management

The attached report represents the corrective actions taken by the Webster Parish Police Jury Office of Community Services Management.

Anticipated completion date: December 2017

Actual Completion Date: MAY 2017

Should you require additional information, please contact my office at 318-377-7022, or email me at wpcs1@wpcs.org.

Respectfully,

Mary E. Whitaker, Executive Director
Webster Parish Office of Community Services

FINDING:

2016-001 FINANCIAL MANAGEMENT

Condition found: Some blank checks were used out of sequence and some checks that were on a destroyed check form were also used. These checks were not authorized and was reported in the prior year finding, 2015-001, Unauthorized Payroll Checks. Bank accounts were not reconciled timely.

Management Corrective Actions

Management has taken aggressive actions to strengthen internal controls over blank checks, voided checks and spoiled checks. The Office of Community Services has continued to engage the services of Wise Martin & Cole, CPA for accounting consultation and bank reconciliations to ensure adequate separation of duties and strengthen internal controls.

1. **Issue and Accounting Controls over Blank Check Stock.** All check stocks must be accounted for. The Accounting Director is responsible for making sure that all checks are accounted for and that no checks have been removed without authority. The monitoring of blank check stocks and controls in the issuing process starts with the Blank Check Control Log.
2. **Blank Check Control Log.** The Blank Check Control Log provides a perpetual inventory of checks on hand as well as a method for monitoring the release of the checks that were issued for use as working stock. At a minimum, this log should contain the following information:
 - Date
 - Beginning check number
 - Ending check number
 - Balance of checks on hand
 - Initials of the persons advancing or receiving checks
 - Initials of the persons returning or receiving checks
3. **Check Issuance Control Log:** Operating procedures were written and implemented to strengthen controls over blank check stock. A check control log is used to control and monitor checks stock. A separate check control log is maintained for each type of check stock. Blank check stocks and the control log are maintained in a fireproof safe in the accounting department. The control logs reflect the check numbers issued, name of the person receiving the checks, the purpose of the checks, the starting and ending number of the checks received. A second person, usually the accounting director or executive director, signs the check control log to verify the checks issued.

4. **Receipt of Blank Check Stocks:** Blank Check Stocks are ordered as needed, when the on-hand supply reaches at least two runs. The accounting staff will prepare a memo for the executive director's approval.
- a. Payroll Checks are ordered from ABILIA. All other checks are ordered from Webster Printing. Persons authorized to receive and sign for blank check orders include the executive secretary, executive director or accounting staff. The order must be opened and examined in the presence of at least two of the authorized staff persons. Checks received from Webster Printing must be opened and examined in the presence of the person delivering the order.
 - b. The receipt/ invoice must be signed by the authorized persons who open and examine the box.
 - c. A statement of the inspection is prepared and signed by the two authorized persons conducting the inspection. The statement is maintained in the check control log.
 - d. If the checks are not immediately needed the box will be re-sealed, dated, and signed by the authorized staff. The sealed box will be kept in the safe.
 - e. Upon reopening the box of checks the contents will again be verified and the inspection statement signed by the persons opening and inspecting the stock of checks.

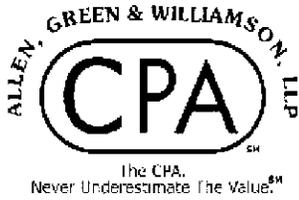
5. **Spoiled and Voided Checks**

Spoiled and void checks must be logged in the control log by the responsible person and verified by an authorized person. A system print of the spoiled or voided check must also be maintained in a separate file by the accounting technician. All voided checks must be marked "VOID" in ink on the front of the check, have the signature block cut out, if signed, and filed in the VOID Check File for that year.

5. Destroy Check Procedure

The process for destroying checks that are no longer in use will be administered upon written approval from the Executive Director by the Accounting Department. The Accounting Department must have at least 2 authorized persons present during the process of destroying checks. The Accounting Department will complete a Check Destruction Form. Authorized persons involved will sign and date the Check Destruction Form. The Accounting Department will maintain a file with destroy check forms in filing cabinet.

AGREED-UPON PROCEDURES



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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, 2017. The Office of Community Services' management is responsible for the control and compliance areas identified in these Statewide Agreed-Upon Procedures. 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 the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
 - 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**, including receiving, recording, and preparing deposits
 - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
 - 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, and (5) monitoring card usage
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements

Comment: When reviewing the applicable written policies and procedures for the required elements, the following exceptions were noted:

- **Ethics-** Policy does not include requirement that all employees must annually attest that they have read the entity's ethics policy.

Management's Response: Management concurs with the exception. Employees are required to attend ethics training annually. The ethics policy was revised to require that all employees annually attest that they have read the policy.

Board (or Finance Committee, if applicable)

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

Comment: No exceptions were noted as a result of applying the agreed upon procedures.

Bank Reconciliations

- 3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:
 - a) Bank reconciliations have been prepared;
 - b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
 - c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Comment: Five bank reconciliations were selected for testing. For three of the accounts the person reviewing the bank reconciliation is involved in handling transactions in those accounts. For two of the accounts some of the months had outstanding checks over 6 months old.

Management's Response: Management concurs with the exception. The Office of Community Services contracted with an external CPA to perform the monthly bank reconciliations. The Executive Director reviewed the reconciled statements. At the March 6, 2018 board meeting, the Office of Community Services Board President appointed two Board Members to review the reconciled bank statements. The outstanding checks were researched.

Collections

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.
6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**
 - a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.
 - b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.
 - c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
 - Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.
7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

Comment: Seventeen receipts were tested. Twelve of these receipts were not deposited within one day. The number of days between receipt and deposit ranged from two to four days.

Management's Response: Management concurs with the exceptions noted. The agency has established a written policy to require daily deposits of cash and checks.

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

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.
9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:
- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
 - b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
 - c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.
10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.
12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.
13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

Comment: The Office of Community Services has only one collection location. The person responsible for processing payments can add vendors to the purchasing system. Checks are locked up and the check signer has access to the checks.

Management's Response: Management concurs with the exception. Agency checks are countersigned by the Board Treasurer of President. These individuals do not have access to the checks.

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

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:
 - a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [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) Report whether finance charges and/or late fees were assessed on the selected statements.
16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).
 - a) For each transaction, report whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased)
 - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
 - Other documentation that may be required by written policy (e.g., purchase order, written authorization.)
- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.
- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Comment: One card of the ten tested was missing support for 3 charges.

Management's Response: Management concurs with the exception.

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.
18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.
19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:
- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.
 - b) Report whether each expense is supported by:
 - An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
 - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)
- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.
- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Comment: No exceptions were noted as a result of applying the agreed upon procedures.

Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.
21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:
 - a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.
 - b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
 - If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
 - If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.
 - c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
 - d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.
 - e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Comment: No exceptions were noted as a result of applying the agreed upon procedures.

Payroll and Personnel

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:
 - a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
 - b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.
23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:
 - a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
 - c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.
24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.
25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

Comment: No exceptions were noted as a result of applying the agreed upon procedures.

Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.
27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Comment: No exceptions were noted as a result of applying the agreed upon procedures.

Debt Service (excluding nonprofits)

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.
29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.
30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

Comment: No exceptions were noted as a result of applying the agreed upon procedures.

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.
33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

Comment: No exceptions were 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

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana

June 30, 2018