

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.

Bossier City, Louisiana

Financial Report
Year Ended December 31, 2022

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KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT AUDITOR'S REPORT

Mrs. Debra Hamilton Executive Director, and
Members of the Board of Directors
Bossier Office of Community Services, Inc.
Bossier City, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Bossier Office of Community Services, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Bossier Office of Community Services, Inc. as of December 31, 2022, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Bossier Office of Community Services, Inc., and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Bossier Office of Community Services, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Bossier Office of Community Services, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements
- Conclude whether, in our judgement, there are conditions or events considered in the aggregate, which raise substantial doubt about the Bossier Office of Community Services, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and

relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2023, on our consideration of Bossier Office of Community Services, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Bossier Office of Community Services, Inc. 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 Bossier Office of Community Services, Inc.'s internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Alexandria, Louisiana
November 16, 2023

FINANCIAL STATEMENTS

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
Bossier City, Louisiana

Statement of Financial Position
December 31, 2022

ASSETS

Current assets:	
Cash and cash equivalents	\$ 423,477
Grants receivable	<u>262,509</u>
Total current assets	685,986
Property and equipment, net	<u>691,931</u>
Total assets	<u>\$ 1,377,917</u>

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable	\$ 80,965
Accrued salaries and related benefits	<u>93,898</u>
Total liabilities	174,863
Net assets:	
Without donor restrictions	161,154
With donor restrictions	<u>1,041,900</u>
Total net assets	<u>1,203,054</u>
Total liabilities and net assets	<u>\$ 1,377,917</u>

The accompanying notes are an integral part of this statement.

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
Bossier City, Louisiana

Statement of Activities
Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Changes in net assets without donor restrictions			
Support:			
Government grants	\$ -	\$ 5,755,041	\$ 5,755,041
Local grants			
Contributed services	-	145,970	145,970
Miscellaneous income	74,694	-	74,694
Interest income	<u>92</u>	<u>-</u>	<u>92</u>
Total support	74,786	5,901,011	5,975,797
Net assets released from restrictions.			
Satisfaction of program restrictions	<u>5,492,606</u>	<u>(5,492,606)</u>	<u>-</u>
Total revenues and other support	<u>5,567,392</u>	<u>408,405</u>	<u>5,975,797</u>
Expenses:			
Program services -			
Head Start	2,583,966	-	2,583,966
Early Head Start	363,837	-	363,837
Food Services	377,528	-	377,528
CSBG I	331,553	-	331,553
CSBG II	330,021	-	330,021
LIHEAP	1,500,805	-	1,500,805
CSBG	<u>2,094</u>	<u>-</u>	<u>2,094</u>
Total program services	5,489,804	-	5,489,804
Support services -			
Management and General	<u>244,395</u>	<u>-</u>	<u>244,395</u>
Total expenses	<u>5,734,199</u>	<u>-</u>	<u>5,734,199</u>
Change in net assets without donor restrictions	(166,807)	408,405	241,598
Net assets, beginning of year	<u>327,961</u>	<u>633,495</u>	<u>961,456</u>
Net assets, end of year	<u>\$ 161,154</u>	<u>\$ 1,041,900</u>	<u>\$ 1,203,054</u>

The accompanying notes are an integral part of this statement.

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.

Bossier City, Louisiana

Statement of Functional Expenses

Year Ended December 31, 2022

	Program Services						Management and General	Total	
	Head Start Program	Early Head Start Program	Food Services Program	CSBG I	CSBG II	LIHEAP			CSBG
Salaries	\$ 1,583,263	\$ 228,271	\$ 145,361	\$ 252,331	\$ 192,603	\$ 55,732	\$ 1,477	\$ 112,086	\$ 2,571,124
Payroll taxes	122,023	9,449	11,148	1,534	14,651	5,472	201	19,057	183,535
Retirement and benefits	143,418	13,301	8,457	-	23,277	12,691	416	26,847	228,407
Total salaries and related expenses	<u>1,848,704</u>	<u>251,021</u>	<u>164,966</u>	<u>253,865</u>	<u>230,531</u>	<u>73,895</u>	<u>2,094</u>	<u>157,990</u>	<u>2,983,066</u>
Food and nutrition	-	-	174,712	-	-	-	-	-	174,712
Insurance	142,354	21,529	1,863	-	20,306	9,533	-	15,045	210,630
Office supplies	14,510	12,346	599	31	4,503	670	-	26,591	59,250
Contributed services	140,206	5,764	-	-	-	-	-	-	145,970
Direct assistance program	-	-	-	41,323	-	1,396,205	-	-	1,437,528
Professional fees	16,443	1,330	865	12,442	15,155	4,621	-	-	50,856
Repairs and maintenance	72,939	27,526	-	-	2,779	-	-	-	103,244
Equipment rental	-	-	-	-	35,178	7,911	-	-	43,089
Seminars and workshops	22,280	4,399	-	-	6,547	-	-	-	33,226
Supplies and materials	124,885	4,201	29,962	18,833	-	3,320	-	16,550	197,751
Telephone	32,162	6,182	-	-	3,297	1,367	-	-	43,008
Utilities	61,151	18,183	4,561	5,059	6,111	2,349	-	448	97,862
Travel	50,546	-	-	-	5,614	934	-	21,848	78,942
Total expenses before depreciation	<u>2,526,180</u>	<u>352,481</u>	<u>377,528</u>	<u>331,553</u>	<u>330,021</u>	<u>1,500,805</u>	<u>2,094</u>	<u>238,472</u>	<u>5,659,134</u>
Depreciation expense	<u>57,786</u>	<u>11,356</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,923</u>	<u>75,065</u>
Total expenses	<u>\$ 2,583,966</u>	<u>\$ 363,837</u>	<u>\$ 377,528</u>	<u>\$ 331,553</u>	<u>\$ 330,021</u>	<u>\$ 1,500,805</u>	<u>\$ 2,094</u>	<u>\$ 244,395</u>	<u>\$ 5,734,199</u>

The accompanying notes are an integral part of this statement.

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
Bossier City, Louisiana

Statement of Cash Flows
For the Year Ended December 31, 2022

Cash flows from operating activities:	
Change in net assets without donor restrictions	\$ 241,598
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	75,065
Increase in operating assets:	
Grants receivable	(162,187)
Increase (decrease) in operating liabilities:	
Accounts payable	(109,893)
Accrued salaries and related benefits	<u>23,462</u>
Net cash provided by operating activities	<u>68,045</u>
Cash flows from investing activities:	
Purchases of property and equipment	<u>(174,361)</u>
Net change in cash	(106,316)
Cash and cash equivalents, beginning	<u>529,793</u>
Cash and cash equivalents, ending	<u>\$ 423,477</u>

The accompanying notes are an integral part of this statement.

BOSSIER OFFICE OF COMMUNITY SERVICES, INC
Bossier City, Louisiana

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

A. Nature of Activities

Bossier Office of Community Services, Inc. (Organization) is a non-profit organization, which was established under the laws of the State of Louisiana to operate a Community Services Program in and for Bossier Parish, Louisiana. The Organization receives grants from federal and state governments to provide early childhood development programs for disadvantaged pre-school children, as well as provide assistance to other low-income households in Bossier Parish through various programs. A listing of the Organizations significant programs are noted below.

Head Start and Early Head Start Programs (HS and EHS) provide comprehensive educational and support services to low-income and disabled children zero to five years of age and children who have not reached the compensatory school age. These programs provide health, mental health, nutrition, education, and parent involvement services to children, to enable the child to function at an optimum level in their environment. Funding is provided through federal funds from the U.S. Department of Health and Human Services.

Child and Adult Care Food Program (CACFP) provides a food service program in conjunction with the Head Start and Early Head Start Programs. Funding is provided by federal funds passed through the State of Louisiana, Department of Education.

Community Services Block Grant (CSBG) provides assistance to the poor, disadvantaged and unemployed through housing services, community projects, nutrition services, emergency assistance, employment services, transportation services, and other services. Funding is provided by federal funds passed through the State of Louisiana, Department of Labor.

Transit Services provides transportation services to citizens in the urban and rural areas of Bossier Parish. Funding is provided by federal funds passed through the State of Louisiana, Department of Social Services, federal funds passed through the City of Bossier City, transit fares and other miscellaneous revenues.

Low-Income Home Energy Assistance Program (LIHEAP) provides assistance to low-income households in offsetting the burden of high energy costs. Funding is provided by federal funds passed through the Louisiana Housing Corporation.

B. Financial Statement Presentation

Bossier Office of Community Services, Inc. reports information regarding its financial position and activities according to two classes of net assets: Net Assets without Donor Restrictions and Net Assets with Donor Restrictions.

The financial statements of Bossier Office of Community Services, Inc., have been prepared on the accrual basis. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

BOSSIER OFFICE OF COMMUNITY SERVICES, INC
Bossier City, Louisiana

Notes to Financial Statements

C. Fixed Assets and Depreciation

The Organization's capitalization policy is \$5,000 with purchased property and equipment recorded at acquisition cost and donated assets recorded at estimated fair market value. Donations of property and equipment are recorded as contributions at the estimated fair value at the time of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets in accordance with each program's grant guidelines. The range of estimated useful lives is as follows:

Buildings and improvements	40-50 years
Furniture and equipment	5-10 years
Vehicles	5-10 years

D. Net Assets

The net assets of the Organization and changes wherein are classified and reported as follows:

Net Assets with Donor Restrictions – Net assets subject to stipulations imposed by donors and grantors. Some restrictions may be temporary in nature and satisfied by actions of the Organization's board or management or by the passage of time.

Net Assets without Donor Restrictions – Net assets that are not subject to donor-imposed or grantor-imposed restrictions which may be used for any purpose of the Board or management in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's Board or management.

E. Revenue and Expense Recognition

The Organization recognizes revenues on the accrual basis of accounting. Program reimbursements and grants are recorded as revenue when earned. Substantially all other revenues are recorded when received. Expenses are recognized in the period incurred in accordance with the accrual basis of accounting.

F. Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on specific identification.

BOSSIER OFFICE OF COMMUNITY SERVICES, INC
Bossier City, Louisiana

Notes to Financial Statements

G. Income Taxes

The Organization qualifies as a tax-exempt organization under Section 501(c) (3) of the Internal Revenue Code and is not classified by the Internal Revenue Service (IRS) as a private foundation. Accounting principles generally accepted in the United States of America require the Organization's management to evaluate tax positions taken and recognize a tax liability (or asset) if the Organization has undertaken an uncertain position that more likely than not would not be sustained upon examination by the IRS. Management has analyzed the tax positions taken by the Organization, and has concluded that as of December 31, 2022, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization is subject to routine audit by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

H. Compensated Absences

Vacation, annual and sick leave are recorded as an expense in the period in which paid. Vacation leave is granted only to employees in twelve-month positions. Vacation leave is accumulated from 2 to 4 weeks annually, based on years of service. The maximum amount of vacation leave that can be carried forward from one year to the next is 10 days. Upon termination, an employee will be paid for unused vacation leave up to 72 hours. The amount of vacation and unused annual leave at year end was considered immaterial for accrual in the financial statements. Employees accumulate 16 days of sick leave per year with a maximum accumulation of 160 hours; however, sick leave does not vest and is not paid upon termination.

I. Statement of Cash Flows

The Organization considers all highly liquid investments with a maturity of three months or less at the date of acquisition to be cash equivalents.

J. Use of Estimates

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

BOSSIER OFFICE OF COMMUNITY SERVICES, INC
Bossier City, Louisiana

Notes to Financial Statements

(2) Grants Receivable

Grants receivable at December 31, 2022 consisted of the following:

Due from Louisiana Department of Education - Food Service Program	\$ 82,837
Due from Department of Health and Human Services	70,250
Due from Louisiana Department of Labor Community Services Block Program	80,847
Due from Louisiana Housing Corporation Low Income Home Energy Assistance	<u>28,575</u>
Total Grants Receivables	<u>\$ 262,509</u>

(3) Concentration of Credit Risk

The Organization maintains cash account balances at financial institutions, which at times may exceed federally insured limits. Accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2022, the Organization's cash balances totaled \$491,033. Between the FDIC insurance above and a pledged letter of credit, the Organization's bank balances were fully secured and therefore, not exposed to custodial credit risk.

(4) Property and Equipment

Property and equipment consisted of the following at December 31, 2022.

Land	\$ 112,364
Buildings and improvements	1,217,244
Furniture and equipment	810,213
Vehicles	42,237
Accumulated depreciation	<u>(1,490,127)</u>
Property and equipment, net	<u>\$ 691,931</u>

Federal awarding agencies that provide funding for the purchase of property and equipment are entitled to an interest in those assets at the time of disposition. The Organization must request disposition instructions from the federal awarding agency prior to disposing of any assets acquired with federal funds with a per unit value of \$5,000 or more at the time of disposition. Depreciation expense was charged as expense to the following programs:

Head Start Program	\$ 57,786
Early Headstart Program	11,356
General Fund	<u>5,923</u>
	<u>\$ 75,065</u>

BOSSIER OFFICE OF COMMUNITY SERVICES, INC
Bossier City, Louisiana

Notes to Financial Statements

(5) Contributed Services

The Organization has recorded in-kind contributions of \$145,970 for professional services in the statement of activities in accordance with financial accounting standards. These accounting standards require that only contributions of services received that require a specialized skill by the individual possessing those skills and would typically need to be purchased if not provided by donation be recorded. The requirements of these financial standards are different than the in-kind requirements of the Organization's grant award. The Organization received contribution of nonprofessional volunteers during the year with a value of \$336,219 for its Head Start and Early Head Start programs which are not recorded in the statement of activities.

(6) Concentrations

The Organization receives a substantial amount of its support from the U.S. Department of Health and Human Services – Head Start Program. A significant reduction in the level of this support or suspension in funding may have a substantial impact on the continuing operations of the Organization

(7) Retirement

Employees of the Organization also have the option of participating in a defined contribution salary deferral plan. The plan is established in accordance with Section 403(B) of the Internal Revenue Code. Under the plan, the Organization contributes a discretionary matching contribution equal to a percentage of the amount of the salary reduction elected by the employee, up to 5% of compensation. The employee may elect a salary reduction up to the maximum annual allowable amount established by applicable Internal Revenue Code Sections. During the year ended December 31, 2022, the Organization's contributions to the plan totaled \$96,483.

(8) Liquidity and Availability of Resources

The Organization's financial assets available within one year of the balance sheet date for general expenditures are as follows.

Cash	\$ 423,477
Grants receivable	<u>262,509</u>
Total current assets	<u>\$ 685,986</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Of the total current assets above, \$472,195 is related to federal grants and will be expended for obligations that come due under those federal programs.

BOSSIER OFFICE OF COMMUNITY SERVICES, INC
Bossier City, Louisiana

Notes to Financial Statements

(9) Compensation Paid to Members of the Board of Directors

Members of the Board of Directors of Bossier Office of Community Services, Inc. receive no compensation and are reimbursed only for expenses incurred relating to Bossier Office of Community Services, Inc.'s business, which must have appropriate supporting documentation.

(10) Compensation, Benefits, and Other Payments to Agency Head

The schedule of compensation, benefits, and other payments to Debra Hamilton, Executive Director, for the year ended December 31, 2022, follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 113,088
Benefits - payroll taxes	8,651
Benefits - insurance	7,087
Benefits - retirement	5,490
Cell phone	<u>525</u>
Total	<u>\$ 134,841</u>

(11) Litigation and Claims

There was no pending litigation against the Organization at December 31, 2022.

(12) Subsequent Events

The Organization has evaluated subsequent events through November 16, 2023, the date which the financial statements were available to be issued.

(13) Commitments and Contingencies

The Organization's major source of revenue is grants received from federal and state governmental entities. The use of these funds is restricted to the purpose set forth in the individual grant agreements and is subject to review and audit by grantor agencies. These reviews could result in a request for reimbursement by the grantor for expenditures disallowed under the terms and conditions of the agency.

Any disallowed claims, including amounts already collected, may constitute a liability. However, a liability for findings and questioned costs is not established until final disposition of such claims by the grantor agency. While the amount, if any, of expenditures that may be disallowed cannot be determined at this time, it is the opinion of the Organization's management, that such disallowances, if any, will not be significant.

**INTERNAL CONTROL, COMPLIANCE
AND
OTHER MATTERS**

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT AUDITOR'S 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*

Mrs. Debra Hamilton Executive Director, and
Members of the Board of Directors
Bossier Office of Community Services, Inc.
Bossier City, Louisiana

We have audited, in accordance with the 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 Bossier Office of Community Services, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 16, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Bossier Office of Community Services, Inc.'s internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Bossier Office of Community Services, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Bossier Office of Community Services, Inc.'s 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 identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bossier Office of Community Services, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standard* and which are described in the accompanying schedule of findings and questioned costs as items 2022-02 and 2022-03.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Alexandria, Louisiana
November 16, 2023

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Mrs. Debra Hamilton Executive Director, and
Members of the Board of Directors
Bossier Office of Community Services, Inc.
Bossier City, Louisiana

Report on Compliance for the Each Major Federal Program

Qualified and Unmodified Opinions

We have audited Bossier Office of Community Services, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on Bossier Office of Community Services, Inc.'s major federal programs for the year ended December 31, 2022. Bossier Office of Community Services, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on Head Start Program Cluster

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, Bossier Office of Community Services, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Head Start Program Cluster for the year ended December 31, 2022.

Unmodified Opinion of Each of the Other Major Federal Programs

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, Bossier Office of Community Services, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Head Start Program Cluster for the year ended December 31, 2022.

Basis for Qualified and Unmodified Opinions

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, Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Bossier Office of Community Services, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major program. Our audit does not provide a legal determination of Bossier Office of Community Services, Inc.'s compliance with the compliance requirements referred to above.

Matters Giving Rise to Qualified Opinion on Head Start Program Cluster

As described in the accompanying schedule of findings and questioned costs, the Bossier Office of Community Services, Inc., did not comply with requirements regarding the Head Start Program Cluster as described in finding numbers 2022-004 Financial Management, 2022-005 for Program Governance, 2022-006 for Federal Financial Reporting and 2022-007 for Real Property Reporting.

Compliance with such requirements is necessary, in our opinion, for the Bossier Office of Community Services, Inc., to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Bossier Office of Community Services, Inc.'s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Bossier Office of Community Services, Inc.'s, compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Bossier Office of Community Services, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Bossier Office of Community Services, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Bossier Office of Community Services, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Bossier Office of Community Services, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

Government Auditing Standards requires the auditor to perform limited procedures on Bossier Office of Community Services, Inc.'s response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Bossier Office of Community Services, Inc.'s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-004 to be a material weakness.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on Bossier Office of Community Services, Inc.'s response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Bossier Office of Community Services, Inc.'s response was not subjected to the other 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. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Alexandria, Louisiana
November 16, 2023

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
Bossier City, Louisiana

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2022

Federal Grantor Pass Through Grantor/Program Title	Assistance Listing Number	Pass-through Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed through Louisiana Dept. of Education - Child and Adult Care Food Program	10.558	-	\$ <u>286,644</u>
U.S. Department of Health and Human Services:			
Head Start Program Cluster	93.600	06CH01139503	2,674,334
Early Head Start	93.600	06CH01139502	351,387
Head Start Program- American Rescue Plan Act 2021	93.600	06HE01139502C3	274
Head Start Program- American Rescue Plan Act 2021	93.600	06HE00120001C5	7,755
Head Start Program- American Rescue Plan Act 2021	93.600	06HE00122901C6	<u>267,197</u>
Total Head Start Program Cluster - 93.600			<u>3,300,947</u>
Passed through Louisiana Department of Labor			
Community Services Block Grant	93.569	2021N0033	199,897
Community Services Block Grant	93.569	2022N0033	133,993
Community Services Block Grant - CARE Act	93.569	2001LACSC3	<u>318,327</u>
Total Community Services Block Grant - 93.569			<u>652,217</u>
Passed through Louisiana Housing Corporation			
Low Income Home Energy Assistance - Cares Act	93.568		143,576
Low Income Home Energy Assistance	93.568		<u>1,360,793</u>
Total Low Income Home Energy Assistance - 93.568			<u>1,504,369</u>
Total U.S. Department of Health and Human Services			<u>5,457,533</u>
U.S. Department of Housing and Urban Development			
Passed through the City of Bossier City Community Development Block Grant			
Transportation Assistance	14.218		<u>10,864</u>
Total federal expenditures			<u>\$ 5,755,041</u>

The accompanying notes are an integral part of this statement.

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
Bossier City, Louisiana

Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2022

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Bossier Office of Community Services, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

(2) Summary of Significant Accounting Policies

Expenditures reported in the accompanying schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. There were no amounts passed through to subrecipients.

(3) Indirect Cost Rate

The Organization has elected not to use the 10 percent de minimis indirect cost rate allowed under Uniform Guidance.

BOSSIER OFFICE OF COMMUNITY SERVICES, INC
Bossier City, Louisiana

Schedule of Findings and Questioned Costs
Year Ended December 31, 2022

Part I. Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes No
Significant deficiencies identified? Yes None reported

Noncompliance or other matters material to
financial statements noted? Yes No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? Yes No
Significant deficiencies identified? Yes None reported

Type of auditor's report issued on compliance for major programs: Qualified

Any audit findings disclosed that are required
to be reported in accordance with 2 CFR
section 200.516(a)? Yes No

Major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
93.600	Head Start Program Cluster
93.568	Low Income Home Energy Assistance

Dollar threshold used to distinguish between type A and type B programs: \$750,000.

Auditee qualified as low risk auditee. Yes No

BOSSIER OFFICE OF COMMUNITY SERVICES, INC
Bossier City, Louisiana

Schedule of Findings and Questioned Costs
Year Ended December 31, 2022

Part II. Findings which are required to be reported in accordance with generally accepted Governmental Auditing Standards:

A. Internal Control Findings –

See internal control finding 2022-001 on the schedule of current and prior year audit findings and managements corrective action plan.

B. Compliance Findings –

See compliance and other matters findings 2022-002 and 2022-003 on the schedule of current and prior year audit findings and managements corrective action plan.

Part III Findings and questioned costs for Federal awards which include audit findings as defined in 2 CFR section 200 of the Uniform Guidance:

A. Internal Control Findings –

See internal control finding 2022-004 on the schedule of current and prior year audit findings and managements corrective action plan.

B. Compliance Findings –

See compliance and other matter findings 2022-005, 2022-006 and 2022-007 on the schedule of current and prior year audit findings and managements corrective action plan.

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
Bossier City, Louisiana

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended December 31, 2022

Part I. Current Year Findings and Management's Corrective Action Plan:

A. Internal Control Over Financial Reporting

2022-001 Reconciliations of Significant Accounts Balances

Fiscal year finding initially occurred: 2022

CONDITION: During the performance of our audit procedures, it was noted that bank reconciliations for significant bank accounts were not being reconciled timely and often contained significant errors in the reconciliations. In addition, there were other significant accounts at year end, that were misstated and contained transactions that were improperly posted to these accounts.

CRITERIA: AU-C §315.04, Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement, defines internal control as follows: "Internal control is a process, affected by those charge with governance, management, and other personnel designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations."

CAUSE: The cause of the condition is the result of a failure to maintain existing internal controls over the significant account balance reconciliations.

EFFECT: Failure to maintain these existing internal controls over these significant account balance reconciliations could lead to errors or misstatements that, if left uncorrected, could materially misstate the financial statements. In addition, it could also affect the Organizations ability to properly report its financial status to outside organizations.

RECOMMENDATION. Management should review current internal controls and job duties of staff to ensure adequate time is available to properly maintain complete and accurate financial statements.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The agency developed a corrective action plan that included creating a new policy and training staff in its use. Bank reconciliations are completed by the Finance Director within 5 to 10 days after receipt of bank statements. After completion of reconciliations, they are re-verified by the Executive Director.

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
Bossier City, Louisiana

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended December 31, 2022

B Compliance and Other Matters

2022-002 Delinquent Remittance of Payroll Withholdings

Fiscal year finding initially occurred: 2022

CONDITION. During the performance of our audit procedures, it was noted that the Bossier Office of Community Services Inc., was delinquent in remitting payroll taxes withheld and retirement contributions to the appropriate entities in a timely manner.

CRITERIA: Bossier Office of Community Services, Inc. did not remit all federal and state payroll withholdings and retirement contributions to the appropriate agencies in accordance with applicable regulations.

CAUSE: The cause of the condition is the result of a significant turnover during the fiscal year end, as well as failure to properly monitor internal controls over the timely remittance of payroll taxes withheld and contributions remitted to their retirement plan.

EFFECT: Failure to properly remit payroll taxes timely could lead to additional penalties and interest incurred by the entity that would be avoidable with proper oversight of their internal controls. In addition, untimely remittance of retirement withholding could lead to potential lost earnings for applicable participants.

RECOMMENDATION. Management should review current internal controls and job duties of staff to ensure adequate time is available to properly monitor the timely remittance of these liabilities.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Finance Director was responsible for submission of payroll taxes and retirement contributions. Now, the agency has Automated Payroll System (APS) that provides payroll services that include employee payroll, and remittance of payroll taxes. The Finance Director is still responsible for submission of retirement contributions. The agency developed a corrective action plan that included creating a new policy and training staff. The Finance Director must provide the Executive Director with confirmation of remittance of payroll taxes and retirement contributions as a source of re-verification.

2022-003 Late Filing

Fiscal year finding initially occurred: 2022

CONDITION: The Organization failed to comply with LA R.S. 24:513, by not submitting audited financial statements to the Louisiana Legislative Auditor within six months after fiscal year end.

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
Bossier City, Louisiana

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended December 31, 2022

CRITERIA: LA R.S. 24:513

CAUSE: The Organization experienced significant turnover during the fiscal year under audit and required more time to provide audit documentation necessary to complete the audit.

EFFECT: The Organization is not in compliance with state law.

RECOMMENDATION. The Organization should ensure compliance with LA R.S. 24:513 by producing adequate information in a timely manner.

MANAGEMENT'S CORRECTIVE ACTION PLAN: Management of Bossier Office of Community Services Inc., will review procedures used to produce requested audit information to ensure the auditors have timely access to information needed to complete the audit.

C. Internal Control over Compliance – Uniform Guidance

2022-004 Financial Management

Fiscal year finding initially occurred: 2021

CONDITION: While performing our audit procedures for FY 22, there were numerous instances of revenue and expense transactions being miscoded between federal grant program funds and transactions being duplicated between funds. In addition, reconciliations of grant revenues to grant expenditures were not being performed which could lead to over drawing federal funds.

CRITERIA: 2 CFR 1.200.302(b) *Financial Management* requires that the financial management system of a non-Federal entity must provide records that identify adequately the source and application of funds for federally funded activities. These records must contain information pertaining to Federal awards, authorizations, financial obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation.

CAUSE: Reconciliation and review of detailed general ledger account balances were not performed in a timely manner during FY 22

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
Bossier City, Louisiana

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended December 31, 2022

EFFECT: Inaccurate and incomplete financial statement reports may be submitted to users of the financial information.

RECOMMENDATION: All detailed general ledger account balances should be reviewed and reconciled on a monthly basis to ensure complete and accurate financial information is provided to all users of the financial information.

View of Responsible Official: The agency developed a corrective action plan that included creating a new policy and training staff in its use. Bank reconciliations are completed by the Finance Director within 5 to 10 days after receipt of bank statements. After completion of reconciliations, the finance director must provide the executive director with the bank reconciliation and supporting general ledger for re-verification.

D. Compliance – Uniform Guidance

2022-005 Program Governance

Fiscal year finding initially occurred: 2022

CONDITION: Bossier Office of Community Services, Inc. failed to provide monthly financial statements to its Board of Directors for the March 17, 2022 and May 19, 2022 bimonthly meetings.

CRITERIA: Section 642(d)(2)(A) of the Head Start Act requires agencies to provide monthly financial statements to its Board of Directors

CAUSE: The processing and preparation of monthly financial statements was delayed as a result of significant financial management staff turnover during the first quarter of FY 22.

EFFECT: The Board of Directors of Bossier Office of Community Services, Inc. may not have the complete and accurate financial information needed to make informed operational decisions.

RECOMMENDATION. Management should consider alternatives for preparing and reviewing monthly financial reports in the event financial management staff are unavailable in the future to perform these duties in a timely manner.

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
Bossier City, Louisiana

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended December 31, 2022

View of Responsible Official: The Finance Director is responsible for providing monthly financial statements to the Board of Directors. The condition was caused by turn-over in finance directors. In the absence of finance director, the bookkeepers have been trained on providing monthly financial statements. In addition, the Executive Director will ensure that the board of directors receive the monthly financial statements.

2022-006 Federal Financial Reporting

Fiscal year finding initially occurred: 2022

CONDITION: Bossier Office of Community Services, Inc. did not provide accurate and timely submissions of its Federal Financial Report (SF-425) during FY 22

CRITERIA: 45 CFR section 75.303(b) – *Internal Controls*, requires non-Federal agencies to comply with Federal statutes, regulations, and the terms and conditions of all Federal awards.

CAUSE: The processing and preparation of Federal Financial Reports (SF-425) was delayed as a result of significant financial management staff turnover during the first quarter of FY 22.

EFFECT: By not receiving complete and accurate grant program activity financial reports, the Federal grantor agency may be prevented from making timely, informed decisions about grant program operations.

RECOMMENDATION: Management should develop and implement procedures to ensure that complete and accurate Federal Financial Reports are prepared, reviewed, and submitted in a timely manner.

View of Responsible Official: The cause of SF-425 reports not being filed in a timely manner was that there was a change in the position of finance director and that onboarding for the new person had not been completed by the time the reports were due. The Head Start Regional Office provided training and technical assistance that included instructions on the process for the annual filing of SF-425 reports. The agency developed a corrective action plan that include the Finance Director must provide the Executive Director with the SF-425 reports to review and sign for re-verification of submission of the report.

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
Bossier City, Louisiana

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended December 31, 2022

2022-007 Real Property Reporting

Fiscal year finding initially occurred: 2022

CONDITION: Bossier Office of Community Services, Inc. did not file a Real Property Status Report (SF-429) for the grant year ending on January 31, 2022.

CRITERIA: 45 CFR section 75.343 – *Reporting on real property*, requires non-Federal agencies to submit reports at least annually on the status of real property in which the Federal Government retains an interest, unless the Federal interest in real property extends fifteen years or longer.

CAUSE: Preparation and filing of the Real Property Status Reports (SF-429) did not occur due to significant financial management staff turnover during the first quarter of FY 22

EFFECT: By not receiving complete and accurate grant program reports, the Federal grantor agency may be prevented from making timely, informed decisions about the grant program operations.

RECOMMENDATION: Management should develop and implement procedures to ensure that complete and accurate Real Property Status Reports are prepared, reviewed, and submitted in a timely manner.

View of Responsible Official: The cause of SF-429 reports not being filed in a timely manner was that there had been a change in the staffing of the finance director position and sufficient onboarding had not been provided prior to the report being due. The Head Start Regional Office provided Training and Technical Assistance that included providing instructions on the filing process for the annual filing of SF-429 and SF-429A reports. The finance director is responsible for filing the Real Property Status Report (SF 429) and must provide the executive director with the SR-429 reports for re-verification of submission.

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
Bossier City, Louisiana

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended December 31, 2022

Part II: Prior Year Findings:

A. Internal Control Over Compliance

None reported.

B. Compliance

None reported

C. Internal Control over Compliance – Uniform Guidance

2021-001 Cost Reimbursement Not Reconciled to Eligible Expenditures

Fiscal year finding initially occurred: 2021

CONDITION: Several grant funds that were cost reimbursement grants ended the year with an excess or deficiency. The funds were not being monitored during the year to ensure that revenues agreed with expenditures in the general ledger

RECOMMENDATION: General ledger revenue and expenditures for cost reimbursement funds should be reconciled each month to ensure that all funds have been requested and all corresponding expenditures have been reported in the general ledger.

CURRENT STATUS: Unresolved See item 2022-004.

2021-002 Failure to Reconcile General Ledger Accounts

Fiscal year finding initially occurred: 2021

CONDITION. The Agency did not reconcile general ledger accounts during the year.

RECOMMENDATION: We recommend that the general ledger accounts are reconciled monthly.

CURRENT STATUS: Unresolved. See item 2022-004.

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
Bossier City, Louisiana

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended December 31, 2022

2021-003 Misclassification of Expenses

Fiscal year finding initially occurred: 2021

CONDITION: Auto-related expenses were charged to local travel thereby overstating travel expenses. Certified real estate appraisal was classified as maintenance and repairs.

RECOMMENDATION: Properly classify transactions within the cost category line item within the general ledger. Review general ledger to ensure proper account classifications. Auto repair and maintenance should be recorded in auto expense.

CURRENT STATUS: Unresolved. 2022-004.

2021-004 Failure to Capitalize Fixed Assets

Fiscal year finding initially occurred: 2021

CONDITION: Purchases were made for items that should have been capitalized but were expensed, i.e., buses.

RECOMMENDATION: We recommend that all capital assets are properly recorded.

CURRENT STATUS: Unresolved See item 2022-004

2021-005 Failure to Properly Record Revenue Transactions

Fiscal year finding initially occurred: 2021

CONDITION: Transactions were incorrectly recorded, i.e., debit revenue and credit receivable.

RECOMMENDATION: We recommend that transactions are properly recorded, reconciled, and reviewed.

CURRENT STATUS: Unresolved See item 2022-004.

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
Bossier City, Louisiana

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended December 31, 2022

2021-006 Costs Sharing or Matching Not Accurately Reported

Fiscal year finding initially occurred: 2021

CONDITION: The Agency did not provide proof of valuation rates used to calculate amounts claimed for third-party volunteer services for skills not found in the Agency. Also, as required by 45 CFR 75.306(i)(3), a certified real estate appraiser conducted appraisals during February 2021, the rates used by the Agency were never updated to ensure that amounts for donated space reflected the current appraised amounts.

RECOMMENDATION: We recommend that proof of valuation rates used for matching are readily available to verify all matching amounts claimed in financial reports. We also recommend that the Agency use current appraised values to report space in-kind.

CURRENT STATUS: Resolved.

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
Bossier City, Louisiana

Statewide Agreed-Upon Procedures Report

Fiscal Period January 1, 2022 through December 31, 2022

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of the Bossier Office of
Community Services, Inc., and the
Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2022 through December 31, 2022. The Bossier Office of Community Services, Inc. management is responsible for those C/C areas identified in the SAUPs.

The Bossier Office of Community Services, Inc. has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2022 through December 31, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

A. Obtained and inspected the entity's written policies and procedures and observed that they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

- i) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
- ii) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

- iii) *Disbursements*, including processing, reviewing, and approving.
- iv) *Receipts/Collections*, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- v) *Payroll/Personnel*, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- vi) *Contracting*, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii) *Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)*, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- viii) *Travel and expense reimbursement*, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- ix) *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that document is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x) *Debt Service*, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi) *Information Technology Disaster Recovery/Business Continuity*, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

We performed the procedures and discussed the results with management.

- xii) *Sexual Harassment*, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

2) Board or Finance Committee

- A. Obtained and inspected the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
- i) Observed that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - ii) For those entities reporting on the governmental accounting model, we observed that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - iii) For governmental entities, we obtained the prior year audit report and observed the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, we observed that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.
 - iv) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

3) Bank Reconciliations

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

4) Collections (excluding electronic funds transfers)

- A. Obtained a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly selected 5 deposit sites (or all deposit sites if less than 5).
- B. For each deposit site selected, obtained a listing of collection locations and management's representation that the listing is complete. Randomly selected one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observed that job duties are properly segregated at each collection location such that:
- i) Employees that are responsible for cash collections do not share cash drawers/registers.
 - ii) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - iii) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - iv) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtained from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observed the bond or insurance policy for theft was enforced during the fiscal period.
- D. Randomly selected two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtained supporting documentation for each of the 10 deposits and:
- i) Observed that receipts are sequentially pre-numbered.
 - ii) Traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii) Traced the deposit slip total to the actual deposit per the bank statement.

- iv) Observed that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- v) Traced the actual deposit per the bank statement to the general ledger.

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

- A. Obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly selected 5 locations (or all locations if less than 5).
- B. For each location selected under #8 above, obtained a listing of those employees involved with non-payroll purchasing and payment functions. Obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquired of employees about their job duties), and observed that job duties are properly segregated such that:
 - i) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - ii) At least two employees are involved in processing and approving payments to vendors.
 - iii) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - iv) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
 - v) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
- C. For each location selected under #5A above, obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population is complete. Randomly selected 5 disbursements for each location, obtained supporting documentation for each transaction and:
 - i) Observed whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - ii) Observed that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly selected 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observed that each electronic disbursement was (a) approved only by those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month/or account for testing that does include electronic disbursements.

6) Credit Cards/Debit Cards/Fuel Cards/P-Cards

- A. Obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtained management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly selected one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtained supporting documentation, and:
- i) Observed that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
 - ii) Observed that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under #6B above, excluding fuel cards, randomly selected 10 transactions (or all transactions if less than 10) from each statement, and obtained supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observed that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

- A. Obtained from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly selected 5 reimbursements, obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected.

- i) If reimbursed using a per diem, observed the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
- ii) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- iii) Observed that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii.)
- iv) Observed each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

8) Contracts

- A. Obtained from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtained management's representation that the listing is complete. Randomly selected 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
 - i) Observed that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - ii) Observed whether the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - iii) If the contract was amended (e.g. change order), observed that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
 - iv) Randomly selected one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agreed the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

9) Payroll and Personnel

- A. Obtained a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly selected 5 employees or officials, obtain related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.

- B. Randomly selected one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtained attendance records and leave documentation for the pay period, and:
- i) Observed all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - ii) Observed whether supervisors approved the attendance and leave of the selected employees or officials.
 - iii) Observed any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - iv) Observed the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
- C. Obtained a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly selected two employees or officials, obtained related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agreed the hours to the employee or officials' cumulative leave records, agreed the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
- D. Obtained management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A above, obtained ethics documentation from management, and:
- i) Observed whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - ii) Observed whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquired and/or observed whether the agency has appointed an ethics designee as required by R.S. 42:1170.

11) Debt Service

- A. Obtained a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Selected all debt instruments on the listing, obtained supporting documentation, and observed State Bond Commission approval was obtained for each debt instrument issued.
- B. Obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly selected one bond/note, inspected debt covenants, obtained supporting documentation for the reserve balance and payments, and agreed actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

12) Fraud Notice

- A. Obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Selected all misappropriations on the listing, obtained supporting documentation, and observed that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.
- B. Observed the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

13) Information Technology Disaster Recovery/ Business Continuity

- A. Performed the following procedures, **verbally discussed the results with management, and report "We performed the procedures and discussed the results with management."**
 - i) Obtained and inspected the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observed that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observed evidence that backups are encrypted before being transported.
 - ii) Obtained and inspected the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquired of personnel responsible for testing/ verifying backup restoration) and observed evidence that the test/verification was successfully performed within the past 3 months.
 - iii) Obtained a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly selected 5 computers and observed while management demonstrated that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

- B. Randomly selected 5 terminated employees (or all employees if less than 5) using the list of terminated employees obtained in procedure #9C.

We performed the procedures and discussed the results with management.

14) Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtained sexual harassment training documentation from management, and observed that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observed the entity has posted its sexual harassment policy and compliant procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
- C. Obtained the entity's annual sexual harassment report for the current fiscal period, observed that the report was dated on or before February 1, and observed it includes the applicable requirements of R.S. 42:344:
 - i) Number and percentage of public servants in the agency who have completed the training requirements;
 - ii) Number of sexual harassment complaints received by the agency;
 - iii) Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv) Number of complaints which resulted in a finding that sexual harassment resulted in discipline or corrective action, and
 - v) Amount of time it took to resolve each complaint.

Findings:

No exceptions were found as a result of applying procedures listed above except:

Board or Finance Committee:

The Bossier Office of Community Services, Inc. Board Members did not meet in the 4th quarter of 2022.

The Bossier Office of Community Services, Inc. minutes do not reference updates of the progress of resolving audit findings in accordance with management's corrective action plan at each meeting until findings are considered fully resolved.

Travel and Expense Reimbursement:

One of one reimbursement tested did not include receipts as supporting documentation for the purchase of meals.

Management's Response:

Management of the Bossier Office of Community Services, Inc. concurs with the exceptions and are working to address the deficiencies as identified.

We were engaged by the Bossier Office of Community Services, Inc. to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Bossier Office of Community Services, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Alexandria, Louisiana
November 16, 2023