

**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, 2015**

Webster Parish Office of Community Services

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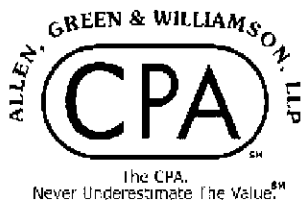
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Independent Auditor's Report

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, 2015, 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, as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2016 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 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 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 black ink that reads "Allen, Green & Williamson, LLP". The signature is written in a cursive, flowing style.

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
August 31, 2016

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, 2015**

Our discussion and analysis of Webster Parish Office of Office of Community Services' financial performance provides an overview of the Office of Office of Community Services' financial activities for the year ended December 31, 2015.

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

- The assets of the Office of Community Services exceeded its liabilities at the close of 2015 by \$1,181,143. Of this amount, \$54,127 (unrestricted net position) may be used to meet the ongoing obligations to citizens and creditors in accordance with the Office of Community Services' fund designation and fiscal policies.
- The Office of Community Services' net position decreased by \$422,603, or 26% compared to 2014.
- The Office of Community Services' total general and program revenues were \$4,263,490 in 2015 which is an increase of \$61,018 over 2014. There was an increase in the funding for grants and contributions and other revenues. The overall increase can be attributed to the receipt of dividends from the Louisiana Workers' Compensation Corporation, Entergy reimbursements, and proceeds from sales of assets during the year. Most funding for various programs were comparable to last year with the exception of increases in the funding of the Head Start and Transportation programs, of approximately \$146,000 and \$25,000, respectively, as well as a decrease of approximately \$128,000 in funding of the Family Day Care program.
- During the year ended December 31, 2015, the Office of Community Services had total expenses of \$4,686,093, which includes depreciation expense. Expenses for 2014 totaled \$4,450,995. Expenses increased in 2015 by \$235,098 due to the recognition of approximately \$272,000 in disallowed costs related to the Head Start program, as well as loss of over \$42,000 from suspected misappropriation of funds during the year by an employee.

NEW GASB STANDARD In fiscal year 2015, the Office of Community Services adopted a new statement of financial accounting standards issued by the Governmental Accounting Standards Board:

- *Statement No. 68, Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* establishes standards of accounting and financial reporting for defined benefit pensions and defined contribution pensions provided to the employees of state and local governmental employers through pension plans that are administered through trusts or equivalent arrangements. This Statement establishes standards for recognition and disclosure requirements for employers with liabilities to a defined benefit pension plan and for employers whose employees are provided with defined contribution pensions.

The adoption of Statement 68 has no impact on the Office of Community Services' governmental fund or government-wide financial statements, which continue to report expenditures in the amount of the employer contributions as defined by the plan. See note 7 for more information regarding the Office of Community Services' defined contribution pension plan.

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

**Webster Parish Office of Community Services
Management's Discussion and Analysis (MD&A)
December 31, 2015**

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, and Food Fund.

Required Supplementary Information

Management's Discussion & Analysis (MD&A)

Basic Financial Statements

Government-wide Financial Statements



Fund Financial Statements

Notes to the Basic Financial Statements
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Required Supplementary Information

Budgetary Information for Major Funds

Supplementary Information

**Nonmajor Funds Statements
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Financial Data Schedule**

Single Audit Information and Other Information

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

Other Information

**Webster Parish Office of Community Services
Management's Discussion and Analysis (MD&A)
December 31, 2015**

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 Supplemental 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 and liabilities, and deferred inflows/outflows, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

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

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

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

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

Reporting the Office of Community Services' Most Significant Funds

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

Webster Parish Office of Community Services
Management's Discussion and Analysis (MD&A)
December 31, 2015

Governmental funds - Most of the Office of Community Services' services are reported in governmental funds.

Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Office of Community Services' operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Office of Community Services' programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation 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 \$1,181,143 at December 31, 2015. Of this amount, \$54,127 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	
	2015	2014	2015	2014
Other assets	\$ 617,792	\$ 758,094	\$ 39,590	\$ 19,986
Capital assets	1,084,485	1,167,296	-	-
Total assets	<u>1,702,277</u>	<u>1,925,390</u>	<u>39,590</u>	<u>19,986</u>
Other liabilities	175,386	240,409	2,911	16,485
Long-term liabilities	345,748	81,235	279	57
Total liabilities	<u>521,134</u>	<u>321,644</u>	<u>3,190</u>	<u>16,542</u>
Net position				
Net investment in capital assets	1,084,485	1,167,296	-	-
Restricted	42,531	59,775	31,685	-
Unrestricted	54,127	376,675	4,715	3,444
Total net position	<u>\$ 1,181,143</u>	<u>\$ 1,603,746</u>	<u>\$ 36,400</u>	<u>\$ 3,444</u>

Webster Parish Office of Community Services
Management's Discussion and Analysis (MD&A)
December 31, 2015

The \$54,127 in unrestricted net position of governmental activities represents the accumulated results of all past years' operations. It means that if we had to pay off all of our bills today including all of our noncapital liabilities (compensated absences for example) we would have \$54,127 left.

The net position for governmental activities decreased by \$422,603 during the fiscal year ended December 31, 2015. As mentioned earlier, this decrease in net position included expenses recognized in 2015 for disallowed costs related to the Head Start program, as well as the loss of over \$42,000 from suspected misappropriation of funds during the year by an employee.

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		
	2015	2014	Increase (Decrease) From 2014	2015	2014	Increase (Decrease) From 2014
Revenues:						
Program revenues:						
Charges for services	\$ 55,513	\$ 64,233	\$ (8,720)	\$ -	\$ -	\$ -
Operating grants & contributions	4,144,469	4,104,028	40,441	597,338	569,317	28,021
General Revenues:						
Other revenues	63,508	34,211	29,297	15,232	2,355	12,877
Total revenues	<u>4,263,490</u>	<u>4,202,472</u>	<u>61,018</u>	<u>612,570</u>	<u>571,672</u>	<u>40,898</u>
Functions/Program Expenses:						
Health & welfare	4,686,093	4,450,995	235,098	579,614	575,800	3,814
Total expenses	<u>4,686,093</u>	<u>4,450,995</u>	<u>235,098</u>	<u>579,614</u>	<u>575,800</u>	<u>3,814</u>
Increase (decrease) in net position	(422,603)	(248,523)	(174,080)	32,956	(4,128)	37,084
Net Position - Beginning	1,603,746	1,852,269	(248,523)	3,444	7,572	(4,128)
Net Position - Ending	<u>\$ 1,181,143</u>	<u>\$ 1,603,746</u>	<u>\$ (422,603)</u>	<u>\$ 36,400</u>	<u>\$ 3,444</u>	<u>\$ 32,956</u>

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

**Webster Parish Office of Community Services
Management's Discussion and Analysis (MD&A)
December 31, 2015**

As the Office of Community Services completed this year, our governmental funds reported a combined fund balance of \$442,406 which is a decrease of \$75,279 from last year. Some changes in fund balance are explained below:

Our General Fund is our principal operating fund. The fund balance in the general fund decreased \$139,831 to \$401,544. This decrease is due mainly to an approximately \$42,000 loss from suspected misappropriation of an employee and over \$83,000 in transfers of moneys to cover costs within Head Start and the various Food programs.

The Transportation fund accounts for funds used to provide transportation services to citizens within the parish. The fund balance in this fund increased \$38,328 to \$30,207. Comparing the activities of this fund to the prior year, this fund received approximately \$25,000 more in federal funding. While the cost of insurance increased over last year by over \$18,000, the Office had decreases in costs, the largest decreases occurring in costs for gas, oil & repairs and personnel, decreasing \$47,000 and almost \$13,000 respectively.

The Food fund accounts for the funds received for meals provided to students at various locations throughout the parish. The fund balance in this fund increased \$30,556 to \$15,078. The increase was due mainly to a transfers of funds from the Head Start and General Fund, over \$96,000 and \$44,000, respectively. These transfers helped cover the costs not covered by federal funding or other revenues.

The Nonmajor Governmental funds are comprised of the other special revenue funds (Housing, LIHEAP Energy, Emergency Assistance and Community Services Block Grant). The combined funds showed a decrease in fund balance of \$6,077 to (\$4,423). The decrease was mainly due to an increase in audit costs and office expense incurred by the LIHEAP fund in the current year.

The Section 8 Voucher fund accounts for the activity for HUD's Section 8 Housing Choice Voucher program. The fund balance in this fund increased \$32,956 to \$36,400. The increase was mainly due to an increase in revenues. The program reported \$28,000 in additional federal funding, as well as an additional \$13,000 from HUD – Family Self Sufficiency (FSS) escrow forfeitures in the current year. The expenses were comparable to the prior year, increasingly slightly by \$3,800.

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 2015 General Fund original budget.

The final actual revenues exceeded budgeted by \$8,352. This was mainly due to dividends received from the Louisiana Worker's Compensation Corporation which were not included in the original budgeted revenues. The final actual expenditures exceeded budgeted by \$62,762, which was due to the purchase of new accounting software for approximately \$34,000 and over \$42,000 in losses from theft. These costs were not included in the General Fund budget as originally adopted.

**Webster Parish Office of Community Services
Management's Discussion and Analysis (MD&A)
December 31, 2015**

CAPITAL ASSETS

Capital Assets At December 31, 2015, the Office of Community Services had \$1,084,485 invested in a broad range of capital assets including buildings, furniture and equipment and intangible assets such as software. This amount represents a net decrease (including additions, deductions, and depreciation) of \$82,811, or 7% from last year. The major disposals for 2015 were for old vehicles no longer in use.

	Capital Assets, December 31,		Business-Type	
	Governmental Activities			
	2015	2014	2015	2014
Buildings and improvements	\$ 927,704	\$ 927,704	\$ -	\$ -
Furniture, equipment & vehicles	1,776,960	2,292,421	5,824	19,466
Intangibles	18,160	-	-	-
Total cost of capital net assets	2,722,824	3,220,125	5,824	19,466
Less: accumulated depreciation & amortization	(1,638,339)	(2,052,829)	(5,824)	(19,466)
Net capital assets	<u>\$ 1,084,485</u>	<u>\$ 1,167,296</u>	<u>\$ -</u>	<u>\$ -</u>

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES Our appointed officials and citizens consider many factors when setting the Office of Community Services' 2016 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 2016 year. Approximately 86% of total revenue was from federal funding for the fiscal year 2015.

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

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements (GWFS)

WEBSTER PARISH OFFICE OF COMMUNITY SERVICES

STATEMENT OF NET POSITION

December 31, 2015

Statement A

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and cash equivalents	\$ 254,580	\$ 29,726	\$ 284,306
Investments	136,773	5,903	142,676
Receivables, net	203,997	-	203,997
Inventory	4,625	-	4,625
Prepaid items	17,817	3,961	21,778
Capital assets:			
Capital assets, net of depreciation and amortization	1,084,485	-	1,084,485
TOTAL ASSETS	1,702,277	39,590	1,741,867
LIABILITIES			
Accounts, salaries and other payables	175,386	2,911	178,297
Long-term liabilities			
Due within one year	69,537	279	69,816
Due in more than one year	276,211	-	276,211
TOTAL LIABILITIES	521,134	3,190	524,324
NET POSITION			
Net investment in capital assets	1,084,485	-	1,084,485
Restricted for grants	42,531	31,685	74,216
Unrestricted	54,127	4,715	58,842
TOTAL NET POSITION	\$ 1,181,143	\$ 36,400	\$ 1,217,543

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

WEBSTER PARISH OFFICE OF COMMUNITY SERVICES

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2015

Statement B

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<i>Governmental activities:</i>						
Heath and Welfare	\$ 4,686,093	\$ 55,513	\$ 4,144,469	\$ (486,111)	\$ -	\$ (486,111)
Total Governmental Activities	4,686,093	55,513	4,144,469	(486,111)	-	(486,111)
<i>Business-Type Activities</i>						
Heath and Welfare	579,614	-	597,338	-	17,724	17,724
Total	\$ 5,265,707	\$ 55,513	\$ 4,741,807	(486,111)	17,724	(468,387)
General revenues:						
Interest and investment earnings				93	21	114
Miscellaneous				63,415	15,211	78,626
Total general revenues				63,508	15,232	78,740
Changes in net position				(422,603)	32,956	(389,647)
Net position - beginning				1,603,746	3,444	1,607,190
Net position - ending				\$ 1,181,143	\$ 36,400	\$ 1,217,543

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

BASIC FINANCIAL STATEMENTS

Fund Financial Statements (FFS)

WEBSTER PARISH OFFICE OF COMMUNITY SERVICES

GOVERNMENTAL FUNDS

Balance Sheet
December 31, 2015

	GENERAL	HEADSTART	TRANSPORTATION
ASSETS			
Cash and cash equivalents	\$ 209,874	\$ 39,052	\$ -
Investments	136,773	-	-
Receivables	718	164	81,023
Interfund receivables	88,943	-	-
Inventory	4,625	-	-
Prepaid expenses	1,388	9,881	5,935
TOTAL ASSETS	442,321	49,097	86,958
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts, salaries and other payables	40,777	40,838	13,921
Interfund payable	-	8,259	42,830
Total Liabilities	40,777	49,097	56,751
Fund Balances:			
Nonspendable	6,013	9,881	5,935
Restricted	-	-	24,272
Unassigned	395,531	(9,881)	-
Total Fund Balances	401,544	-	30,207
TOTAL LIABILITIES AND FUND BALANCES	\$ 442,321	\$ 49,097	\$ 86,958

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

Statement C

FOOD	NONMAJOR GOVERNMENTAL	TOTAL
\$ -	\$ 5,654	\$ 254,580
-	-	136,773
110,295	11,797	203,997
-	-	88,943
-	-	4,625
550	63	17,817
<u>110,845</u>	<u>17,514</u>	<u>706,735</u>
76,614	3,236	175,386
19,153	18,701	88,943
<u>95,767</u>	<u>21,937</u>	<u>264,329</u>
550	63	22,442
14,528	3,731	42,531
-	(8,217)	377,433
<u>15,078</u>	<u>(4,423)</u>	<u>442,406</u>
<u>\$ 110,845</u>	<u>\$ 17,514</u>	<u>\$ 706,735</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, 2015

Statement D

Total fund balances - governmental funds \$ 442,406

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	2,722,824	
Accumulated depreciation	<u>(1,638,339)</u>	1,084,485

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, 2015 are:

Long-term liabilities

Compensated absences payable	(73,497)
Claims payable	<u>(272,251)</u>

Net position of governmental activities \$ 1,181,143

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

WEBSTER PARISH OFFICE OF COMMUNITY SERVICES

GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 2015

	GENERAL	HEADSTART	TRANSPORTATION
REVENUES			
Local sources:			
Interest and investment earnings	\$ 93	\$ -	\$ -
Other revenue	41,259	4,592	63,567
Federal sources	-	2,057,090	524,601
Total Revenues	41,352	2,061,682	588,168
EXPENDITURES			
Current:			
Health and welfare:			
Personnel	7,644	1,471,825	316,820
Gas, oil & repairs	-	91,421	127,417
Office expense	24,230	187,989	22,485
Insurance	-	73,882	65,992
Utilities	32	96,608	8,781
Service providers	-	-	-
Food services	-	-	-
Other	50,586	50,073	8,345
Capital outlay	13,270	30,655	-
Total Expenditures	95,762	2,002,453	549,840
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(54,410)	59,229	38,328
OTHER FINANCING SOURCES (USES)			
Transfers in	-	39,052	-
Transfers out	(85,421)	(96,536)	-
Total Other Financing Sources (Uses)	(85,421)	(57,484)	-
Net Change in Fund Balances	(139,831)	1,745	38,328
FUND BALANCES - BEGINNING	541,375	(1,745)	(8,121)
FUND BALANCES - ENDING	\$ 401,544	\$ -	\$ 30,207

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

Statement E

FOOD	NONMAJOR GOVERNMENTAL	TOTAL
\$ -	\$ -	\$ 93
4,585	4,925	118,928
1,030,115	532,663	4,144,469
1,034,700	537,588	4,263,490
239,034	173,996	2,209,319
683	-	219,521
19,324	7,253	261,281
1,513	37	141,424
4,369	5,522	115,312
648,366	347,417	995,783
209,617	-	209,617
20,467	11,690	141,161
1,426	-	45,351
1,144,799	545,915	4,338,769
(110,099)	(8,327)	(75,279)
140,655	2,250	181,957
-	-	(181,957)
140,655	2,250	-
30,556	(6,077)	(75,279)
(15,478)	1,654	517,685
\$ 15,078	\$ (4,423)	\$ 442,406

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, 2015**

Statement F

Total net change in fund balances - governmental funds	\$	(75,279)
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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	\$	45,351	
Depreciation expense		<u>(128,162)</u>	(82,811)

Expenses in the statement of activities that do not use current financial resources are not reported as expenditures in the funds.

Claim payable for disallowed costs		(272,251)
------------------------------------	--	-----------

In the Statement of Activities, certain operating expenses-compensated absences (vacation and comp time) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation and comp time earned was less than the amounts used by \$7,738.

7,738

Change in net position of governmental activities.	\$	<u><u>(422,603)</u></u>
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THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

WEBSTER PARISH OFFICE OF COMMUNITY SERVICES

PROPRIETARY FUND TYPE - ENTERPRISE FUND

Statement of Net Position

December 31, 2015

Statement G

SECTION 8
VOUCHER

ASSETS

Current Assets:

Cash and cash equivalents	\$	29,726
Investments		5,903
Prepaid items		3,961
Total current assets		<u>39,590</u>

Non-Current Assets:

Capital assets, net of accumulated depreciation		<u>-</u>
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TOTAL ASSETS		<u>39,590</u>
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LIABILITIES

Current Liabilities:

Accounts, salaries and other payables		<u>3,190</u>
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TOTAL LIABILITIES		<u>3,190</u>
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NET POSITION

Restricted for HAP		31,685
Unrestricted		<u>4,715</u>

TOTAL NET POSITION	\$	<u>36,400</u>
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THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

WEBSTER PARISH OFFICE OF COMMUNITY SERVICES

PROPRIETARY FUND TYPE - ENTERPRISE FUND

Statement of Revenues, Expenses,
and Changes in Fund Net Position
For the Year Ended December 31, 2015

Statement H

SECTION 8
VOUCHER

OPERATING REVENUES	
Federal grants	\$ 597,338
Other income	15,211
	<hr/>
Total operating revenues	612,549
	<hr/>
OPERATING EXPENSES	
Administration	59,803
Utilities	2,917
General	1,461
Housing assistance payments	515,433
	<hr/>
Total operating expenses	579,614
	<hr/>
OPERATING INCOME (LOSS)	32,935
NON-OPERATING REVENUES	
Interest income	21
	<hr/>
CHANGE IN NET POSITION	32,956
NET POSITION AT BEGINNING OF YEAR	3,444
	<hr/>
NET POSITION AT END OF YEAR	\$ 36,400
	<hr/>

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

WEBSTER PARISH OFFICE OF COMMUNITY SERVICES

PROPRIETARY FUND TYPE - ENTERPRISE FUND

Statement of Cash Flows

For the Year Ended December 31, 2015

Statement I

SECTION 8
VOUCHER

CASH FLOWS FROM OPERATING ACTIVITIES	
Payments to vendors	\$ (56,349)
Payments to employees	(24,868)
Payments to private landlords and others	(515,433)
Federal grants	597,338
Other receipts	15,333
	<hr/>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	16,021
	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest	21
	<hr/>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	21
	<hr/>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	16,042
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	13,684
	<hr/>
CASH AND CASH EQUIVALENTS AT END OF YEAR	29,726
	<hr/>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET	
CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	32,935
Change in assets and liabilities:	
Accounts receivable	122
Prepaid expenses	(3,684)
Accounts payable	599
Compensated absences	222
Wages payable	(930)
Accounts payable	(13,243)
	<hr/>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 16,021
	<hr/>

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

Webster Parish Office of Community Services
Notes to the Basic Financial Statements
December 31, 2015

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Webster Parish Office of Community Services
Notes to the Basic Financial Statements
December 31, 2015

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 Basic Financial Statements
December 31, 2015

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 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.

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 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.

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.

Webster Parish Office of Community Services
Notes to the Basic Financial Statements
December 31, 2015

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

Fund Financial Statements (FFS)

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

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

Revenues

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

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

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

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

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

Proprietary Funds

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

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.

Webster Parish Office of Community Services
Notes to the Basic Financial Statements
December 31, 2015

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 and 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.

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

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

The Office of Community Services participates in the Louisiana Asset Management Pool, Inc., (LAMP) which is an external investment pool that is not SEC-registered. Because the LAMP is an arrangement sponsored by a type of governmental entity, it is exempt by statute from regulation by the SEC. LAMP is a 2a7-like investment pool.

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

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

LAMP, Inc. is subject to the regulatory oversight of the State Treasurer and the Board of Directors. LAMP is not registered with the SEC as an investment company.

Webster Parish Office of Community Services
Notes to the Basic Financial Statements
December 31, 2015

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

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

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

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

J. CAPITAL ASSETS Capital assets for the Office of Community Services purchased or acquired with an original cost of \$500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at their estimated fair 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 10 to 15 days 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 6 days 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.

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:

Webster Parish Office of Community Services
Notes to the Basic Financial Statements
December 31, 2015

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.

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.

Webster Parish Office of Community Services
Notes to the Basic Financial Statements
December 31, 2015

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. On governmental fund financial statements, receivables that were not collected within the available period are recorded as unearned revenue.

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

NOTE 2 - STEWARDSHIP AND ACCOUNTABILITY

A. Excess of Actual Expenditures Over Budgeted Expenditures in Individual Funds The following funds had actual expenditures which exceeded budgeted expenditures for the year ended December 31, 2015:

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund	\$ 33,000	\$ 95,762	\$ (62,762)
Headstart	1,985,732	2,002,453	(16,721)
Food	1,141,030	1,144,799	(3,769)

B. Deficit Fund Balance The community services, non-major special revenue fund, reported a deficit fund balance of \$8,198 for the year ended December 31, 2015.

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 \$284,306 and the bank balance was \$316,098. 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 Basic Financial Statements
December 31, 2015

NOTE 4 - INVESTMENTS At year end, the Office of Community Services investment balances were as follows:

<u>Type of Investment</u>	<u>Fair value</u>
Investments not subject to categorization:	
External investment pool (LAMP)	\$ 142,676

Investments held at December 31, 2015 consist of \$142,676 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7-like investment pools:

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

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

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

Interest Rate Risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest note risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments is 43 as of December 31, 2015.

NOTE 5 - RECEIVABLES The following is a summary of receivables at December 31, 2015 related to governmental funds:

<u>Class of Receivables</u>	<u>General</u>	<u>Headstart</u>	<u>Transportation</u>	<u>Food</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Grants	\$ -	\$ -	\$ 81,023	\$ 110,295	\$ 11,797	\$ 203,115
Other	718	164	-	-	-	882
Total	<u>\$ 718</u>	<u>\$ 164</u>	<u>\$ 81,023</u>	<u>\$ 110,295</u>	<u>\$ 11,797</u>	<u>\$ 203,997</u>

The balance of accounts receivable is expected to be collected in full so no allowance for doubtful accounts has been established.

Webster Parish Office of Community Services
Notes to the Basic Financial Statements
December 31, 2015

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

	Balance Beginning	Additions	Deletions	Balance Ending
Capital assets, being depreciated:				
Buildings and improvements	\$ 927,704	\$ -	\$ -	\$ 927,704
Furniture, equipment and vehicles	2,292,421	27,191	542,652	1,776,960
Intangibles	-	18,160	-	18,160
Total	<u>3,220,125</u>	<u>45,351</u>	<u>542,652</u>	<u>2,722,824</u>
Less accumulated depreciation and amortization:				
Buildings and improvements	285,538	31,380	-	316,918
Furniture, equipment and vehicles	1,767,291	94,396	542,652	1,319,035
Amortization	-	2,386	-	2,386
Total	<u>2,052,829</u>	<u>128,162</u>	<u>542,652</u>	<u>1,638,339</u>
Governmental Activities, capital assets net	<u>\$ 1,167,296</u>	<u>\$ (82,811)</u>	<u>\$ -</u>	<u>\$ 1,084,485</u>

Depreciation and amortization expense of \$128,162 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	\$ 19,466	\$ -	\$ 13,642	\$ 5,824
Total	<u>19,466</u>	<u>-</u>	<u>13,642</u>	<u>5,824</u>
Less accumulated depreciation and amortization:				
Furniture, equipment and vehicles	19,466	-	13,642	5,824
Total	<u>19,466</u>	<u>-</u>	<u>13,642</u>	<u>5,824</u>
Business-type Activities, capital assets net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 7 - RETIREMENT SYSTEMS

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

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

Webster Parish Office of Community Services
Notes to the Basic Financial Statements
December 31, 2015

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, 2015, forfeited non-vested accounts totaled \$5,893.

The employer contributions by the Office of Community Services for the year ended December 31, 2015 were \$66,289. No employee contributions were made under the retirement plan for fiscal year ended December 31, 2015. The employer has accounts payable of \$2,753 to the retirement plan at December 31, 2015.

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

Governmental Activities:

	Compensated		
	Absences	Claims Payable	Total
Balance, Beginning	\$ 81,235	\$ -	\$ 81,235
Additions	83,860	272,251	356,111
Deletions	91,598	-	91,598
Balance, Ending	<u>73,497</u>	<u>272,251</u>	<u>345,748</u>
Amount due within one year	<u>\$ 69,537</u>	<u>\$ -</u>	<u>\$ 69,537</u>

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 Basic Financial Statements
December 31, 2015

Business-Type Activities

	Compensated Absences
Balance, Beginning	\$ 57
Additions	501
Deletions	279
Balance, Ending	<u>279</u>
Amount due within one year	<u>\$ 279</u>

The compensated absence liability attributable to the business-type activities will be liquidated by the Section 8 Voucher Fund.

NOTE 9 - INTERFUND TRANSACTIONS (FFS LEVEL ONLY)

Interfund Receivable/Payables:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Headstart	\$ 8,259
	Transportation	42,830
	Food	19,153
	Nonmajor Governmental	18,701
		<u>\$ 88,943</u>

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

Interfund Transfers:

<u>Transferred In</u>	<u>Transferred Out</u>	<u>Amount</u>
Food	Headstart	\$ 96,536
Headstart	General Fund	39,052
Food	General Fund	44,119
Nonmajor Governmental	General Fund	2,250
		<u>\$ 181,957</u>

Transfers were made to cover operating costs of the Headstart food program and to cover general operating costs of the Headstart program. Additionally, transfers were recorded to eliminate old interfund payables and receivables that would not be reimbursed by the borrowing fund.

NOTE 10 - ACCOUNTS, SALARIES AND OTHER PAYABLES The payables at December 31, 2015, are as follows:

	Governmental Activities					Business- Type Activities	
	General	Headstart	Transportation	Food	Nonmajor Governmental	Section 8 Voucher	Total
Salaries	\$ 19,747	\$ 20,409	\$ 3,613	\$ 3,136	\$ 2,078	\$ 2,498	\$ 51,481
Accounts	21,030	20,429	10,308	73,478	1,158	413	126,816
Total	<u>\$ 40,777</u>	<u>\$ 40,838</u>	<u>\$ 13,921</u>	<u>\$ 76,614</u>	<u>\$ 3,236</u>	<u>\$ 2,911</u>	<u>\$ 178,297</u>

Webster Parish Office of Community Services
Notes to the Basic Financial Statements
December 31, 2015

NOTE 11 - LITIGATION AND CLAIMS

Litigation Per legal counsel, the Office of Community Services was not involved in any lawsuits at December 31, 2015.

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 resulted in disallowed costs by the Office of Community Services in the amount of \$272,251 which is reported as a liability due in more than one year on the Statement of Net Position. The Office of Community Services is currently disputing the claim.

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

NOTE 13 - NEW GASB STANDARD In fiscal year 2015, the Office of Community Services adopted a new statement of financial accounting standard issued by the Governmental Accounting Standards Board:

- *Statement No. 68, Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* establishes standards of accounting and financial reporting for defined benefit pensions and defined contribution pensions provided to the employees of state and local governmental employers through pension plans that are administered through trusts or equivalent arrangements. This Statement establishes standards for recognition and disclosure requirements for employers with liabilities to a defined benefit pension plan and for employers whose employees are provided with defined contribution pensions.

The adoption of Statement 68 has no impact on the Office of Community Services' governmental fund or government-wide financial statements, which continue to report expenditures in the amount of the employer contributions as defined by the plan. See note 7 for more information regarding the Office of Community Services' defined contribution pension plan.

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>Nonmajor Governmental</u>	<u>Total</u>
Non-spendable:						
Prepaid items	\$ 6,013	\$ 9,881	\$ 5,935	\$ 550	\$ 63	\$ 22,442
Restricted for:						
Grants	-	-	24,272	14,528	3,731	42,531
Unassigned:	395,531	(9,881)	-	-	(8,217)	377,433
Total	<u>\$ 401,544</u>	<u>\$ -</u>	<u>\$ 30,207</u>	<u>\$ 15,078</u>	<u>\$ (4,423)</u>	<u>\$ 442,406</u>

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.

WEBSTER PARISH OFFICE OF COMMUNITY SERVICES

GENERAL FUND
Budgetary Comparison Schedule
For the Year Ended December 31, 2015

Exhibit 1-1

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS	FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES				
Local sources:				
Interest and investment earnings	\$ -	\$ -	\$ 93	\$ 93
Other	33,000	33,000	41,259	8,259
Total Revenues	33,000	33,000	41,352	8,352
EXPENDITURES				
Current:				
Health and welfare:				
Personnel	22,545	22,545	7,644	14,901
Office expense	5,275	5,275	24,230	(18,955)
Utilities	250	250	32	218
Other	4,930	4,930	50,586	(45,656)
Capital outlay	-	-	13,270	(13,270)
Total Expenditures	33,000	33,000	95,762	(62,762)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	-	-	(54,410)	(54,410)
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(85,421)	(85,421)
Total Other Financing Sources (Uses)	-	-	(85,421)	(85,421)
Net Change in Fund Balances	-	-	(139,831)	(139,831)
FUND BALANCES - BEGINNING	541,375	541,375	541,375	-
FUND BALANCES - ENDING	\$ 541,375	\$ 541,375	\$ 401,544	\$ (139,831)

WEBSTER PARISH OFFICE OF COMMUNITY SERVICES

**HEADSTART
Budgetary Comparison Schedule
For the Year Ended December 31, 2015**

Exhibit 1-2

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS	FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES				
Local sources:				
Other	\$ -	\$ -	\$ 4,592	\$ 4,592
Federal sources	2,070,732	2,070,732	2,057,090	(13,642)
Total Revenues	2,070,732	2,070,732	2,061,682	(9,050)
EXPENDITURES				
Current:				
Health and welfare:				
Personnel	1,530,516	1,530,516	1,471,825	58,691
Gas, oil & repairs	70,000	70,000	91,421	(21,421)
Office expense	166,502	166,502	187,989	(21,487)
Insurance	72,000	72,000	73,882	(1,882)
Utilities	87,614	87,614	96,608	(8,994)
Other	59,100	59,100	50,073	9,027
Capital outlay	-	-	30,655	(30,655)
Total Expenditures	1,985,732	1,985,732	2,002,453	(16,721)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	85,000	85,000	59,229	(25,771)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	39,052	39,052
Transfers out	(85,000)	(85,000)	(96,536)	(11,536)
Total Other Financing Sources (Uses)	(85,000)	(85,000)	(57,484)	27,516
Net Change in Fund Balances	-	-	1,745	1,745
FUND BALANCES - BEGINNING	-	-	(1,745)	(1,745)
FUND BALANCES - ENDING	\$ -	\$ -	\$ -	\$ -

WEBSTER PARISH OFFICE OF COMMUNITY SERVICES

TRANSPORTATION
Budgetary Comparison Schedule
For the Year Ended December 31, 2015

Exhibit 1-3

VARIANCE WITH
FINAL BUDGET
POSITIVE
(NEGATIVE)

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	
	ORIGINAL	FINAL		
REVENUES				
Local sources:				
Other	\$ 72,200	\$ 72,200	\$ 63,567	\$ (8,633)
Federal sources	569,018	569,018	524,601	(44,417)
Total Revenues	641,218	641,218	588,168	(53,050)
EXPENDITURES				
Current:				
Health and welfare:				
Personnel	304,700	304,700	316,820	(12,120)
Gas, oil & repairs	205,000	205,000	127,417	77,583
Office expense	20,808	20,808	22,485	(1,677)
Insurance	53,400	53,400	65,992	(12,592)
Utilities	12,000	12,000	8,781	3,219
Other	21,000	21,000	8,345	12,655
Total Expenditures	616,908	616,908	549,840	67,068
Net Change in Fund Balances	24,310	24,310	38,328	14,018
FUND BALANCES - BEGINNING	-	-	(8,121)	(8,121)
FUND BALANCES - ENDING	\$ 24,310	\$ 24,310	\$ 30,207	\$ 5,897

WEBSTER PARISH OFFICE OF COMMUNITY SERVICES

**FOOD
Budgetary Comparison Schedule
For the Year Ended December 31, 2015**

Exhibit 1-4

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	AMOUNTS	
REVENUES				
Local sources:				
Other	\$ 4,585	\$ 4,585	\$ 4,585	\$ -
Federal sources	1,106,032	1,106,032	1,030,115	(75,917)
Total Revenues	1,110,617	1,110,617	1,034,700	(75,917)
EXPENDITURES				
Current:				
Health and welfare:				
Personnel	247,509	247,509	239,034	8,475
Gas, oil & repairs	1,500	1,500	683	817
Office expense	28,740	28,740	19,324	9,416
Insurance	-	-	1,513	(1,513)
Utilities	4,178	4,178	4,369	(191)
Service providers	558,000	648,366	648,366	-
Food services	187,967	187,967	209,617	(21,650)
Other	22,770	22,770	20,467	2,303
Capital outlay	-	-	1,426	(1,426)
Total Expenditures	1,050,664	1,141,030	1,144,799	(3,769)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	59,953	(30,413)	(110,099)	(79,686)
OTHER FINANCING SOURCES (USES)				
Transfers in	98,750	98,750	140,655	41,905
Total Other Financing Sources (Uses)	98,750	98,750	140,655	41,905
Net Change in Fund Balances	158,703	68,337	30,556	(37,781)
FUND BALANCES - BEGINNING	-	-	(15,478)	(15,478)
FUND BALANCES - ENDING	\$ 158,703	\$ 68,337	\$ 15,078	\$ (53,259)

Webster Parish Office of Community Services

Notes to Budgetary Comparison Schedules For the Year Ended December 31, 2015

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, 2015, 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. UNFAVORABLE BUDGET VARIANCE

Actual expenditures greater than budgeted expenditures

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund	\$ 33,000	\$ 95,762	\$ (62,762)
Headstart Fund	1,985,732	2,002,453	(16,721)
Food	1,141,030	1,144,799	(3,769)

SUPPLEMENTARY INFORMATION

NONMAJOR SPECIAL REVENUE FUNDS

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.

COMMUNITY SERVICES BLOCK GRANT – 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

SPECIAL REVENUE FUNDS
Combining Balance Sheet
December 31, 2015

Exhibit 2

	HOUSING	LIHEAP ENERGY	EMERGENCY ASSISTANCE	COMMUNITY SERVICES	TOTAL
ASSETS					
Cash and cash equivalents	\$ 567	\$ 1,230	\$ 3,857	\$ -	\$ 5,654
Receivables	-	-	-	11,797	11,797
Prepaid expenses	-	44	-	19	63
TOTAL ASSETS	567	1,274	3,857	11,816	17,514
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts, salaries and other payables	-	640	-	2,596	3,236
Interfund payable	169	-	1,114	17,418	18,701
Total Liabilities	169	640	1,114	20,014	21,937
Fund Balances:					
Nonspendable	-	44	-	19	63
Restricted	398	590	2,743	-	3,731
Unassigned	-	-	-	(8,217)	(8,217)
Total Fund Balances	398	634	2,743	(8,198)	(4,423)
TOTAL LIABILITIES AND FUND BALANCES	\$ 567	\$ 1,274	\$ 3,857	\$ 11,816	\$ 17,514

WEBSTER PARISH OFFICE OF COMMUNITY SERVICES

SPECIAL REVENUE FUNDS

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances

For the Year Ended December 31, 2015

Exhibit 3

	HOUSING	LIHEAP ENERGY	EMERGENCY ASSISTANCE	COMMUNITY SERVICES	TOTAL
REVENUES					
Local sources:					
Other	-	4,925	-	-	4,925
Federal sources	-	377,875	-	154,788	532,663
Total revenues	-	382,800	-	154,788	537,588
EXPENDITURES					
Current:					
Health and welfare:					
Personnel	-	23,320	5	150,671	173,996
Office expense	-	5,774	-	1,479	7,253
Insurance	-	26	-	11	37
Utilities	-	1,148	-	4,374	5,522
Service providers	-	347,417	-	-	347,417
Other	-	8,321	-	3,369	11,690
Total expenditures	-	386,006	5	159,904	545,915
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	-	(3,206)	(5)	(5,116)	(8,327)
OTHER FINANCING SOURCES (USES)					
Operating transfers in	2,250	-	-	-	2,250
Net Change in Fund Balance	2,250	(3,206)	(5)	(5,116)	(6,077)
FUND BALANCES - BEGINNING	(1,852)	3,840	2,748	(3,082)	1,654
FUND BALANCES - ENDING	\$ 398	\$ 634	\$ 2,743	\$ (8,198)	\$ (4,423)

**Webster Parish Office of Community Services
Schedule of Compensation Paid Board Members
For the Year Ended December 31, 2015**

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, 2015.

Joseph Jefferson	Steve Lemmons, Vice President
L.R. Clemons	Idelle Simms
Cat Cox	Virginia Jefferson
Shirley Williams	Vera Davison, Treasurer
Steve Wilson, Parliamentarian	Michael Pipes
Steve Ramsey	Joe Cornelius
Jerri Lee, President	Jonathan Guthrie, Secretary
Nardene Muehr	Bammer Fuller
Charlotte Jones	Debbie Thomas

Webster Parish Office of Community Services
Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended December 31, 2015

Exhibit 5

Agency Head Name: Mary Whitaker, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 45,968
Benefits-insurance	145
Benefits-retirement	1,697
Vehicle rental	126
Reimbursments	76
Travel	290

Webster Parish Police Jury (LA213)

Minden, LA

Entity Wide Balance Sheet Summary

Exhibit 6

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/15

	14.871 Housing Choice Vouchers
111 Cash - Unrestricted	\$3,944
112 Cash - Restricted - Modernization and Development	
113 Cash - Other Restricted	\$31,685
114 Cash - Tenant Security Deposits	
115 Cash - Restricted for Payment of Current Liabilities	\$0
100 Total Cash	\$35,629
121 Accounts Receivable - PHA Projects	
122 Accounts Receivable - HUD Other Projects	
124 Accounts Receivable - Other Government	
125 Accounts Receivable - Miscellaneous	
126 Accounts Receivable - Tenants	
126.1 Allowance for Doubtful Accounts -Tenants	
126.2 Allowance for Doubtful Accounts - Other	\$0
127 Notes, Loans, & Mortgages Receivable - Current	
128 Fraud Recovery	
128.1 Allowance for Doubtful Accounts - Fraud	\$0
129 Accrued Interest Receivable	
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$0
131 Investments - Unrestricted	
132 Investments - Restricted	\$0
135 Investments - Restricted for Payment of Current Liability	
142 Prepaid Expenses and Other Assets	\$3,961
143 Inventories	
143.1 Allowance for Obsolete Inventories	
144 Inter Program Due From	\$0
145 Assets Held for Sale	
150 Total Current Assets	\$39,590
161 Land	
162 Buildings	
163 Furniture, Equipment & Machinery - Dwellings	
164 Furniture, Equipment & Machinery - Administration	\$5,824
165 Leasehold Improvements	
166 Accumulated Depreciation	-\$5,824
167 Construction in Progress	
168 Infrastructure	
160 Total Capital Assets, Net of Accumulated Depreciation	\$0
171 Notes, Loans and Mortgages Receivable - Non-Current	
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	
173 Grants Receivable - Non Current	
174 Other Assets	
176 Investments in Joint Ventures	
180 Total Non-Current Assets	\$0
200 Deferred Outflow of Resources	
290 Total Assets and Deferred Outflow of Resources	\$39,590

Webster Parish Police Jury (LA213)

Minden, LA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/15

14.871 Housing
Choice Vouchers

311 Bank Overdraft	\$0
312 Accounts Payable <= 90 Days	\$2,498
313 Accounts Payable >90 Days Past Due	
321 Accrued Wage/Payroll Taxes Payable	\$413
322 Accrued Compensated Absences - Current Portion	\$279
324 Accrued Contingency Liability	
325 Accrued Interest Payable	
331 Accounts Payable - HUD PHA Programs	
332 Account Payable - PHA Projects	
333 Accounts Payable - Other Government	
341 Tenant Security Deposits	
342 Unearned Revenue	
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	
344 Current Portion of Long-term Debt - Operating Borrowings	
345 Other Current Liabilities	
346 Accrued Liabilities - Other	
347 Inter Program - Due To	
348 Loan Liability - Current	
310 Total Current Liabilities	\$3,190
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	
352 Long-term Debt, Net of Current - Operating Borrowings	
353 Non-current Liabilities - Other	
354 Accrued Compensated Absences - Non Current	
355 Loan Liability - Non Current	
356 FASB 5 Liabilities	
357 Accrued Pension and OPEB Liabilities	
350 Total Non-Current Liabilities	\$0
300 Total Liabilities	\$3,190
400 Deferred Inflow of Resources	
508.4 Net Investment in Capital Assets	
511.4 Restricted Net Position	\$31,685
512.4 Unrestricted Net Position	\$4,715
513 Total Equity - Net Assets / Position	\$36,400
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$39,590

Webster Parish Police Jury (LA213)
Minden, LA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/15
14,871 Housing
Choice Vouchers

70300 Net Tenant Rental Revenue	
70400 Tenant Revenue - Other	\$0
70500 Total Tenant Revenue	\$597,338
70600 HUD PHA Operating Grants	
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	\$0
71100 Investment Income - Unrestricted	
71200 Mortgage Interest Income	
71300 Proceeds from Disposition of Assets Held for Sale	
71310 Cost of Sale of Assets	
71400 Fraud Recovery	\$15,211
71500 Other Revenue	
71600 Gain or Loss on Sale of Capital Assets	\$21
72000 Investment Income - Restricted	\$612,570
70000 Total Revenue	\$24,160
91100 Administrative Salaries	\$8,758
91200 Auditing Fees	
91300 Management Fee	
91310 Book-keeping Fee	\$122
91400 Advertising and Marketing	\$7,114
91500 Employee Benefit contributions - Administrative	\$8,932
91600 Office Expenses	
91700 Legal Expense	\$2,380
91800 Travel	
91810 Allocated Overhead	\$7,234
91900 Other	\$58,700
91000 Total Operating - Administrative	
92000 Asset Management Fee	
92100 Tenant Services - Salaries	
92200 Relocation Costs	
92300 Employee Benefit Contributions - Tenant Services	
92400 Tenant Services - Other	\$0
92500 Total Tenant Services	
93100 Water	\$2,917
93200 Electricity	
93300 Gas	\$0
93400 Fuel	
93500 Labor	
93600 Sewer	
93700 Employee Benefit Contributions - Utilities	\$0
93800 Other Utilities Expense	\$2,917
93000 Total Utilities	

Webster Parish Police Jury (LA213)
Minden, LA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/15

14.871 Housing
Choice Vouchers

94100 Ordinary Maintenance and Operations - Labor	
94200 Ordinary Maintenance and Operations - Materials and Other	\$109
94300 Ordinary Maintenance and Operations Contracts	
94500 Employee Benefit Contributions - Ordinary Maintenance	
94000 Total Maintenance	\$109
95100 Protective Services - Labor	
95200 Protective Services - Other Contract Costs	
95300 Protective Services - Other	
95500 Employee Benefit Contributions - Protective Services	
95000 Total Protective Services	\$0
96110 Property Insurance	
96120 Liability Insurance	\$1,311
96130 Workmen's Compensation	\$994
96140 All Other Insurance	\$150
96100 Total insurance Premiums	\$2,455
96200 Other General Expenses	
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
96710 Interest of Mortgage (or Bonds) Payable	
96720 Interest on Notes Payable (Short and Long Term)	
96730 Amortization of Bond Issue Costs	
96700 Total Interest Expense and Amortization Cost	\$0
96900 Total Operating Expenses	\$64,181
97000 Excess of Operating Revenue over Operating Expenses	\$548,389
97100 Extraordinary Maintenance	
97200 Casualty Losses - Non-capitalized	
97300 Housing Assistance Payments	\$514,722
97350 HAP Portability-In	\$711
97400 Depreciation Expense	\$0
97500 Fraud Losses	
97600 Capital Outlays - Governmental Funds	
97700 Debt Principal Payment - Governmental Funds	
97800 Dwelling Units Rent Expense	
90000 Total Expenses	\$579,614

Webster Parish Police Jury (LA213)
Minden, LA

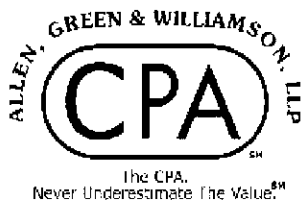
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/15

14.871 Housing
Choice Vouchers

10010 Operating Transfer In	
10020 Operating transfer Out	
10030 Operating Transfers from/to Primary Government	
10040 Operating Transfers from/to Component Unit	
10050 Proceeds from Notes, Loans and Bonds	
10060 Proceeds from Property Sales	
10070 Extraordinary Items, Net Gain/Loss	
10080 Special Items (Net Gain/Loss)	
10091 Inter Project Excess Cash Transfer In	
10092 Inter Project Excess Cash Transfer Out	
10093 Transfers between Program and Project - In	
10094 Transfers between Project and Program - Out	
10100 Total Other financing Sources (Uses)	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$32,956
11020 Required Annual Debt Principal Payments	\$0
11030 Beginning Equity	\$3,444
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$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 Rents	
11100 Changes in Allowance for Doubtful Accounts - Other	
11170 Administrative Fee Equity	\$4,715
11180 Housing Assistance Payments Equity	\$31,685
11190 Unit Months Available	2124
11210 Number of Unit Months Leased	1434
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	



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Eddi Hernandez, CPA
Audit Manager: Margie Williamson, CPA

Ernest L. Allen, CPA
(Retired) 1963 - 2009

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, 2015, 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 August 31, 2016.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2015-001 and 2015-002 that we consider to be a material weaknesses.

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*.

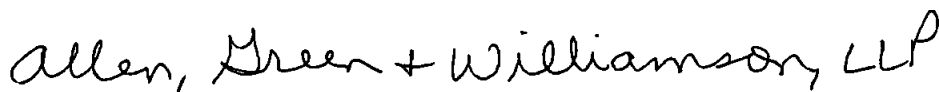
Office of Community Services' Response to Findings

Office of Community Services' response to the findings identified in our audit are described in the accompanying Corrective Action Plan for Current Year Audit Findings and Questioned Costs. Office of Community Services' response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

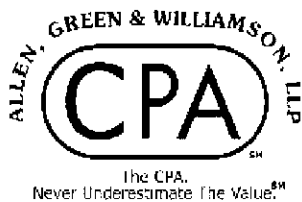
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Office of Community Services' internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Office of Community Services' 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
August 31, 2016



ALLEN, GREEN & WILLIAMSON, LLP

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Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance Required by 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, 2015. The Office of Community Services' major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Office of Community Services' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Office of Community Services' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Office of Community Services complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2015.

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 items 2015-003. Our opinion on each major federal program is not modified with respect to these matters.

The Office of Community Services' response to the noncompliance finding identified in our audit is described in the accompanying Corrective Action Plan for Current Year Audit Findings and Questioned Costs. The Office of Community Services' response was 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.

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 reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2015-003 and 2015-004 that we consider to be significant deficiencies.

Office of Community Services' responses to the internal control over compliance findings identified in our audit are described in the accompanying Corrective Action Plan for Current Year Audit Findings and Questioned Costs. Office of Community Services' response was 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.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
August 31, 2016

**Webster Parish Office of Community Services
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2015**

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 Care Food Program – Family Day Care	10.558	FY2015	\$ 789,901
Child Care Food Program – Head Start Food Service	10.558	93-416	240,214
Total Child Care Food Program			<u>\$ 1,030,115</u>
Total U. S. Department of Agriculture			<u>1,030,115</u>
United States Department of Housing and Urban Development			
Direct Programs:			
Section 8 Housing Choice Vouchers	14.871	LA213	597,338
Total U. S. Department of Housing and Urban Development			<u>597,338</u>
United States Department of Transportation			
Passed Through Louisiana Department of Transportation and Development			
FTA Section 5311	20.509	LA-18-X030 LA-18-X031	411,874
Total U. S. Department of Transportation			<u>411,874</u>
U. S. Department of Health and Human Services			
Direct programs:			
Head Start	93.600	06CH529949	2,057,090
Passed Through Louisiana Office of Workforce Development:			
Community Services Block Grant	93.569	2014P0012	154,788
Passed Through Louisiana Department of Health and Hospitals:			
Medical Assistance Program	93.778	N/A	112,727
Passed Through Louisiana Housing Corporation			
LIHEAP Energy Assistance	93.568	PY2015 Allocation	377,875
Total Department of Health and Human Services			<u>2,702,480</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 4,741,807</u></u>

Webster Parish Office of Community Services
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2015

NOTE 1 - GENERAL The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Webster Parish Office of Community Services, Minden, Louisiana. The Webster Parish Office of Community Services (the "Office of Community Services") reporting entity is defined in Note 1 to the Office of Community Services' basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, is included on the schedule.

NOTE 2 - BASIS OF ACCOUNTING The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the Office of Community Services' financial statements.

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

	<u>Federal Sources</u>
Major:	
Headstart	\$ 2,057,090
Transportation	524,601
Food	1,030,115
Nonmajor Special Revenue:	
LIHEAP Energy	377,875
Community Services	154,788
Business-Type Activities	
Section 8 Voucher	597,338
Total	<u><u>\$ 4,741,807</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 de minimus indirect cost rate.

**Webster Parish Office of Community Services
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2015**

PART I - Summary of the Auditor's Results

Financial Statement Audit

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

Audit of Federal Awards

- iv. There were two significant deficiencies required to be disclosed by Uniform Guidance (2 CFR 200). These significant deficiencies were not considered to be material weaknesses.
- v. The type of report the auditor issued on compliance for major programs was unmodified.
- vi. The audit disclosed two audit findings which the auditor is required to report under Uniform Guidance.
- vii. The major federal programs are:

Section 8 Housing Choice Vouchers	CFDA #14.871
Head Start	CFDA #93.600
- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in the Uniform Guidance was \$750,000.
- ix. The auditee does not qualify as a low-risk auditee under the Uniform Guidance.

**Webster Parish Office of Community Services
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2015**

Part II – Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America:

Reference # and title: **2015-001** **Unauthorized Payroll Checks**

Entity-wide or program/department specific: This finding is specific to the general fund.

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

Condition found: During May of 2016 the Executive Director was notified about inconsistencies in the financial records and the bank statements by a contract accountant. After further investigation into the accounting records and bank statements by the contract accountant, it was determined that the bank statements originally provided appeared to be altered and unauthorized checks that were not recorded in the accounting records cleared the payroll bank account. The Executive Director notified the authorities and a formal investigation was performed by the Minden Police Department. The investigation did result in the arrest of Kristy Pietsch, Fiscal Director of the Office of Community Services, on charges of felony theft and forgery. Her employment was terminated. The case has not been adjudicated. Office of Community Services notified the Louisiana Legislative Auditor and District Attorney of the matter, as required by state law. A claim was also filed with the Office of Community Service insurance carrier under their surety bond.

Possible asserted effect (cause and effect):

Cause: The unauthorized checks appear to be pulled out of sequence from the stock of blank checks. Some of the checks were pulled from a sequence of checks that are listed on a destroyed check form. Controls over blank checks were lacking. There was no procedure to ensure that checks were used in sequence.

Effect: It appears that unauthorized checks totaling \$53,883.79 for the period October 2014 through April 2016 cleared the payroll bank account.

View of Responsible Official: Management concurs with the condition found. The Financial Procedures Manual require that the "Preparing Checks" checks must be used in chronological order. In March 2015, in the process of running payroll, the accounting technician discovered two checks were missing from the sequence of payroll checks. The checks were from the last unopened box of blank checks, which was ordered in July 2014. Upon inspection, the box of checks were found to be out of sequence and 15 checks were also missing. The vendor was contacted and subsequently issued a letter of apology which stated that it must have been a handling error. The vendor also replaced the block of out of sequence and missing blank checks free of charge. The Fiscal Director was responsible for overseeing the destruction of the unused, out of sequenced, checks.

Recommendation to prevent future occurrences: Procedures should be established to safeguard blank checks and account for the sequence of checks issued. These procedures should include a review of the bank statement by the Executive Director before the statement is forwarded to the accounting department. This review should include a review of the check images and also a review of the check numbers on the statement to ensure that checks appear to be issued in sequence.

**Webster Parish Office of Community Services
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2015**

Part II – Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America:

Reference # and title: **2015-002** **Financial Management**

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

Criteria or specific requirement: Strong internal controls over financial reporting require that accounting records contain up-to-date, accurate and complete information to ensure that the financial data can be relied upon to monitor the financial condition of the entity and that expenditures are within the budget for grants.

Conditions found: The following issues were noted with the accounting records:

General and payroll bank reconciliations: The general account and the payroll account bank reconciliations were not properly reconciled to the books.

Inter-fund transfers recorded as inter-fund receivables: Inter-fund transfers from the Head Start program to the Head Start Food program were recorded as inter-fund receivables and payables.

Transfers from general fund to eliminate deficiencies in grant funds: A total of \$85,421 was transferred from the general fund to eliminate current year and prior year deficiencies in grant funds.

Payroll recorded twice: The agency had a software conversion in June. The first payroll in June was recorded in the old system and brought forward to the new system and it was also recorded in June in the new system. This error was not corrected prior to the audit.

Possible asserted effect (cause and effect):

Cause: General and payroll bank reconciliations: In June the agency had a software conversion and began using the general account as a master bank account. Errors in recording the cash transactions made the reconciliation of the bank account difficult. Also, there were transfers from the general account to the payroll account that were not recorded. The unauthorized payroll checks noted in finding 2015-001 also made the payroll account out of balance with the books because the checks were not recorded.

Inter-fund transfers recorded as inter-fund receivables/payables: Lack of understanding of inter-fund accounts.

Transfers from the general fund to eliminate deficiencies in grant funds: The grant fund budgets may not have been closely monitored which resulted in the expenditures exceeding the budget.

Payroll recorded twice: The payroll bank account was not reconciled which would have revealed that the payroll was recorded twice.

Effect: General and payroll bank reconciliations: Reconciled cash balances for the general account and the payroll account were materially incorrect.

Inter-fund transfers recorded as inter-fund receivables/payables: The balance sheets and the Statements of Revenues, Expenditures, and Changes in Fund Balance were misstated.

**Webster Parish Office of Community Services
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2015**

Part II – Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America:

Transfers from the general fund to eliminate deficiencies in grant funds: The general fund covered the amounts which were not covered in the grant fund budgets.

Payroll recorded twice: Salary and fringe benefit expenditures were overstated by \$83,269 for all funds in total.

View of Responsible Official: Management concurs with the conditions found. The AS-400 accounting system previously used crashed and some data files was inaccessible. The agency purchased and implement the Abila MIP Fund Accounting software system. The conversion process from the AS-400 to the Abila MIP Fund Accounting system required tedious posting from printed general ledgers and constant data reconciliations which resulted accounting errors.

Recommendation to prevent future occurrences: In the past, the contract accountant has provided assistance with the year-end close out. Office of Community Services should consider contracting with the contract accountant on a monthly basis instead of waiting until after year end. The contract accountant could provide assistance with bank reconciliations and recording of inter-fund transactions. Inter-fund receivables/payables and transfers should be reconciled each month and any errors corrected in the month the error occurred. Budgets should be closely monitored each month to ensure there will be no over-spending of the budget.

**Webster Parish Office of Community Services
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2015**

Part III – Findings and questioned costs for federal awards which are required to be reported under OMB Circular A-133 Section .510(a):

Reference # and title: **2015-003** **Reporting VMS and FDS Reports**

Federal program and specific Federal award identification: This finding is specific to Section 8 Housing Choice Voucher program, CFDA #14.871, for the Federal award Year 2015 received from Federal Agency: Department of Housing and Urban Development.

Criteria or specific requirement: Section 8 submits a report monthly via the voucher management system (VMS) which is used by HUD to determine renewal funding levels. HUD also uses VMS for other funding, monitoring, and SEMAP-related decisions. The key line items are unit months leased, housing assistance payments expense (HAP), and all specific disaster voucher programs.

The uniform financial reporting standards (24CFR section 5.801) requires Section 8 to submit timely GAAP-based unaudited and audited financial information electronically to HUD. This system is one of HUD's main monitoring and oversight systems for the Section 8 Housing Choice Voucher program. Key line items include revenue items, expenditure line items, transfer line items, and equity line items.

Condition found: VMS – Three months of VMS reports were selected for testing. Two of the months had differences between what was reported on the VMS for the number of units under lease at the end of the month and the number of units under lease per records maintained by the Section 8 department. One month was over by one unit and one month was under by 8 units.

FDS – The FDS was submitted three times. The first two submissions were rejected. Both of these rejections included problems with key line items.

Possible asserted effect (cause and effect):

Cause: VMS – The system used to gather information for the VMS will generate several reports. The reports were not researched to understand if the information that was provided was the information needed for the VMS.

FDS – Personnel completing the FDS did not understand how to complete the financial statements.

Effect: VMS – The information reported in the VMS system for the three months tested may not be accurate.

FDS – The FDS had to be submitted three times to get an acceptance.

View of Responsible Official: Management concurs with the conditions noted. The Section 8 Housing Choice Voucher program manager conducted a Voucher Management System Review with the assistance of the assigned HUD Fiscal Advisor. Corrective responses were provided to all concerns noted during the review. Corrective actions are in-progress.

Recommendation to prevent future occurrences: Office of Community Services should consider contracting with someone with experience with these reports to complete the reports.

**Webster Parish Office of Community Services
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2015**

Part III – Findings and questioned costs for federal awards which are required to be reported under OMB Circular A-133 Section .510(a):

Reference # and title: **2015-004** **Internal Controls over Matching – Head Start**

Federal program and specific Federal award identification: This finding is specific to Head Start program, CFDA #93.600, for the Federal Award year 2015 received from Federal Agency: United States Department of Health and Human Services.

Criteria or specific requirement: Head Start grantees are required to contribute at least 20 percent of the costs of the program through cash or in-kind contributions, unless a lesser amount has been approved by the awarding agency. Proper internal controls should be established to ensure that amounts recorded as in-kind contributions are supported by adequate documentation and to ensure that the correct amount is recorded.

Condition found: When testing the in-kind contributions recorded in the accounting records it was noted that the Office of Community Services kept monthly folders documenting the amounts recorded as in-kind, however, there was no schedule maintained to review in-kind totals and ensure the amounts recorded in the accounting records were correct. When testing the in-kind amount recorded for space costs it was noted that the Office of Community Services recorded an additional month of space costs in error. When testing the total in-kind recorded to the supporting documentation there were other small variances noted. Additionally, the cash assistance provided by the Office of Community Services general fund was not recorded.

Possible asserted effect (cause and effect):

Cause: Formal processes and procedures have not been designed and implemented to properly monitor the total amount recorded for in-kind and cash contributions.

Effect: Office of Community Services could potentially fail to meet the in-kind matching requirement for the year.

View of Responsible Official: Management concurs with the condition noted. Discrepancies noted in the accounting records were corrected. The conversion process from the AS-400 to the Abila MIP Fund Accounting system required tedious posting from printed general ledgers and constant data reconciliations which resulted accounting errors.

Recommendation to prevent future occurrences: Procedures should be developed and implemented to calculate and record the in-kind contributions monthly. These calculations should be reviewed by someone not involved in the calculation.

Other Information

**Webster Parish Office of Community Services
Summary of Prior Year Audit Findings and Questioned Costs
For Year End December 31, 2015**

Reference # and title: **2014-003** **Eligibility – Controls Over Resident Files**

Origination date: This finding originated fiscal year ended December 31, 2008.

Federal program and specific Federal award identification: This finding is specific to Section 8 Housing Choice Voucher Program CFDA #14.871, for the Federal Award Year 2014 received from Federal Agency: Department of Housing and Urban Development.

Condition found: The agency must re-examine family income and composition at least once every 12 months and adjust the housing assistance payment (HAP) as necessary using the documentation from third party verifications (24CFR section 982.516). As a condition of admission or continued occupancy, the resident and other family members must provide necessary information, documentation, and releases for the agency to verify income eligibility (24CFR sections, 5.230, 5.609, and 982.516). The agency is required to submit Form 50058 electronically to HUD each time the agency completes an admission, annual reexamination, interim reexamination, portability move in or other changes of unit for a family. Several line items on this form must agree to documentation in the file (24CFR part 908 and 24CFR section 982.158). For both family income examinations and reexaminations, the agency must obtain and document in the family file third party verification of reporting family income, the value of assets, expenses related to deductions from annual income, and other factors that affect the determination of adjusted income or income based rent (24CFR section 982.516). The agency must determine income eligibility and calculate the resident's rent payment using the documentation from third party verifications in accordance with 24CFR part 5 subpart F (24CFR section 5.601 and 24CFR sections 982.201, 982.515 and 982.516).

In testing 20 resident files, the following were noted:

- 2 exceptions were noted for information in the file not matching the key line items on form 50058.
- 2 exceptions were noted where the file did not include student verification for members in school.
- 2 exceptions were noted where the calculated rent or utility allowance did not agree to documentation in the file.
- 1 exception noted where adult household member did not sign HUD form 9886.

Corrective action taken: The Section 8 Housing Director has completed certification as Housing Choice Voucher Specialist. The director and new staff attended additional training and workshops to increase their knowledge and skills. The exceptions noted in the audit file review were corrected. This finding was considered cleared.

Reference # and title: **2014-004** **Reporting- VMS and FDS Reports**

Origination date: This finding originated fiscal year ending December 31, 2014.

Federal program and specific Federal award identification: This finding is specific to Section 8 Housing Choice Voucher Program CFDA #14.871, for the Federal Award Year 2014 received from Federal Agency: Department of Housing and Urban Development.

Condition: Section 8 submits a report monthly via the voucher management system (VMS) which is used by HUD to determine renewal funding levels. HUD also uses VMS data for other funding, monitoring, and SEMAP-related decisions. The key line items are unit months leased, housing assistance payments expense (HAP), and all specific disaster voucher programs.

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Summary of Prior Year Audit Findings and Questioned Costs
For Year End December 31, 2015**

The uniform financial reporting standards (24CFR section 5.801) requires Section 8 to submit timely GAAP-based unaudited and audited financial information electronically to HUD. This system is one of HUD's main monitoring and oversight systems for the Section 8 Housing Choice Voucher program. Key line items include revenue line items, expenditure line items, transfer line items, and equity line items.

The HAP expenses reported on the VMS report did not agree to the books for Section 8. There were immaterial differences noted. Also at some point during the year, the report was prepared using the prior month data instead of the current month data.

In tracing key line items to the books the following differences were noted:

- Investment income was understated on the FDS by \$83.
- Total operating expenses was understated on the FDS by \$4,370.
- Administrative fee revenue was overstated on the FDS by \$5,114.
- HAP revenue was understated on the FDS by \$2,300.

These differences in line items resulted in HAP equity being understated on the FDS and administrative fee equity being overstated on the FDS.

Corrective action planned: See current year finding 2015-003.

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Reference # and title: **2015-001** **Unauthorized Payroll Checks**

Entity-wide or program/department specific: This finding is specific to the general fund.

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

During May of 2016 the Executive Director was notified about inconsistencies in the financial records and the bank statements by a contract accountant. After further investigation into the accounting records and bank statements by the contract accountant, it was determined that the bank statements originally provided appeared to be altered and unauthorized checks that were not recorded in the accounting records cleared the payroll bank account. The Executive Director notified the authorities and a formal investigation was performed by the Minden Police Department. The investigation did result in the arrest of Kristy Pietsch, Fiscal Director of the Office of Community Services, on charges of felony theft and forgery. Her employment was terminated. The case has not been adjudicated. Office of Community Services notified the Louisiana Legislative Auditor and District Attorney of the matter, as required by state law. A claim was also filed with the Office of Community Service insurance carrier under their surety bond.

Corrective action planned:

1. Accounting & Finance Policies and Procedures Manual is currently under revision. The revised policies and procedures will include detailed internal control procedures for issuing and safeguarding checks, performing bank reconciliations, and separation of accounting duties.
2. Internal control procedures over blank checks were strengthened. All checks are maintained in a safe. A Check Control Log was established which requires two signatures for issuance and use of checks. The check control logs records the sequential use of checks.
3. Revised procedures require, when blank checks are ordered and received, the boxes are open and inspected in the presence of two accounting or management staff. A statement of the inspection is prepared and signed by the two staff conducting the inspection. The statement is maintained in the check control log.
4. The compromised payroll bank account was closed and remaining blank checks were stamped VOID.
5. Currently, the executive director does review the bank statements. Revised procedures require the executive director to initial review of the original statement prior to submitting them for reconciliation.

Person responsible for corrective action:

Mary Whitaker, Director
Webster Parish Office of Community Services
P. O. Box 876
Minden, LA 71058-0876

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

Anticipated completion date: December 30, 2016

Reference # and title: **2015-002** **Financial Management**

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

Criteria or specific requirement: Strong internal controls over financial reporting require that accounting records contain up-to-date, accurate and complete information to ensure that the financial data can be relied upon to monitor the financial condition of the entity and that expenditures are within the budget for grants.

Conditions found: The following issues were noted with the accounting records:

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Corrective Action Plan for Current Year Audit Findings and Questioned Costs
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General and payroll bank reconciliations: The general account and the payroll account bank reconciliations were not properly reconciled to the books.

Inter-fund transfers recorded as inter-fund receivables: Inter-fund transfers from the Head Start program to the Head Start Food program were recorded as inter-fund receivables and payables.

Transfers from general fund to eliminate deficiencies in grant funds: A total of \$85,421 was transferred from the general fund to eliminate current year and prior year deficiencies in grant funds.

Payroll recorded twice: The agency had a software conversion in June. The first payroll in June was recorded in the old system and brought forward to the new system and it was also recorded in June in the new system. This error was not corrected prior to the audit.

Corrective action planned:

1. Deficiencies noted during the audit were corrected by the contract CPA.
2. The contract CPA was engaged to perform the monthly bank reconciliations and provide assistance with recording of the inter-fund transactions. The accountant has access to the Abila MIP Accounting system to preform updates and bank reconciliations.
3. Implementation of the Abila MIP Fund accounting software is completed. Accounting staff and the Executive Director received training. Training and technical assistance is on-going.

Person responsible for corrective action:

Mary Whitaker, Director	Telephone: 318-377-7022
Webster Parish Office of Community Services	Fax: 318-377-2870
P. O. Box 876	
Minden, LA 71058-0876	

Anticipated completion date: December 30, 2016

Reference # and title: **2015-003** **Reporting VMS and FDS Reports**

Federal program and specific Federal award identification: This finding is specific to Section 8 Housing Choice Voucher program, CFDA #14.871, for the Federal award Year 2015 received from Federal Agency: Department of Housing and Urban Development.

Condition: Section 8 submits a report monthly via the voucher management system (VMS) which is used by HUD to determine renewal funding levels. HUD also uses VMS for other funding, monitoring, and SEMAP-related decisions. The key line items are unit months leased, housing assistance payments expense (HAP), and all specific disaster voucher programs.

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VMS – Three months of VMS reports were selected for testing. Two of the months had differences between what was reported on the VMS for the number of units under lease at the end of the month and the number of units under lease per records maintained by the Section 8 department. One month was over by one unit and one month was

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under by 8 units.

FDS – The FDS was submitted three times. The first two submissions were rejected. Both of these rejections included problems with key line items.

Corrective action planned: The agency will contract the assistance of a VMS and FDS specialist to reconcile the account and provide additional training and technical assistance

Person responsible for corrective action:

Mary Whitaker, Director
Webster Parish Office of Community Services
P. O. Box 876
Minden, LA 71058-0876

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

Anticipated completion date: December 30, 2016

Reference # and title: **2015-004** **Internal Controls over Matching – Head Start**

Federal program and specific Federal award identification: This finding is specific to Head Start program, CFDA #93.600, for the Federal Award year 2015 received from Federal Agency: United States Department of Health and Human Services.

Condition: Head Start grantees are required to contribute at least 20 percent of the costs of the program through cash or in-kind contributions, unless a lesser amount has been approved by the awarding agency. Proper internal controls should be established to ensure that amounts recorded as in-kind contributions are supported by adequate documentation and to ensure that the correct amount is recorded.

When testing the in-kind contributions recorded in the accounting records it was noted that the Office of Community Services kept monthly folders documenting the amounts recorded as in-kind, however, there was no schedule maintained to review in-kind totals and ensure the amounts recorded in the accounting records were correct. When testing the in-kind amount recorded for space costs it was noted that the Office of Community Services recorded an additional month of space costs in error. When testing the total in-kind recorded to the supporting documentation there were other small variances noted. Additionally, the cash assistance provided by the Office of Community Services general fund was not recorded.

Corrective action planned:

1. The Fiscal Director and Executive Director attended fiscal training on the Uniform Guidance contained in 2 CFR Part 200 and 45 CFR Part 75.
2. The Accounting and Finance Policies and Procedures Manual is currently under revision to incorporate the mandate of the Uniform Guidance and 45 CFR Part 85. The revised manual will include detailed procedures for documenting, recording and monitoring in-kind and cash contributions.
3. The monthly Statement of Revenue and Expenditure Report will record the in-kind and cash contributions received as non-federal match. The reports are provided to the governing body and Policy Council at their respective quarterly and monthly meetings.
4. The monthly Program Information and Activity report, provided to the board of directors, will be revised to record and track in-kind contributions and also remaining balance required.

Person responsible for corrective action:

Mary Whitaker, Director

Telephone: 318-377-7022

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