

**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, 2018**

Webster Parish Office of Community Services

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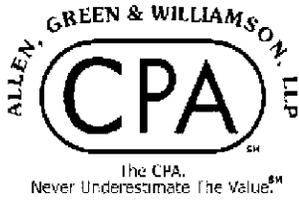
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(Concluded)



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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, 2018, 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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Office of Community Services' basic financial statements. The accompanying supplementary information, as listed in the table of contents, including the Financial Data Schedule as required by the United States Department of Housing and Urban Development and schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the other information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

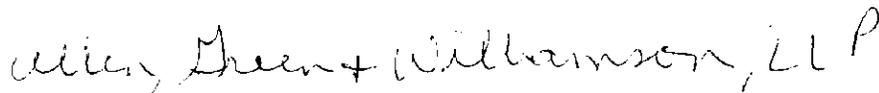
The accompanying supplementary information, as listed in the table of contents, including the Financial Data Schedule as required by the United States Department of Housing and Urban Development and schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations (CFR)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

Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2019 on our consideration of the Office of Community Services' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Office of Community Services' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office of Community Services' internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Allen, Green & Williamson, LLP".

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
June 30, 2019

**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, 2018**

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, 2018.

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 2018 by \$1,050,188. Of this amount, \$(1,856) (unrestricted net position deficit) may be used to meet the ongoing obligations to citizens and creditors in accordance with the Office of Community Services' fund designation and fiscal policies.
- The Office of Community Services' net position of the governmental activities decreased by \$95,332 as a result of this year's operations.
- The Office of Community Services' total general and program revenues were \$4,223,965 in 2018 which is a decrease of \$77,171 over 2017. There was a \$44,558 decrease in transportation fares collected this year compared to last year. In addition, several programs received less operating grant revenue due to decreased participation.
- During the year ended December 31, 2018, the Office of Community Services had total expenses of \$4,319,297, which includes depreciation expense. Expenses for 2017 totaled \$4,215,930. Expenses increased in 2018 by \$103,367 mainly due to interest expense of \$96,958 recognized on amount due back to DHH for prior year disallowed costs of the Head Start program.

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

**Webster Parish Office of Community Services
Management's Discussion and Analysis (MD&A)
December 31, 2018**

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

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**Nonmajor Funds Statements
Schedule of Compensation Paid Board Members
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Single Audit Information and Other Information

**Other Reports Required By Government Auditing Standards and By
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Other Information

**Webster Parish Office of Community Services
Management's Discussion and Analysis (MD&A)
December 31, 2018**

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

Reporting the Office of Community Services as a Whole

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

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

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

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

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

Reporting the Office of Community Services' Most Significant Funds

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

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

**Webster Parish Office of Community Services
Management's Discussion and Analysis (MD&A)
December 31, 2018**

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 \$1,050,188, at December 31, 2018. Of this amount, \$(1,856) 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	
	2018	2017	2018	2017
Other assets	\$ 842,392	\$ 842,018	\$ 104,097	\$ 70,952
Capital assets	996,527	986,844	349	-
Total assets	<u>1,838,919</u>	<u>1,828,862</u>	<u>104,446</u>	<u>70,952</u>
Other liabilities	360,395	199,016	2,345	2,704
Long-term liabilities	428,336	324,021	3,047	-
Total liabilities	<u>788,731</u>	<u>523,037</u>	<u>5,392</u>	<u>2,704</u>
Net position				
Investment in capital assets	996,527	986,844	349	-
Restricted	55,517	147,995	23,706	8,323
Unrestricted	<u>(1,856)</u>	<u>170,986</u>	<u>74,999</u>	<u>59,925</u>
Total net position	<u>\$ 1,050,188</u>	<u>\$ 1,305,825</u>	<u>\$ 99,054</u>	<u>\$ 68,248</u>

The \$(1,856) in unrestricted net position deficit of governmental activities represents the accumulated results of all past years' operations. It means that if we had to pay off all of our bills today including all of our noncapital liabilities (compensated absences for example) we would be short by \$1,856.

The net position for governmental activities decreased by \$255,637 which includes a prior period adjustment decrease of \$160,305 during the fiscal year ended December 31, 2018. As stated previously, this year an additional \$96,958 of interest expense payable was recorded which was owed on a balance due to DHH for prior year

**Webster Parish Office of Community Services
Management's Discussion and Analysis (MD&A)
December 31, 2018**

disallowed costs of the Head Start program. In addition, a prior period adjustment was made in 2018 to properly report unearned revenues and payments made to send back excess drawdowns of funding from the Head Start program in 2016 and 2017.

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

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

	Governmental Activities			Business-type Activities		
	2018	2017	Increase (Decrease) From 2017	2018	2017	Increase (Decrease) From 2017
Revenues:						
Program revenues:						
Charges for services	\$ 141,411	\$ 45,904	\$ 95,507	\$ -	\$ -	\$ -
Operating grants & contributions	4,006,252	4,054,378	(48,126)	701,776	682,655	19,121
General revenues:						
Other revenues	76,302	200,854	(124,552)	7,869	10,290	(2,421)
Total revenues	4,223,965	4,301,136	(77,171)	709,645	692,945	16,700
Functions/Program Expenses:						
Health & welfare	4,319,297	4,215,930	103,367	678,839	669,004	9,835
Total expenses	4,319,297	4,215,930	103,367	678,839	669,004	9,835
Increase (decrease) in net position	(95,332)	85,206	(180,538)	30,806	23,941	6,865
Net Position Beginning - as originally stated	1,305,825	1,220,619	85,206	68,248	44,307	23,941
Prior period adjustment	(160,305)	-	(160,305)	-	-	-
Net Position Beginning - as restated	1,145,520	1,220,619	(75,099)	68,248	44,307	23,941
Net Position - Ending	\$ 1,050,188	\$ 1,305,825	\$ (255,637)	\$ 99,054	\$ 68,248	\$ 30,806

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

As the Office of Community Services completed this year, our governmental funds reported a combined fund balance of \$475,274 which is a decrease of \$167,727 from last year which includes the prior period adjustment. Some changes in fund balance are explained below:

Our General Fund is our principal operating fund. The fund balance in the general fund decreased by \$92,920, including the prior period adjustment, to \$437,832. The 2018 decrease to the General Fund balance is attributed to the following:

- A prior period adjustment reduced fund balance by \$22,506. The adjustment corrected fund

**Webster Parish Office of Community Services
Management's Discussion and Analysis (MD&A)
December 31, 2018**

- balance to record a prior year disallowed costs for Headstart in the General Fund.
- In 2017, the General Fund reported \$16,860 of repayment of theft losses. These proceeds were not received in 2018 and therefore, not available to cover General Fund expenditures.
- The General Fund recognized additional personnel expenditures for the cost of the interim Executive Director.
- General fund recognized a transfer of \$91,097 to the Transportation Fund.

The Head Start Fund accounts for funds used for the purpose of providing young children, generally ages 3 to 5 in low income families with services designed to meet the needs in various areas such as health, education, social services, etc. The fund balance in this fund decreased by \$41,069 which is due to a prior period adjustment to record unearned revenue for 2016 and 2017.

The Transportation fund accounts for funds used to provide transportation services to citizens within the parish. The fund balance in this fund increased \$57,813 to \$18,790. The general fund transferred \$91,097 to this fund to clear a prior year and current year deficit.

The Food Service program receives funds from CACFP to reimburse programs for meals provided to students enrolled in the Head Start Program and the Family Home Daycare program. The fund balance in these two funds decreased \$110,338 to \$(8,435). The decrease was due mainly to a prior period adjustment of \$96,730 to record unearned revenue for 2016 and 2017 in the Head Start Food Program.

The CSBG fund accounts for funds used to assist the Office of Community Services with operations. The fund balance in this fund increased by \$872 to (\$12,865). This is due to Federal funding for community services increased by approximately \$27,000. This increase in funding was used to cover the personnel costs and operations of the program, whose costs increased by only \$16,000, resulting in a net increase of \$872. In the prior year, the program operated at a deficit of \$10,000.

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 \$17,915 to \$39,197. The increase occurred within the LIHEAP program. Funding increased by approximately \$22,000, with expenditures increasing by only \$13,000. Personnel costs allocated to LIHEAP was almost \$11,000 less than the prior year, while additional funding was used to cover additional energy crisis payments of approximately \$16,000 and audit costs of \$7,000.

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 \$30,806 to \$99,054. As in prior years, total revenues continues to exceed expenses of operations. For 2018, this program received an increase in funding for HAP payments and administration of approximately \$19,000, while fraud recovery income decreased by \$2,400. The additional funding was used to cover additional costs of audit and personnel costs, increasing by approximately \$6,300 and \$13,000, respectively, while the costs to service providers was approximately \$13,000 less than in the prior year.

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 2018 General Fund original budget.

The final actual revenues exceeded budgeted by \$13,525 due to actual revenues included an additional income from

**Webster Parish Office of Community Services
Management's Discussion and Analysis (MD&A)
December 31, 2018**

theft recovery which was not included in the original budget. The actual expenditures covered by the General fund for all categories was less than originally proposed.

CAPITAL ASSETS

Capital Assets At December 31, 2018, the Office of Community Service’s governmental activities had \$996,527 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 \$9,683, or 1% from last year.

	Capital Assets			
	December 31,			
	Governmental Activities		Business-Type Activities	
	2018	2017	2018	2017
Buildings and improvements	\$ 1,038,811	\$ 1,038,811	\$ -	\$ -
Furniture, equipment & vehicles	1,819,178	1,730,392	6,212	5,824
Intangibles	18,160	18,160	-	-
Total cost of capital net assets	2,876,149	2,787,363	6,212	5,824
Less: accumulated depreciation & amortization	(1,879,622)	(1,800,519)	(5,863)	(5,824)
Net capital assets	<u>\$ 996,527</u>	<u>\$ 986,844</u>	<u>\$ 349</u>	<u>\$ -</u>

Capital asset additions in 2018 included purchases of an HVAC system. New computers and servers were purchased for LIHEAP, Head Start, Transportation and Section 8 programs. Two new busses were purchased for the Transportation program, with 85% of costs funded with federal monies. Two vehicles were disposed of in 2018, one of which was totaled in 2018. For further information on capital assets, see Note 6 of the Notes to the Financial Statements.

Long Term Debt At December 31, 2018 the Office of Community Service’s governmental activities had \$428,336 in long term debt which included \$59,127 in compensated absences and \$369,209 claim payable for prior year disallowed costs.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES Our appointed officials and citizens consider many factors when setting the Office of Community Services’ 2019 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 2019 year.

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

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements (GWFS)

WEBSTER PARISH OFFICE OF COMMUNITY SERVICES

STATEMENT OF NET POSITION

December 31, 2018

Statement A

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and cash equivalents	\$ 374,785	\$ 79,376	\$ 454,161
Investments	141,614	5,903	147,517
Receivables, net	308,661	13,823	322,484
Internal balances	382	(382)	-
Prepaid items	16,950	5,377	22,327
Capital Assets:			
Capital assets, net of depreciation and amortization	996,527	349	996,876
TOTAL ASSETS	1,838,919	104,446	1,943,365
LIABILITIES			
Accounts, salaries and other payables	251,129	2,345	253,474
Unearned revenue	109,266	-	109,266
Long-term liabilities			
Due within one year	45,663	728	46,391
Due in more than one year	382,673	2,319	384,992
TOTAL LIABILITIES	788,731	5,392	794,123
NET POSITION			
Investment in capital assets	996,527	349	996,876
Restricted for grants	55,517	23,706	79,223
Unrestricted	(1,856)	74,999	73,143
TOTAL NET POSITION	\$ 1,050,188	\$ 99,054	\$ 1,149,242

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

WEBSTER PARISH OFFICE OF COMMUNITY SERVICES

**STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2018**

Statement B

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Primary government						
<i>Governmental Activities</i>						
Health and Welfare	\$ (4,319,297)	\$ 141,411	\$ 4,006,252	\$ (171,634)	\$ -	\$ (171,634)
Total governmental activities	<u>(4,319,297)</u>	<u>141,411</u>	<u>4,006,252</u>	<u>(171,634)</u>	<u>-</u>	<u>(171,634)</u>
<i>Business-type activities</i>						
Health and Welfare	(678,839)	-	701,776	-	22,937	22,937
Total	<u>\$ (4,998,136)</u>	<u>\$ 141,411</u>	<u>\$ 4,708,028</u>	<u>(171,634)</u>	<u>22,937</u>	<u>(148,697)</u>
General revenues:						
Interest and investment earnings				2,802	49	2,851
Miscellaneous				73,500	7,820	81,320
Total general revenues				<u>76,302</u>	<u>7,869</u>	<u>84,171</u>
Change in net position				(95,332)	30,806	(64,526)
Net position beginning - as originally stated				<u>1,305,825</u>	<u>68,248</u>	<u>1,374,073</u>
Prior period adjustment				(160,305)	-	(160,305)
Net position beginning - as restated				<u>1,145,520</u>	<u>68,248</u>	<u>1,213,768</u>
Net position - ending				<u>\$ 1,050,188</u>	<u>\$ 99,054</u>	<u>\$ 1,149,242</u>

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

BASIC FINANCIAL STATEMENTS

Fund Financial Statements (FFS)

WEBSTER PARISH OFFICE OF COMMUNITY SERVICES

GOVERNMENTAL FUNDS

Balance Sheet

December 31, 2018

	<u>GENERAL</u>	<u>HEADSTART</u>	<u>TRANSPORTATION</u>
ASSETS			
Cash and cash equivalents	\$ 247,647	\$ 76,970	\$ -
Investments	141,614	-	-
Receivables	6,444	71,826	77,477
Interfund receivables	101,091	4,120	-
Prepaid items	-	13,107	1,969
	<u>496,796</u>	<u>166,023</u>	<u>79,446</u>
TOTAL ASSETS			
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts, salaries and other payables	27,325	105,894	18,541
Interfund payables	31,639	38,733	41,887
Unearned revenue	-	15,638	-
Accrued compensated absences	-	5,003	228
	<u>58,964</u>	<u>165,268</u>	<u>60,656</u>
TOTAL LIABILITIES			
Fund balances:			
Nonspendable	-	13,107	1,969
Restricted	-	-	16,821
Unassigned	437,832	(12,352)	-
	<u>437,832</u>	<u>755</u>	<u>18,790</u>
TOTAL FUND BALANCES			
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 496,796</u>	<u>\$ 166,023</u>	<u>\$ 79,446</u>

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

Statement C

<u>FOOD</u>	<u>CSBG</u>	<u>NONMAJOR GOVERNMENTAL</u>	<u>TOTAL</u>
\$ 11,599	\$ -	\$ 38,569	\$ 374,785
-	-	-	141,614
136,194	14,661	2,059	308,661
31,639	-	-	136,850
<u>1,277</u>	<u>96</u>	<u>501</u>	<u>16,950</u>
<u>180,709</u>	<u>14,757</u>	<u>41,129</u>	<u>978,860</u>
92,532	6,209	628	251,129
1,995	20,910	1,304	136,468
93,628	-	-	109,266
<u>989</u>	<u>503</u>	<u>-</u>	<u>6,723</u>
<u>189,144</u>	<u>27,622</u>	<u>1,932</u>	<u>503,586</u>
1,277	96	501	16,950
-	-	38,696	55,517
<u>(9,712)</u>	<u>(12,961)</u>	<u>-</u>	<u>402,807</u>
<u>(8,435)</u>	<u>(12,865)</u>	<u>39,197</u>	<u>475,274</u>
<u>\$ 180,709</u>	<u>\$ 14,757</u>	<u>\$ 41,129</u>	<u>\$ 978,860</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, 2018**

Statement D

Total fund balances - governmental funds \$ 475,274

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	\$ 2,876,149	
Accumulated depreciation	<u>(1,879,622)</u>	996,527

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, 2018 are:

Long-term liabilities		
Compensated absences payable		(52,404)
Claims payable		<u>(369,209)</u>

Net position of governmental activities \$ 1,050,188

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

WEBSTER PARISH OFFICE OF COMMUNITY SERVICES

GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 2018

	<u>GENERAL</u>	<u>HEADSTART</u>	<u>TRANSPORTATION</u>
REVENUES			
Local Sources:			
Interest and investment earnings	\$ 2,801	\$ -	\$ 1
Other revenue	59,724	1,116	141,411
Federal Sources	-	1,917,629	411,817
	<u>62,525</u>	<u>1,918,745</u>	<u>553,229</u>
TOTAL REVENUES			
EXPENDITURES			
Current:			
Health and welfare:			
Personnel	15,388	1,475,782	279,706
Gas, oil & repairs	135	55,724	114,697
Office expense	5,884	162,589	18,570
Insurance	-	44,690	36,491
Utilities	-	97,798	11,272
Service providers	-	-	-
Food services	-	-	-
Other	15,156	77,142	9,938
Capital outlay	5,279	5,020	127,094
	<u>41,842</u>	<u>1,918,745</u>	<u>597,768</u>
TOTAL EXPENDITURES			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>20,683</u>	<u>-</u>	<u>(44,539)</u>
OTHER FINANCING SOURCES (USES)			
Insurance proceeds	-	-	11,255
Transfers in	-	-	91,097
Transfers out	(91,097)	-	-
	<u>(91,097)</u>	<u>-</u>	<u>102,352</u>
TOTAL OTHER FINANCING SOURCES (USES)			
NET CHANGE IN FUND BALANCES	<u>(70,414)</u>	<u>-</u>	<u>57,813</u>
FUND BALANCES BEGINNING - AS ORIGINALLY STATED	530,752	41,824	(39,023)
PRIOR PERIOD ADJUSTMENT	<u>(22,506)</u>	<u>(41,069)</u>	<u>-</u>
FUND BALANCES BEGINNING - AS RESTATED	<u>508,246</u>	<u>755</u>	<u>(39,023)</u>
FUND BALANCES - ENDING	<u>\$ 437,832</u>	<u>\$ 755</u>	<u>\$ 18,790</u>

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

Statement E

<u>FOOD</u>	<u>CSBG</u>	<u>NONMAJOR GOVERNMENTAL</u>	<u>TOTAL</u>
\$ -	\$ -	\$ -	\$ 2,802
1,405	-	-	203,656
<u>1,116,299</u>	<u>159,515</u>	<u>400,992</u>	<u>4,006,252</u>
<u>1,117,704</u>	<u>159,515</u>	<u>400,992</u>	<u>4,212,710</u>
221,025	147,614	683	2,140,198
186	-	34	170,776
18,300	2,876	5,386	213,605
1,052	394	1,042	83,669
6,124	2,629	4,380	122,203
667,042	-	362,708	1,029,750
187,897	-	-	187,897
26,202	5,130	8,456	142,024
<u>3,484</u>	<u>-</u>	<u>388</u>	<u>141,265</u>
<u>1,131,312</u>	<u>158,643</u>	<u>383,077</u>	<u>4,231,387</u>
<u>(13,608)</u>	<u>872</u>	<u>17,915</u>	<u>(18,677)</u>
-	-	-	11,255
-	-	-	91,097
<u>-</u>	<u>-</u>	<u>-</u>	<u>(91,097)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>11,255</u>
<u>(13,608)</u>	<u>872</u>	<u>17,915</u>	<u>(7,422)</u>
101,903	(13,737)	21,282	643,001
<u>(96,730)</u>	<u>-</u>	<u>-</u>	<u>(160,305)</u>
<u>5,173</u>	<u>(13,737)</u>	<u>21,282</u>	<u>482,696</u>
<u>\$ (8,435)</u>	<u>\$ (12,865)</u>	<u>\$ 39,197</u>	<u>\$ 475,274</u>

WEBSTER PARISH OFFICE OF COMMUNITY SERVICES

**Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities
For the Year Ended December 31, 2018**

Statement F

Net change in fund balances - total governmental funds \$ (7,422)

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	\$	141,265	
Depreciation expense		<u>(131,583)</u>	9,682

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

Vacation and comp time	(634)
Increase in claim payable	<u>(96,958)</u>

Change in net position of governmental activities \$ (95,332)

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

WEBSTER PARISH OFFICE OF COMMUNITY SERVICES

PROPRIETARY FUND TYPE- ENTERPRISE FUND

Statement of Net Position

December 31, 2018

Statement G

SECTION 8
VOUCHER

ASSETS	
Current assets:	
Cash and cash equivalents	\$ 79,376
Investments	5,903
Accounts receivable, net	13,823
Prepaid items	5,377
Total current assets	<u>104,479</u>
Non-current assets:	
Capital assets, net of accumulated depreciation	<u>349</u>
TOTAL ASSETS	<u>104,828</u>
LIABILITIES	
Current Liabilities:	
Accounts, salaries and other payables	2,345
Interfund payables	382
Compensated absences	728
Total current liabilities	<u>3,455</u>
Non-current liabilities:	
Compensated absences	<u>2,319</u>
TOTAL LIABILITIES	<u>5,774</u>
NET POSITION	
Investment in capital assets	349
Restricted for HAP	23,706
Unrestricted	74,999
TOTAL NET POSITION	<u>\$ 99,054</u>

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

WEBSTER PARISH OFFICE OF COMMUNITY SERVICES

PROPRIETARY FUND TYPE- ENTERPRISE FUND
 Statement of Revenues, Expenses,
 and Changes in Fund Net Position
 For the Year Ended December 31, 2018

	Statement H
	SECTION 8 VOUCHER
OPERATING REVENUES	
Federal grants	\$ 701,776
Other income	7,820
	<hr/>
TOTAL OPERATING REVENUES	709,596
	<hr/>
OPERATING EXPENSES	
Administration	74,557
Utilities	4,379
General	1,354
Depreciation	39
Housing assistance payments	598,510
	<hr/>
TOTAL OPERATING EXPENSES	678,839
	<hr/>
OPERATING INCOME (LOSS)	30,757
NON-OPERATING REVENUES	
Interest income	49
	<hr/>
CHANGE IN NET POSITION	30,806
NET POSITION AT BEGINNING OF YEAR	<hr/> 68,248
NET POSITION AT END OF YEAR	<hr/> <hr/> \$ 99,054

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

WEBSTER PARISH OFFICE OF COMMUNITY SERVICES

PROPRIETARY FUND TYPE - ENTERPRISE FUND
 Statement of Cash Flows
 For the Year Ended December 31, 2018

	Statement I
	SECTION 8 VOUCHER
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments to vendors	\$ (28,274)
Payments to employees	(49,749)
Payments to private landlords and others	(598,510)
Federal grants	701,776
Other receipts	2,256
	<hr/>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	27,499
	<hr/>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	(388)
	<hr/>
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(388)
	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest	49
	<hr/>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	49
	<hr/>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	27,160
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	52,216
	<hr/>
CASH AND CASH EQUIVALENTS AT END OF YEAR	79,376
	<hr/> <hr/>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	30,757
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	39
Change in assets and liabilities:	
Accounts receivable	(5,564)
Prepaid items	(797)
Compensated absences	3,047
Accounts, salaries and other payables	(359)
Interfunds	376
	<hr/>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 27,499
	<hr/> <hr/>

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

Webster Parish Office of Community Services
Notes to the Financial Statements
December 31, 2018

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Webster Parish Office of Community Services
Notes to the Financial Statements
December 31, 2018

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, 2018

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

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

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

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

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

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

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

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

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

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

Webster Parish Office of Community Services
Notes to the Financial Statements
December 31, 2018

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

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

Fund Financial Statements (FFS)

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

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

Revenues

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

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

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

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

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

Proprietary Funds

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

Webster Parish Office of Community Services
Notes to the Financial Statements
December 31, 2018

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

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

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

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

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

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

Definitions:

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

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

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

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

Webster Parish Office of Community Services
Notes to the Financial Statements
December 31, 2018

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

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

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

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

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

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

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

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

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

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

Webster Parish Office of Community Services
Notes to the Financial Statements
December 31, 2018

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 unrestricted fund balance classifications could be used. The Office of Community Services considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available.

Webster Parish Office of Community Services
Notes to the Financial Statements
December 31, 2018

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

Deficit Fund Balance For the fiscal year ending December 31, 2018, the following funds reported deficit fund balances:

Food	\$ (8,435)
CSBG	(12,865)

The deficit in the food fund will be cleared in the next year from operations. The deficit in the CSBG fund will be cleared by a transfer from the general fund.

Actual Expenditures Exceeding Budgeted Expenditures For the fiscal year ending December 31, 2018 the following funds reported actual expenditures that exceeded budgeted expenditures:

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Transportation	\$ 575,495	\$ 597,768	\$ (22,273)

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 \$454,161 and the bank balance was \$491,718. 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.

**Webster Parish Office of Community Services
Notes to the Financial Statements
December 31, 2018**

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

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)	\$ 147,517

Investments held at December 31, 2018 consist of \$147,517 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7-like investment pools:

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

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

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

Interest Rate Risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 30 as of December 31, 2018.

Foreign Currency Risk: Not applicable.

NOTE 5 - RECEIVABLES The following is a summary of receivables at December 31, 2018 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	\$ -	\$ 71,826	\$ 77,070	\$ 136,194	\$ 14,661	\$ 2,059	\$ -	\$ 301,810
Other	6,444	-	407	-	-	-	13,823	20,674
Total	<u>\$ 6,444</u>	<u>\$ 71,826</u>	<u>\$ 77,477</u>	<u>\$ 136,194</u>	<u>\$ 14,661</u>	<u>\$ 2,059</u>	<u>\$ 13,823</u>	<u>\$ 322,484</u>

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 \$3,514.

Webster Parish Office of Community Services
Notes to the Financial Statements
December 31, 2018

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

	Balance Beginning	Additions	Deletions	Balance Ending
Capital assets, being depreciated:				
Buildings and improvements	\$ 1,038,811	\$ -	\$ -	\$ 1,038,811
Furniture, equipment and vehicles	1,730,392	141,265	52,479	1,819,178
Intangibles	18,160	-	-	18,160
Total	<u>2,787,363</u>	<u>141,265</u>	<u>52,479</u>	<u>2,876,149</u>
Less accumulated depreciation and amortization:				
Buildings and improvements	380,991	36,935	-	417,926
Furniture, equipment and vehicles	1,409,877	91,016	52,479	1,448,414
Amortization	9,650	3,632	-	13,282
Total	<u>1,800,518</u>	<u>131,583</u>	<u>52,479</u>	<u>1,879,622</u>
Governmental Activities, capital assets net	<u>\$ 986,845</u>	<u>\$ 9,682</u>	<u>\$ -</u>	<u>\$ 996,527</u>

Depreciation and amortization expense of \$131,583 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	\$ 388	\$ -	\$ 6,212
Total	<u>5,824</u>	<u>388</u>	<u>-</u>	<u>6,212</u>
Less accumulated depreciation and amortization:				
Furniture, equipment and vehicles	5,824	39	-	5,863
Total	<u>5,824</u>	<u>39</u>	<u>-</u>	<u>5,863</u>
Business-type Activities, capital assets net	<u>\$ -</u>	<u>\$ 349</u>	<u>\$ -</u>	<u>\$ 349</u>

Depreciation expense of \$39 was charged to the health and welfare function.

NOTE 7 - RETIREMENT SYSTEMS

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

The Office of Community Services acts as the plan administrator and establishes separate accounts for each employee. An employee who wishes to participate in the plan will complete an application which is forwarded to the plan trustee for review and approval of the percentages and types of investment options chosen. All participants in the plan may elect to make salary reduction contributions. The employee can decide the percentage of deductions and type(s) of investments but no less than 1% of their salary may be chosen for salary reduction. Included in the options for 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, 2018

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, 2018, forfeited non-vested accounts totaled \$3,448.

The employer contributions by the Office of Community Services for the year ended December 31, 2018 were \$56,033. No employee contributions were made under the retirement plan for fiscal year ended December 31, 2018. The employer has no accounts payable to the retirement plan at December 31, 2018.

NOTE 8 - LONG-TERM LIABILITIES The following is a summary of the long-term liabilities transactions and balances for the year ended December 31, 2018:

Governmental Activities:

	Compensated Absences	Claims Payable	Total
Balance, Beginning	\$ 51,770	\$ 272,251	\$ 324,021
Additions	60,135	96,958	157,093
Deletions	52,778	-	52,778
Balance, Ending	59,127	369,209	428,336
Amount due within one year	\$ 45,663	\$ -	\$ 45,663

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, 2018**

Business-Type Activities:

	Compensated Absences
Balance, Beginning	\$ -
Additions	6,486
Deletions	3,439
Balance, Ending	3,047
Amount due within one year	\$ 728

NOTE 9 - INTERFUND TRANSACTIONS (FFS LEVEL ONLY)

Interfund Receivable/Payables:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Headstart	\$ 38,733
	Transportation	40,000
	Food	422
	CSBG	20,250
	Nonmajor Governmental Section 8 Voucher	1,304 382
Headstart	CSBG	660
Headstart	Food	1,573
Headstart	Transportation	1,887
Food	General Fund	31,639
		\$ 136,850

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>	
Transportation	General fund	\$ 91,097

The General fund transferred monies to the Transportation fund to clear a deficit in the Transportation fund.

Webster Parish Office of Community Services
Notes to the Financial Statements
December 31, 2018

NOTE 10 - ACCOUNTS, SALARIES AND OTHER PAYABLES The payables at December 31, 2018, are as follows:

	Governmental Activities					Business- Type Activities		Total
	General	Headstart	Transportation	Food	CSBG	Nonmajor		
						Governmental	Section 8 Voucher	
Salaries	\$ 24,329	\$ 46,539	\$ 4,637	\$ 5,465	\$ 2,279	\$ 253	\$ 488	\$ 83,990
Accounts	2,996	59,355	13,904	87,067	3,930	375	1,857	169,484
Total	<u>\$ 27,325</u>	<u>\$ 105,894</u>	<u>\$ 18,541</u>	<u>\$ 92,532</u>	<u>\$ 6,209</u>	<u>\$ 628</u>	<u>\$ 2,345</u>	<u>\$ 253,474</u>

NOTE 11 - LITIGATION AND CLAIMS

Litigation Per legal counsel, the Office of Community Services was involved in one lawsuit at December 31, 2018 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 \$273,251 which is reported as a liability due in more than one year on the Statement of Net Position. Interest of \$95,958 has accrued on the liability as of December 31, 2018 bringing the total liability to \$369,209. The Office of Community Services is currently negotiating the interest rate with the Department of Health and Human Services. The Office of Community Services paid \$107,000 on this debt after year end.

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, 2018. The lease expired at the end of 2018.

Webster Parish Office of Community Services
Notes to the Financial Statements
December 31, 2018

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

	<u>General Fund</u>	<u>Headstart</u>	<u>Transportation</u>	<u>Food</u>	<u>CSBG</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Non-spendable:							
Prepaid items	\$ -	\$ 13,107	\$ 1,969	\$ 1,277	\$ 96	\$ 501	\$ 16,950
Restricted for:							
Grants	-	-	16,821	-	-	38,696	55,517
Unassigned:	437,832	(12,352)	-	(9,712)	(12,961)	-	402,807
Total	<u>\$ 437,832</u>	<u>\$ 755</u>	<u>\$ 18,790</u>	<u>\$ (8,435)</u>	<u>\$ (12,865)</u>	<u>\$ 39,197</u>	<u>\$ 475,274</u>

NOTE 15 - PRIOR PERIOD ADJUSTMENT The governmental funds include a prior period adjustment decreasing fund balance in the General fund by \$22,506, Headstart fund by \$41,069, and the Food fund by \$96,730. These adjustments are to record unearned revenue in the Headstart and Food fund for the 2016 and 2017 fiscal years and to record Headstart disallowed cost in the General fund.

REQUIRED SUPPLEMENTARY INFORMATION

Webster Parish Office of Community Services

Budgetary Comparison Schedules

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

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

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

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

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

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

WEBSTER PARISH OFFICE OF COMMUNITY SERVICES

GENERAL FUND
Budgetary Comparison Schedule
For the Year Ended December 31, 2018

Exhibit 1-1

	BUDGETARY AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Local Sources:				
Interest and investment earnings	\$ -	\$ -	\$ 2,801	\$ 2,801
Other revenue	49,000	49,000	59,724	10,724
TOTAL REVENUES	49,000	49,000	62,525	13,525
EXPENDITURES				
Current:				
Health and welfare:				
Personnel	-	-	15,388	(15,388)
Gas, oil & repairs	-	-	135	(135)
Office expense	24,250	24,250	5,884	18,366
Other	18,750	18,750	15,156	3,594
Capital outlay	6,000	6,000	5,279	721
TOTAL EXPENDITURES	49,000	49,000	41,842	7,158
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	20,683	20,683
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(91,097)	(91,097)
NET CHANGE IN FUND BALANCES	-	-	(70,414)	(70,414)
FUND BALANCES BEGINNING - AS ORIGINALLY STATED	-	-	530,752	530,752
PRIOR PERIOD ADJUSTMENT	-	-	(22,506)	(22,506)
FUND BALANCES BEGINNING - AS RESTATED	-	-	508,246	508,246
FUND BALANCES - ENDING	\$ -	\$ -	\$ 437,832	\$ 437,832

WEBSTER PARISH OFFICE OF COMMUNITY SERVICES

HEADSTART
Budgetary Comparison Schedule
For the Year Ended December 31, 2018

Exhibit 1-2

	BUDGETARY AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Local Sources:				
Other revenue	\$ -	\$ -	\$ 1,116	\$ 1,116
Federal Sources	2,028,810	2,083,308	1,917,629	(165,679)
TOTAL REVENUES	<u>2,028,810</u>	<u>2,083,308</u>	<u>1,918,745</u>	<u>(164,563)</u>
EXPENDITURES				
Current:				
Health and welfare:				
Personnel	1,607,609	1,655,807	1,475,782	180,025
Gas, oil & repairs	57,000	57,000	55,724	1,276
Office expense	150,599	150,599	162,589	(11,990)
Insurance	53,500	53,500	44,690	8,810
Utilities	80,000	80,000	97,798	(17,798)
Other	80,102	86,402	77,142	9,260
Capital outlay	-	-	5,020	(5,020)
TOTAL EXPENDITURES	<u>2,028,810</u>	<u>2,083,308</u>	<u>1,918,745</u>	<u>164,563</u>
NET CHANGE IN FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES BEGINNING - AS ORIGINALLY STATED	-	-	41,824	41,824
PRIOR PERIOD ADJUSTMENT	-	-	(41,069)	(41,069)
FUND BALANCES BEGINNING - AS RESTATED	-	-	755	755
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 755</u>	<u>\$ 755</u>

WEBSTER PARISH OFFICE OF COMMUNITY SERVICES

TRANSPORTATION
Budgetary Comparison Schedule
For the Year Ended December 31, 2018

Exhibit 1-3

	BUDGETARY AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Local Sources:				
Interest and investment earnings	\$ -	\$ -	\$ 1	\$ 1
Other revenue	182,300	182,300	141,411	(40,889)
Federal Sources	395,061	395,061	411,817	16,756
TOTAL REVENUES	577,361	577,361	553,229	(24,132)
EXPENDITURES				
Current:				
Health and welfare:				
Personnel	325,395	325,395	279,706	45,689
Gas, oil & repairs	160,000	160,000	114,697	45,303
Office expense	42,400	42,400	18,570	23,830
Insurance	14,000	14,000	36,491	(22,491)
Utilities	13,000	13,000	11,272	1,728
Other	20,700	20,700	9,938	10,762
Capital outlay	-	-	127,094	(127,094)
TOTAL EXPENDITURES	575,495	575,495	597,768	(22,273)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,866	1,866	(44,539)	(46,405)
OTHER FINANCING SOURCES (USES)				
Insurance proceeds	-	-	11,255	11,255
Transfers in	-	-	91,097	91,097
TOTAL OTHER FINANCING SOURCES (USES)	-	-	102,352	102,352
NET CHANGE IN FUND BALANCES	1,866	1,866	57,813	55,947
FUND BALANCES - BEGINNING	-	-	(39,023)	(39,023)
FUND BALANCES - ENDING	\$ 1,866	\$ 1,866	\$ 18,790	\$ 16,924

WEBSTER PARISH OFFICE OF COMMUNITY SERVICES

FOOD
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2018

Exhibit 1-4

	BUDGETARY AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Local Sources:				
Other revenue	\$ -	\$ -	\$ 1,405	\$ 1,405
Federal Sources	1,189,253	1,195,714	1,116,299	(79,415)
TOTAL REVENUES	1,189,253	1,195,714	1,117,704	(78,010)
EXPENDITURES				
Current:				
Health and welfare:				
Personnel	273,663	280,123	221,025	59,098
Gas, oil & repairs	-	-	186	(186)
Office expense	15,780	15,780	18,300	(2,520)
Insurance	-	-	1,052	(1,052)
Utilities	-	-	6,124	(6,124)
Service providers	604,957	604,957	667,042	(62,085)
Food services	257,988	257,988	187,897	70,091
Other	36,865	36,866	26,202	10,664
Capital outlay	-	-	3,484	(3,484)
TOTAL EXPENDITURES	1,189,253	1,195,714	1,131,312	64,402
NET CHANGE IN FUND BALANCES	-	-	(13,608)	(13,608)
FUND BALANCES BEGINNING - AS ORIGINALLY STATED	-	-	101,903	101,903
PRIOR PERIOD ADJUSTMENT	-	-	(96,730)	(96,730)
FUND BALANCES BEGINNING - AS RESTATED	-	-	5,173	5,173
FUND BALANCES - ENDING	\$ -	\$ -	\$ (8,435)	\$ (8,435)

WEBSTER PARISH OFFICE OF COMMUNITY SERVICES

CSBG
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2018

Exhibit 1-5

	BUDGETARY AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Federal Sources	\$ 161,597	\$ 162,007	\$ 159,515	\$ (2,492)
TOTAL REVENUES	161,597	162,007	159,515	(2,492)
EXPENDITURES				
Current:				
Health and welfare:				
Personnel	147,580	147,579	147,614	(35)
Office expense	5,092	5,503	2,876	2,627
Insurance	-	-	394	(394)
Utilities	3,000	3,000	2,629	371
Other	5,925	5,925	5,130	795
TOTAL EXPENDITURES	161,597	162,007	158,643	3,364
NET CHANGE IN FUND BALANCES	-	-	872	872
FUND BALANCES - BEGINNING	-	-	(13,737)	(13,737)
FUND BALANCES - ENDING	\$ -	\$ -	\$ (12,865)	\$ (12,865)

Webster Parish Office of Community Services

Notes to Budgetary Comparison Schedules
For the Year Ended December 31, 2018

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, 2018, modified accrual budgets were adopted for the General fund and all special revenue funds. Budgets are adopted based on the grant budget year which may be different from the fiscal year end. The Transportation and Food budgets are on a grant year end which is different from the fiscal year end.

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

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

B. Actual Expenditures Exceeding Budgeted Expenditures

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Transportation	\$ 575,495	\$ 597,768	\$ (22,273)

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, 2018

Exhibit 2

	HOUSING	LIHEAP ENERGY	EMERGENCY ASSISTANCE	TOTAL
ASSETS				
Cash and cash equivalents	\$ 259	\$ 34,453	\$ 3,857	\$ 38,569
Receivables	-	2,059	-	2,059
Prepaid items	-	501	-	501
TOTAL ASSETS	259	37,013	3,857	41,129
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	-	628	-	628
Interfund payables	169	21	1,114	1,304
TOTAL LIABILITIES	169	649	1,114	1,932
Fund balances:				
Nonspendable	-	501	-	501
Restricted	90	35,863	2,743	38,696
TOTAL FUND BALANCES	90	36,364	2,743	39,197
TOTAL LIABILITIES AND FUND BALANCES	\$ 259	\$ 37,013	\$ 3,857	\$ 41,129

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, 2018

Exhibit 3

	HOUSING	LIHEAP ENERGY	EMERGENCY ASSISTANCE	TOTAL
REVENUES				
Federal Sources	\$ -	\$ 400,992	\$ -	\$ 400,992
TOTAL REVENUES	-	400,992	-	400,992
EXPENDITURES				
Current:				
Health and welfare:				
Personnel	-	683	-	683
Gas, oil & repairs	-	34	-	34
Office expense	-	5,386	-	5,386
Insurance	-	1,042	-	1,042
Utilities	-	4,380	-	4,380
Service providers	-	362,708	-	362,708
Other	-	8,456	-	8,456
Capital outlay	-	388	-	388
TOTAL EXPENDITURES	-	383,077	-	383,077
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	17,915	-	17,915
FUND BALANCES - BEGINNING	90	18,449	2,743	21,282
FUND BALANCES - ENDING	\$ 90	\$ 36,364	\$ 2,743	\$ 39,197

**Webster Parish Office of Community Services
Schedule of Compensation Paid Board Members
For the Year Ended December 31, 2018**

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, 2018.

Joseph Jefferson	Steve Lemmons
L.R. Clemons	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, 2018**

Exhibit 5

**Agency Head Name: Mary Whitaker, Glenda Allums, Melinda Davidson,
 Executive Directors**

<u>Purpose</u>	<u>Mary Whitaker</u>	<u>Glenda Allums</u>	<u>Melinda Davidson</u>
Salary	\$ 49,120	\$ 12,641	\$ 5,879
Benefits-insurance	120	-	-
Benefits-retirement	1,887	-	664
Travel	-	471	136

Webster Parish Office of Community Services

Webster Parish Police Jury (LA213)
Minden, LA

Program Balance Sheet Summary

Exhibit 6

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2018

	14.871 Housing Choice Vouchers	10.427 Rural Rental Assistance Payments	Total
111 Cash - Unrestricted	\$55,670		\$55,670
112 Cash - Restricted - Modernization and Development			
113 Cash - Other Restricted	\$23,706		\$23,706
114 Cash - Tenant Security Deposits			
115 Cash - Restricted for Payment of Current Liabilities	\$0		\$0
100 Total Cash	\$79,376	\$0	\$79,376
121 Accounts Receivable - PHA Projects			
122 Accounts Receivable - HUD Other Projects	\$0		\$0
124 Accounts Receivable - Other Government	\$0		\$0
125 Accounts Receivable - Miscellaneous	\$0		\$0
126 Accounts Receivable - Tenants			
126.1 Allowance for Doubtful Accounts -Tenants			
126.2 Allowance for Doubtful Accounts - Other	\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current			
128 Fraud Recovery	\$17,337		\$17,337
128.1 Allowance for Doubtful Accounts - Fraud	-\$3,514		-\$3,514
129 Accrued Interest Receivable			
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$13,823	\$0	\$13,823
131 Investments - Unrestricted	\$5,903		\$5,903
132 Investments - Restricted	\$0		\$0
135 Investments - Restricted for Payment of Current Liability	\$0		\$0
142 Prepaid Expenses and Other Assets	\$5,377		\$5,377
143 Inventories			
143.1 Allowance for Obsolete Inventories			
144 Inter Program Due From	\$0		\$0
145 Assets Held for Sale			
150 Total Current Assets	\$104,479	\$0	\$104,479
161 Land			
162 Buildings			
163 Furniture, Equipment & Machinery - Dwellings			
164 Furniture, Equipment & Machinery - Administration	\$6,212		\$6,212
165 Leasehold Improvements			
166 Accumulated Depreciation	-\$5,863		-\$5,863
167 Construction in Progress			
168 Infrastructure			
160 Total Capital Assets, Net of Accumulated Depreciation	\$349	\$0	\$349

(continued)

Webster Parish Office of Community Services

Webster Parish Police Jury (LA213)
Minden, LA

Program Balance Sheet Summary

Exhibit 6

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2018

	14.871 Housing Choice Vouchers	10.427 Rural Rental Assistance Payments	Total
171 Notes, Loans and Mortgages Receivable - Non-Current	\$0		\$0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past	\$0		\$0
173 Grants Receivable - Non Current			
174 Other Assets	\$0		\$0
176 Investments in Joint Ventures	\$0		\$0
180 Total Non-Current Assets	\$349	\$0	\$349
200 Deferred Outflow of Resources		\$0	\$0
290 Total Assets and Deferred Outflow of Resources	\$104,828	\$0	\$104,828
311 Bank Overdraft			
312 Accounts Payable <= 90 Days	\$2,199		\$2,199
313 Accounts Payable >90 Days Past Due			
321 Accrued Wage/Payroll Taxes Payable	\$488		\$488
322 Accrued Compensated Absences - Current Portion	\$728		\$728
324 Accrued Contingency Liability			
325 Accrued Interest Payable			
331 Accounts Payable - HUD PHA Programs	\$0		\$0
332 Account Payable - PHA Projects			
333 Accounts Payable - Other Government	\$0		\$0
341 Tenant Security Deposits			
342 Unearned Revenue	\$0		\$0
343 Current Portion of Long-term Debt - Capital			
344 Current Portion of Long-term Debt - Operating Borrowings			
345 Other Current Liabilities	\$40		\$40
346 Accrued Liabilities - Other			
347 Inter Program - Due To			
348 Loan Liability - Current			
310 Total Current Liabilities	\$3,455	\$0	\$3,455
351 Long-term Debt, Net of Current - Capital Projects/Mortgage			
352 Long-term Debt, Net of Current - Operating Borrowings			
353 Non-current Liabilities - Other			
354 Accrued Compensated Absences - Non Current	\$2,319		\$2,319
355 Loan Liability - Non Current			
356 FASB 5 Liabilities			
357 Accrued Pension and OPEB Liabilities		\$0	\$0
350 Total Non-Current Liabilities	\$2,319	\$0	\$2,319
300 Total Liabilities	\$5,774	\$0	\$5,774
400 Deferred Inflow of Resources			
508.4 Net Investment in Capital Assets			\$349
511.4 Restricted Net Position	\$23,706		\$23,706
512.4 Unrestricted Net Position	\$75,348	\$0	\$74,999
513 Total Equity - Net Assets / Position	\$99,054	\$0	\$99,054
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$104,828	\$0	\$104,828

(continued)

Webster Parish Office of Community Services

Webster Parish Police Jury (LA213)
Minden, LA

Program Revenue and Expense Summary

Exhibit 6

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2018

	14 871 Housing Choice Vouchers	10 427 Rural Rental Assistance Payments	Total
70300 Net Tenant Rental Revenue			
70400 Tenant Revenue - Other			
70500 Total Tenant Revenue	\$0	\$0	\$0
70600 HUD PHA Operating Grants	\$701,776		\$701,776
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	\$49		\$49
71200 Mortgage Interest Income			
71300 Proceeds from Disposition of Assets Held for Sale			
71310 Cost of Sale of Assets			
71400 Fraud Recovery	\$7,820		\$7,820
71500 Other Revenue			
71600 Gain or Loss on Sale of Capital Assets			
72000 Investment Income - Restricted	\$0		\$0
70000 Total Revenue	\$709,645	\$0	\$709,645
91100 Administrative Salaries	\$44,274		\$44,274
91200 Auditing Fees	\$7,235		\$7,235
91300 Management Fee	\$0	\$0	\$0
91310 Book-keeping Fee			
91400 Advertising and Marketing	\$266		\$266
91500 Employee Benefit contributions - Administrative	\$8,372		\$8,372
91600 Office Expenses	\$15,318		\$15,318
91700 Legal Expense			
91800 Travel	\$1,385		\$1,385
91810 Allocated Overhead			
91900 Other			
91000 Total Operating - Administrative	\$76,850	\$0	\$76,850
92000 Asset Management Fee			
92100 Tenant Services - Salaries			
92200 Relocation Costs			
92300 Employee Benefit Contributions - Tenant Services			
92400 Tenant Services - Other			
92500 Total Tenant Services	\$0	\$0	\$0
93100 Water			
93200 Electricity	\$2,360		\$2,360
93300 Gas			
93400 Fuel			
93500 Labor			
93600 Sewer			
93700 Employee Benefit Contributions - Utilities			
93800 Other Utilities Expense			
93000 Total Utilities	\$2,360	\$0	\$2,360

(continued)

Webster Parish Office of Community Services

Webster Parish Police Jury (LA213)
Minden, LA

Program Revenue and Expense Summary

Exhibit 6

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2018

	14,871 Housing Choice Vouchers	10,427 Rural Rental Assistance Payments	Total
94100 Ordinary Maintenance and Operations - Labor			
94200 Ordinary Maintenance and Operations - Materials and			
94300 Ordinary Maintenance and Operations Contracts		\$0	\$0
94500 Employee Benefit Contributions - Ordinary Maintenance			
94000 Total Maintenance	\$0	\$0	\$0
95100 Protective Services - Labor			
95200 Protective Services - Other Contract Costs			
95300 Protective Services - Other			
95500 Employee Benefit Contributions - Protective Services			
95000 Total Protective Services	\$0	\$0	\$0
96110 Property Insurance			
96120 Liability Insurance	\$407		\$407
96130 Workmen's Compensation			
96140 All Other Insurance	\$673		\$673
96100 Total insurance Premiums	\$1,080	\$0	\$1,080
96200 Other General Expenses	\$0		\$0
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	\$0	\$0	\$0
96710 Interest of Mortgage (or Bonds) Payable			
96720 Interest on Notes Payable (Short and Long Term)			
96730 Amortization of Bond Issue Costs			
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0
96900 Total Operating Expenses	\$80,290	\$0	\$80,290
97000 Excess of Operating Revenue over Operating Expenses	\$629,355	\$0	\$629,355
97100 Extraordinary Maintenance			
97200 Casualty Losses - Non-capitalized			
97300 Housing Assistance Payments	\$598,510		\$598,510
97350 HAP Portability-In			
97400 Depreciation Expense	\$39		\$39
97500 Fraud Losses			
97600 Capital Outlays - Governmental Funds			
97700 Debt Principal Payment - Governmental Funds			
97800 Dwelling Units Rent Expense			
90000 Total Expenses	\$678,839	\$0	\$678,839

(continued)

Webster Parish Office of Community Services

Webster Parish Police Jury (LA213)
Minden, LA

Program Revenue and Expense Summary

Exhibit 6

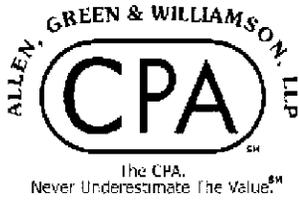
Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2018

	14,871 Housing Choice Vouchers	10,427 Rural Rental Assistance Payments	Total
10010 Operating Transfer In			
10020 Operating transfer Out			
10030 Operating Transfers from/to Primary Government			
10040 Operating Transfers from/to Component Unit			
10050 Proceeds from Notes, Loans and Bonds			
10060 Proceeds from Property Sales			
10070 Extraordinary Items, Net Gain/Loss			
10080 Special Items (Net Gain/Loss)			
10091 Inter Project Excess Cash Transfer In			
10092 Inter Project Excess Cash Transfer Out			
10093 Transfers between Program and Project - In			
10094 Transfers between Project and Program - Out			
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$30,806	\$0	\$30,806
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0
11030 Beginning Equity	\$68,248	\$0	\$68,248
11040 Prior Period Adjustments, Equity Transfers and Correction		\$0	\$0
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	\$75,348		\$75,348
11180 Housing Assistance Payments Equity	\$23,706		\$23,706
11190 Unit Months Available	1628		1628
11210 Number of Unit Months Leased	1628		1628
11270 Excess Cash			
11610 Land Purchases			
11620 Building Purchases			
11630 Furniture & Equipment - Dwelling Purchases			
11640 Furniture & Equipment - Administrative Purchases			
11650 Leasehold Improvements Purchases			
11660 Infrastructure Purchases			
13510 CFFP Debt Service Payments			
13901 Replacement Housing Factor Funds			

(concluded)

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



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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, 2018, 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, 2019.

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.

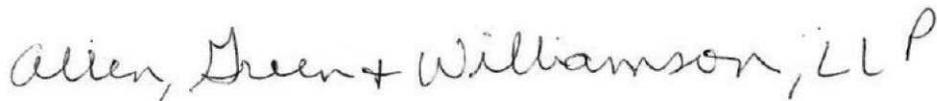
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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*.

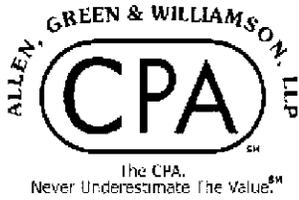
Purpose of this Report

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.

A handwritten signature in cursive script that reads "Allen, Green & Williamson, LLP".

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
June 30, 2019



ALLEN, GREEN & WILLIAMSON, LLP

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

Independent Auditor's Report

Board Members

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

Report on Compliance for Each Major Federal Program

We have audited Webster Parish Office of Community Services, a component unit of the Webster Parish Police Jury's, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Office of Community Services' major federal programs for the year ended December 31, 2018. 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 qualified and unmodified opinions on compliance for each major federal program. However, our audit does not provide a legal determination of the Office of Community Services' compliance.

Basis for Qualified Opinion on Head Start

As described in the accompanying schedule of findings and questioned costs, the Office of Community Services did not comply with requirements regarding CFDA #93.600 Head Start as described in finding number 2018-002 for cash management. Compliance with such requirements, is necessary, in our opinion, for the Office of Community Services to comply with the requirements applicable to that program.

Qualified Opinion on Head Start

In our opinion, except for noncompliance described in the Basis for Qualified Opinion paragraph, 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 CFDA #93.600 Head Start for the year ended December 31, 2018.

Unmodified Opinion on Each of the Other Major Federal Programs

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 other major federal programs identified the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs for the year ended December 31, 2018.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2018-003. Our opinion on each major federal program is not modified with respect to these matters.

The Office of Community Services response to the noncompliance findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs and Corrective Action Plan for Current Year Audit Findings and Questioned Costs. The Office of Community Services responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

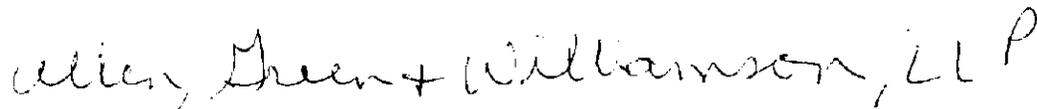
Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2018-001 an 2018-002 to be material weaknesses.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2018-003 to be significant deficiencies.

The Office of Community Services response to the internal control over compliance findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs and Corrective Action Plan for Current Year Audit Findings and Questioned Costs. The Office of Community Services responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

Handwritten signature in cursive script that reads "Allen, Green & Williamson, LLP".

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
June 30, 2019

**Webster Parish Office of Community Services
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2018**

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	\$ 811,931
Child and Adult Care Food Program – Head Start Food Service	10.558	93-416	<u>258,468</u>
Total Child and Adult Care Food Program			<u>\$ 1,070,399</u>
Total U. S. Department of Agriculture			<u>1,070,399</u>
United States Department of Housing and Urban Development			
Direct Programs:			
Section 8 Housing Choice Vouchers Cluster	14.871	LA213	<u>701,776</u>
Total U. S. Department of Housing and Urban Development			<u>701,776</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>411,817</u>
Total U. S. Department of Transportation			<u>411,817</u>
U. S. Department of Health and Human Services			
Direct programs:			
Head Start	93.600	06CH10140-03	1,963,529
Passed Through Louisiana Office of Workforce Development:			
Community Services Block Grant (477 Cluster)	93.569	2017P0012	159,515
Passed Through Louisiana Housing Corporation			
LIHEAP Energy Assistance	93.568	FY2017	400,992
Total Department of Health and Human Services			<u>2,524,036</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 4,708,028</u></u>

The accompanying notes are an integral part of the schedule.

Webster Parish Office of Community Services
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2018

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, 2018. 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 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	\$ 1,917,629
Transportation	411,817
Food	1,116,299
CSBG	159,515
Nonmajor Special Revenue:	
LIHEAP Energy	400,992
Business-Type Activities	
Section 8 Voucher	<u>701,776</u>
Total	<u><u>\$ 4,708,028</u></u>

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, 2018**

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 three significant deficiencies identified that are required to be disclosed by the Uniform Guidance (2 CFR 200). Two of these were considered to be material weaknesses.
- v. The type of report the auditor issued on compliance for major programs was unmodified for all major programs except Head Start which was qualified.
- vi. The audit disclosed three audit findings which the auditor is required to report under Uniform Guidance.
- vii. The major federal programs are:

CFDA #93.600	Head Start
CFDA #93.568	LIHEAP Energy Assistance
- 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 qualify as a low-risk auditee under the Uniform Guidance.

**Webster Parish Office of Community Services
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2018**

Part III-Findings and questioned costs for federal awards which are required to be reported under the Uniform Guidance:

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

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

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

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

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

Context: This appears to be systemic.

Possible asserted effect (cause and effect):

Cause: The Executive Director position for the agency changed 3 times during the year. Several of the internal control procedures were performed by the Executive Director.

Effect: The Office of Community Services' controls over activities allowed or unallowed and allowable cost/cost principles are weakened.

Recommendations to prevent future occurrences: The Office of Community Services should establish procedures to ensure that checks are properly voided to prevent processing of a check that was voided in the system. Additionally, the Office of Community Services should develop review procedures to ensure that proper amounts are pulled down from the grant system, that disbursements are recorded in the proper period and that amounts are not accrued at year-end that do not relate to the fiscal year.

**Webster Parish Office of Community Services
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2018**

Part III-Findings and questioned costs for federal awards which are required to be reported under the Uniform Guidance:

Origination date and prior year reference (if applicable): This finding originated December 31, 2018.

View of responsible official: Management concurs with the condition noted. As of November 2018 the Executive Director position has been filled resulting in the internal control procedures being implemented.

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

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

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

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

Context: The auditor reviewed a sample of three of the reimbursement draw-downs during the year by the Office of Community Services. This appears to be systemic for the Head Start program.

Possible asserted effect (cause and effect):

Cause: Reimbursement requests for Head Start food were not reduced for expenses reimbursed by USDA.

Effect: The Office of Community Services was not in compliance with cash management requirements.

Recommendations to prevent future occurrences: The Office of Community Services should establish control procedures to ensure that proper amounts are drawn down for reimbursement.

Origination date and prior year reference (if applicable): This finding originated December 31, 2018.

View of responsible official: Management concurs with the conditions found. New procedures have been implemented as of November 2018 that ensures that all amounts drawn down for reimbursement are correct.

**Webster Parish Office of Community Services
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2018**

Part III-Findings and questioned costs for federal awards which are required to be reported under the Uniform Guidance:

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

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

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

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

Context: This finding is systemic.

Possible asserted effect (cause and effect):

Cause: Inadequate internal controls and monitoring of the level of grant expenditures during the year.

Effect: The Office of Community Services was not in compliance with special test and provisions of the LIHEAP grant.

Recommendations to prevent future occurrences: The Office of Community Services should establish control procedures to ensure that the proper level of expenditures are monitored throughout the year.

Origination date and prior year reference (if applicable): This finding originated December 31, 2018.

View of responsible official: Management concurs with the condition found. Controls have been implemented to ensure that proper level of expenditures are closely monitored weekly.



Webster Parish Police Jury
OFFICE OF COMMUNITY SERVICES

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wpcs1@wpocs.org

**Corrective Action Plan for Current Year Audit Findings and Questioned Costs
For the Year Ended December 31, 2018**

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

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

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

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

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

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

Person responsible for corrective action:

Melinda Davidson, Director
Webster Parish Office of Community Services
P. O. Box 876
Minden, LA 71058

Telephone: 318-377-7022
Fax: 318-377-2870

Anticipated completion date: June 2019

Corrective Action Plan for Current Year Audit Findings and Questioned Costs (continued)

Reference # and title: 2018-002 Cash Management

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

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

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

Corrective action planned: Controls have been put in place to ensure that proper amounts are drawn down for reimbursement.

Person responsible for corrective action:

Melinda Davidson, Director
Webster Parish Office of Community Services
P. O. Box 876
Minden, LA 71058

Telephone: 318-377-7022
Fax: 318-377-2870

Anticipated completion date: November 2018

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

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

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

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

Corrective action planned: Executive Director is working closely with the LIHEAP Director to make sure that the proper level of expenditures are monitored throughout the year.

Corrective Action Plan for Current Year Audit Findings and Questioned Costs (continued)

Person responsible for corrective action:

Melinda Davidson, Director
Webster Parish Office of Community Services
P. O. Box 876
Minden, LA 71058

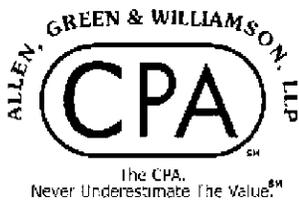
Telephone: 318-377-7022
Fax: 318-377-2870

Anticipated completion date: June 2018

Respectfully submitted,



AGREED-UPON PROCEDURES



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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Principal: Cindy Thomason, CPA

Sandra Harper, CPA
Jennie Henry, CPA
Austin Hogue, CPA
Mallory Stone, CPA
Audit Manager: Margie Williamson, CPA

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

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, 2018. The Office of Community Services' management is responsible for the control and compliance areas identified in these SAUPs.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the reports. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

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

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics** including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Comment: When reviewing the applicable written policies and procedures for the required elements, it was noted that the ethics policy did not include the requirement that all employees annually attest that they have read the ethics policy.

Management's Response: On July 2, 2019 change in Webster Parish Police Jury Office of Community Services policies and procedures will be adopted by the Board of Directors. The change reads that in addition to attending Ethics Training and receiving a certificate of completion of ethics training, employees must sign attesting they have received and read the ethics policy.

Bank Reconciliations

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

Comment: A sample of five bank accounts were selected for testing. There were three exceptions noted where the bank reconciliation reviewed included checks outstanding for more than 12 months from the statement closing date. There were three checks noted on one account for a total of \$682.43, six checks noted on the second account for a total of \$617.18 and one check noted on the third bank account for a total of \$186.75.

Management's Response: Accounting will investigate why the vendors have not cashed the checks, in the future Accounting will investigate each outstanding check.

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - e) Trace the actual deposit per the bank statement to the general ledger.

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

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

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

Comment: When reviewing the personnel and processes for the District's only location that processes payments, it was noted that the Accounting Technician can add vendors to the system, can process payments and mails the checks.

Management's Response: Our Accounting Department has two employees, many checks and balances have been incorporated into our Accounting Policies and Procedures to ensure proper oversight.

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.

[Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)]

- b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Comment: When reviewing a sample of five credit card statements, there was one exception noted where a late charge of \$3.15 was charged and a past due invoice from the prior month was included in the payment.

Management's Response: Accounting Department has been notified that going forward they must be more mindful of due dates on invoices to eliminate late charges.

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, 2019