

OFFICIAL
FILE COPY
DO NOT SEND OUT
(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.

AUDIT REPORT

DECEMBER 31, 2007

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 11/12/08

Terrie L. Jackson
Certified Public Accountants

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT ON EXAMINATION OF THE FINANCIAL STATEMENTS	1-2
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES	4
STATEMENTS OF CASH FLOWS	5
STATEMENTS OF FUNCTIONAL EXPENSES	6
NOTES TO THE FINANCIAL STATEMENTS	7-13

SUPPLEMENTAL INFORMATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	15
RECONCILIATION OF FINANCIAL STATEMENTS TO FEDERAL EXPENDITURES	16
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	17
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	18-19
REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133	20-21
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	22-23
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	24-25
COMBINING STATEMENTS OF FINANCIAL POSITION	26
COMBINING STATEMENTS OF ACTIVITIES	27

TERRIE L. JACKSON
Certified Public Accountants
P. O. Box 31873
Houston, Texas 77231-1873
(713) 728-0650

Membership:

American Institute of Certified Public Accountants
Texas Society of Certified Public Accountants
Society of Louisiana Certified Public Accountants
Houston Chapter, Texas Society of CPAs

Independent Auditor's Report

To the Board of Directors
Bossier Office of Community Services, Inc.
Bossier City, Louisiana

We have audited the accompanying statement of financial position of Bossier Office of Community Services, Inc. (a non-profit corporation) as of December 31, 2007 and 2006, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

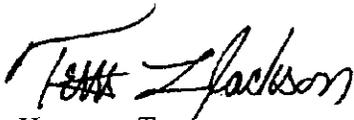
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bossier Office of Community Services, Inc. as of December 31, 2007 and 2006, and the changes in its net assets, its cash flows and its functional expenses for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2008, 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Bossier Office of Community Services, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink, appearing to read "Tom Jackson". The signature is written in a cursive, slightly slanted style.

Houston, Texas

June 25, 2008

Bossier Office of Community Services, Inc.
 Statements of Financial Position
 December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Assets		
Current Assets		
Cash	\$ 208,130	\$ 140,165
Grants receivable	183,052	72,058
Accounts receivable insurance	-	100,000
Accounts receivable other	<u>30,403</u>	<u>-</u>
Total current assets	421,585	312,223
Property and Equipment		
Furniture, fixtures & equipment	258,258	258,258
Vehicles	848,637	848,637
Buildings	928,858	928,858
Land	35,966	35,966
Accumulated Depreciation	<u>(1,523,201)</u>	<u>(1,423,861)</u>
Net Property and Equipment	548,519	647,858
Total assets	\$ 970,104	\$ 960,081
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 57,593	\$ 162,198
IRS payable	-	1,000,921
Current note payable	1,660	3,916
Deferred	17,959	-
Note payable	<u>-</u>	<u>-</u>
Total current liabilities	77,212	1,167,035
Long term portion of debt	<u>-</u>	<u>1,660</u>
	-	1,660
Total liabilities	77,212	1,168,695
Net assets:		
Unrestricted	47,063	(873,804)
Temporarily restricted	297,309	17,331
Permanently restricted	<u>548,520</u>	<u>647,858</u>
Total net assets	892,892	(208,614)
Total liabilities and net assets	<u>\$ 970,104</u>	<u>\$ 960,081</u>

See accompanying notes.

Bossier Office of Community Services, Inc.
 Statements of Activities
 For the Years Ended December 31, 2007 and 2006

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2007 Total</u>	<u>2006 Total</u>
<u>Revenues, gains, and other support:</u>					
Interest	\$ 132	\$ 290	\$ -	\$ 422	\$ -
Grant revenues	-	4,959,076	-	4,959,076	4,795,291
Local	57,600	570,581	-	628,181	118,232
Tax abatement	974,843	-	-	974,843	-
	<u>1,032,575</u>	<u>5,529,947</u>	<u>-</u>	<u>6,562,522</u>	<u>4,913,524</u>
<u>Net Assets Released from restriction</u>					
Satisfaction of program restrictions	5,249,969	(5,249,969)	-	-	-
Note payment	-	-	-	-	-
Satisfaction of capital acquisition	-	-	-	-	-
Expiration of time restrictions	99,340	-	(99,340)	-	-
	<u>5,349,309</u>	<u>(5,249,969)</u>	<u>(99,340)</u>	<u>-</u>	<u>-</u>
Insurance claim-extraordinary income	-	-	-	-	100,000
Total unrestricted revenues, gains, and other support	<u>6,381,884</u>	<u>279,978</u>	<u>(99,340)</u>	<u>6,562,522</u>	<u>5,013,524</u>
<u>Expenses</u>					
Head Start	2,410,111	-	-	2,410,111	2,827,629
Early Head Start	447,410	-	-	447,410	-
Child and Adult Care Food Program	301,647	-	-	301,647	307,016
Community Services Block Grant II	245,544	-	-	245,544	216,969
Community Services Block Grant I	29,489	-	-	29,489	-
Low Income Home Energy Assistance	405,918	-	-	405,918	34,058
Non Emergency Medical Transportation	39,674	-	-	39,674	33,767
Community Services - Youth Program	668,450	-	-	668,450	604,591
Youth Shelter	671,411	-	-	671,411	495,491
Federal Emergency Management	16,800	-	-	16,800	17,136
Community Development Block Grant	14,877	-	-	14,877	4,418
School Lunch	49,683	-	-	49,683	43,106
Family Day Care Home	-	-	-	-	247,281
Weatherization	-	-	-	-	88,956
Support Services	45,261	-	-	45,261	-
General Services	114,743	-	-	114,743	426,517
Total expenses and losses	<u>5,461,018</u>	<u>-</u>	<u>-</u>	<u>5,461,018</u>	<u>5,346,936</u>
Changes in net assets	920,866	279,978	(99,340)	1,101,504	(333,412)
Net assets at beginning of year	(873,804)	17,331	647,858	(208,614)	131,579
Assets returned to grantor	-	-	-	-	(6,780)
Net assets at end of year	<u>\$ 47,062</u>	<u>\$ 297,309</u>	<u>\$ 548,518</u>	<u>\$ 892,889</u>	<u>\$ (208,613)</u>

See accompanying notes.

Bossier Office Community Services, Inc.
 Statements of Cash Flows
 For the Years Ended December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
<u>Cash flows from operating activities:</u>		
Cash received from grants	\$ 5,476,284	\$ 5,190,877
Cash paid to employees and suppliers	(5,252,884)	(5,406,007)
Other	(30,403)	118,232
Interest	423	45,144
Net cash provided (used) by operating activities	<u>193,420</u>	<u>(51,754)</u>
<u>Cash flows from investing activities:</u>		
Capital purchases	-	-
Other	-	-
Net cash provided (used) by investing activities	<u>-</u>	<u>-</u>
<u>Cash flows from financing activities:</u>		
Increase (Decrease) in notes payable	(3,916)	(3,081)
Other	(121,540)	-
Net cash provided (used) by financing activities	<u>(125,456)</u>	<u>(3,081)</u>
Net increase (decrease) in cash	67,964	(54,835)
Cash at beginning of year	<u>140,166</u>	<u>195,001</u>
Cash at end of year	\$ 208,130	\$ 140,166
<u>Reconciliation of change in net assets</u> <u>to net cash provided by operating activities:</u>		
Change in net assets	\$ 1,101,504	\$ (333,412)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	99,340	142,459
Change in receivables	(141,397)	295,586
Change in accounts payables	108,836	(156,387)
Non cash receipts	(974,863)	-
Net cash provided (used) by operating activities	<u>\$ 193,420</u>	<u>\$ (51,754)</u>

See accompanying notes.

Bossier Office of Community Services, Inc.
 Statements of Functional Expenses
 For the Years Ended December 31, 2007 and 2006

Expenses:	Head Start	Early Head Start	Child and Adult Care Food	Community Services II	Community Services I	Non							TOTAL			
						Home Energy Assistance	Emergency Transit Services	State Juvenile Home	FEMA	CDBG	JGJ School Lunch	Weatherization Assistance		OCS Youth Services	General Services	
Personnel	\$ 1,168,663	\$ 88,052	\$ -	\$ 105,629	\$ 8,715	\$ 18,325	\$ 14,557	\$ 422,640	\$ -	\$ 14,877	\$ 56,134	\$ -	\$ 389,793	\$ 1,324	\$ 2,288,710	\$ 2,708,385
Fringe benefits	518,644	90,290	-	78,091	7,238	10,845	4,035	163,023	-	5,478	-	-	119,293	-	996,935	798,781
Travel	26,921	7,058	1,640	2,507	41	-	-	-	-	40	-	-	2,821	-	41,028	20,409
Equipment	-	-	-	-	-	553	-	2,492	-	-	-	-	1,687	-	4,733	81,157
Supplies	120,853	14,700	-	-	749	2,643	-	39,732	-	-	-	-	-	38	178,716	58,818
Occupancy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,878	2,878
Contractual	31,924	1,840	9,787	-	163	-	-	-	-	-	-	-	6,885	-	43,713	69,622
Telephone	16,442	4,806	-	-	414	-	-	-	-	-	-	-	-	-	28,548	34,155
Utilities	50,353	7,956	-	8,916	470	-	318	27,836	-	-	-	-	-	-	95,847	87,779
Insurance	67,800	19,789	-	-	-	855	-	-	-	-	-	-	-	-	88,445	215,814
Vehicle operations	67,318	-	-	-	-	-	14,282	1,581	-	-	-	-	-	-	83,182	60,625
Maintenance	36,670	1,940	4,238	8,688	675	-	2,912	-	-	-	-	-	485	-	55,609	41,707
Office expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,910
Professional	24,530	6,107	-	24,145	-	5,876	2,407	6,284	-	-	-	-	6,901	-	76,250	37,336
Food and supplies	160,152	301	269,062	5,209	-	311	1,330	-	-	31,036	-	-	92,884	-	560,285	307,924
Interest expense	-	-	-	-	16	-	-	-	-	-	-	-	-	-	16	16
IRS penalties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provider training	10,459	1,822	-	-	-	-	-	-	-	-	-	-	-	-	12,281	192
Miscellaneous	-	-	16,919	-	-	-	-	5,790	-	-	-	-	-	-	22,709	4,644
Client assistance	-	-	-	3,069	-	357,585	-	-	-	-	-	-	-	-	377,454	67,391
Other	57,272	174,400	-	9,291	11,008	8,512	2,088	2,032	-	-	-	-	29,232	113,381	407,216	545,608
Total	\$ 2,358,001	\$ 419,062	\$ 301,647	\$ 245,544	\$ 29,489	\$ 405,504	\$ 41,929	\$ 671,411	\$ 16,800	\$ 14,877	\$ 92,688	\$ -	\$ 649,982	\$ 114,743	\$ 5,361,677	\$ 5,204,477
Depreciation	52,110	28,348	-	-	-	414	-	-	-	-	-	-	18,468	-	99,340	142,459
Total	\$ 2,410,111	\$ 447,410	\$ 301,647	\$ 245,544	\$ 29,489	\$ 405,918	\$ 41,929	\$ 671,411	\$ 16,800	\$ 14,877	\$ 92,688	\$ -	\$ 668,450	\$ 114,743	\$ 5,461,017	\$ 5,346,936

See accompanying notes.
Page 6

**BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND PROGRAM DESCRIPTION -

Bossier Office of Community Services, Incorporated (BOCS) is a private nonprofit corporation established under the laws of the State of Louisiana. The corporation is organized to operate a Community Services Program in and for Bossier Parish, Louisiana. Specifically, the corporation is organized to:

- A. serve as the official anti-poverty agency in Bossier Parish, Louisiana;
- B. create, plan, develop, implement, conduct and administer programs according to Federal rules, regulations and guidelines that involve the maximum participation of the community served;
- C. ensure and provide affordable, safe, sanitary and decent housing to very low, low and moderate income residents of the State and expand economic development and home ownership opportunities for low and moderate income residents of the State;
- D. provide assistance and educational materials related to housing to very low, low and moderate income residents of the State;
- E. improvise and utilize all community resources both public and private in an organized approach on eliminating poverty.

Bossier Office of Community Services Inc.'s operations are segregated into general grant programs as follows:

Head Start and Early Head Start Programs (HS and EHS) provides 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. This program provides health, mental health, nutrition, education and parent involvement services to children in an effort 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.

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Continued)

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 Finance Agency.

National School Lunch Program (NSLP) provides a food service program in coordination with the Johnny Gray Jones Youth Shelter. Funding is provided by federal funds passed through the State of Louisiana, Department of Education.

Johnny Gray Jones Youth Shelter (JGJYS) provides for the maintenance and operation of a regional youth shelter which provides a temporary facility for juvenile status offenders until their disposition can be decided. Funding is provided by state funds from the Department of Public Safety and Corrections and various other revenues.

Family Day Care Home (FDCH) provides a food service program for children in private nonprofit centers of approximately 200 homes. Funding is provided by federal funds passed through the State of Louisiana, Department of Education. This program is no longer administered by this agency.

Weatherization Assistance Program (WAP) weatherizes (insulates) the dwellings of low-income persons, particularly the elderly and disabled in order to conserve needed energy and aid those persons least able to afford higher utility costs. Funding is provided by federal funds passed through the Louisiana Housing Finance Agency. This program is no longer administered by this agency.

Reporting Entity - The governing body of Bossier Office of Community Services is its Board of Directors. The Board appoints an Executive Director to administer the affairs of the agency. BOCS is not considered a component of the city, parish or any governmental body. The governing board independently oversees the agency's operations.

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Continued)

- 1) The accompanying financial statements include all of the organization's programs, activities and functions of BOCS for which the Board has oversight responsibility, except as described in the following paragraph. Such oversight responsibilities include designation of management, the ability to significantly influence operations, accountability for fiscal matters, and the scope of public services.
- 2) Some equipment is owned by BOCS while used in the program for which it was purchased or in other future authorized programs. The funding sources, however, have a reversionary interest in the equipment purchased with grant funds, therefore its disposition, as well as the ownership of any sale proceeds therefrom is subject to funding source regulations.

BASIS OF ACCOUNTING -

Accounting Policies – The accompanying financial statements have been prepared in conformity with generally accepted accounting principles. BOCS uses the accrual basis of accounting.

Financial Statement Presentation – The financial statements are presented as recommended by Financial Accounting Standards Board's Statement of Financial Accounting Standard (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. SFAS No. 117 requires the agency to report information regarding its financial position and activities into three classes of net assets: unrestricted, temporarily restricted, and permanently restricted net assets.

Revenue and Support – Grant revenues (Grants and Governmental reimbursements) are recognized using the legal and contractual requirements of the Agency's programs as guidance. Grant revenues (where funds must be expended for specific purposes prior to amount being reimbursed to the Agency) are recognized based on expenditures recorded.

BOCS reports grants and gifts of cash and other assets as restricted support if they are received with donor or grant stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Temporarily restricted net assets are restricted for future period expenditures.

Property and Equipment – Property and equipment are recorded at costs unless donated. If donated, property and equipment are carried at the approximate fair value at the date of donation. It is BOCS's policy to capitalize property and equipment with a unit cost of \$500 or more. Lesser amounts are expensed. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose.

Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor

**BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2007
 (Continued)**

stipulation regarding how long those donated assets must be maintained, the Agency reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor.

BOCS recognizes depreciation on its fixed assets in accordance with generally accepted accounting principles. The Federal government has a reversionary interest in property purchased with Federal funds. Its disposition, as well as any disposition proceeds, is subject to federal regulations. The use of assets purchased with federal funds is limited to the purposes intended by the funding source. Fixed assets are depreciated using the straight-line method as follows:

BOCS's fixed assets are stated at cost and are depreciated as follows:

<u>Fixed Asset</u>	<u>Useful Life</u>	<u>Method</u>
Furniture & Equipment	5 – 10 Years	Straight Line
Vehicles	5 Years	Straight Line
Buildings	20 – 30 Years	Straight Line

Depreciation expense for the year ended December 31, 2007 totaled \$99,340.

Cash and Cash Equivalents – For purposes of the Statement of Cash Flows, BOCS considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. BOCS had no cash equivalents at December 31, 2007.

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. Actual results could differ from those estimates.

Income Taxes – BOCS is a not-for-profit organization that is exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as a private corporation.

Contributed Services – BOCS received donated services from a variety of unpaid volunteers assisting in its program services. No amounts for donated services have been recognized in the accompanying statements of activities since the criteria for recognition of such volunteer efforts under SFAS No. 116 has not been satisfied.

Pension Plan – A 403 (b) Retirement Plan was established for employees of BOCS effective May 1, 2001.

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Continued)

Expense Allocation – 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.

NOTE 2: PROGRAM EXPENSES

Net assets were released from grantor restrictions by incurred expenses satisfying the restricted purposes or by occurrence of other events specified by funding sources.

Purpose restrictions accomplished:

Head Start and Early Head Start Program	\$ 2,777,063
Child and Adult Care Food Program	301,647
Community Services Block Grant	275,033
Low Income Home Assistance Program	405,504
Non Emergency Transit Services	39,674
Federal Emergency Management Assistance	16,800
Community Development Block Grant	14,877
National School Lunch Program	49,683
Family Day Care Home Program	-
Weatherization Assistance Program	-
Total	<u>\$ 3,880,281</u>

NOTE 3: LEASE COMMITMENTS

Bossier Office of Community Services leases equipment under operating leases from various entities. No leases have initial or remaining non-cancelable terms in excess of one year.

NOTE 4: PENSION PLAN

A 403 (b) Retirement Plan was established for employees of BOCS effective May 1, 2001. Employees with at least one year of service may contribute a portion of their wages to the plan. An amount equal to 5% of the total salary of eligible employees is contributed to the plan by BOCS.

The amount contributed by BOCS to retirement plans on behalf of the employees for the year ended December 31, 2007 was \$89,410.

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Continued)

NOTE 5: GRANTS RECEIVABLE

Grants receivable at December 31, 2007 is comprised of the following:

<u>Agency</u>	<u>Program</u>	<u>Amount</u>
Louisiana Department of Education	Child and Adult Care Food	\$ 22,552
Louisiana Department of Education	National School Lunch	14,673
Louisiana Housing Finance Agency	Low Income Home Energy Assistance Program	90,195
Office of Community Services	General Services	<u>55,633</u>
	Total	<u>\$ 183,053</u>

NOTE 6: CONCENTRATION OF CREDIT RISK

BOCS received over 97% of its funding from Federal and State grants with the Head Start program providing over 42% of all grant revenues.

Concentrations of credit risk with respect to grant receivables are limited due to these amounts being due from governmental agencies under contractual terms. As of December 31, 2007, BOCS had no significant concentrations of credit risk in relation to grant receivables.

NOTE 7: COMMITMENTS AND CONTINGENCIES

BOCS participates in certain governmental financial assistance programs. Although BOCS grant programs have been audited through December 31, 2007 in accordance with provisions of the Single Audit Act, these programs are still subject to financial and compliance audits by the grantor agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although BOCS expects such amounts, if any, to be immaterial.

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
 (Continued)

NOTE 8: NOTES PAYABLE

	2007
Note payable, Citizens National Bank, maturity May 15, 2008 interest at 8.50%, payable in 60 monthly installments of \$353.76 secured by vehicle	\$ 1,660
Less: Current Portion	1,660
Long-Term Portion	\$ -

The Agency had notes payable in the amount of \$1,660 at December 31, 2007. Interest expense related to the note payable for the year totaled \$329. There were no future maturities of long-term debt at December 31, 2007.

NOTE 9: TAX ABATEMENT

Before the year ended December 31, 2007, the IRS notified the Agency of a reduction in the amount of \$974,843 of the previously reported tax liability. The abated amount of \$974,843 is reported on the Statements of Activities under the "Revenue gains and other support" caption and reported as non cash receipts on the Statement of Cash Flows for the year ended December 31, 2007. The remaining amount was paid by the insurance company and the Agency. This note is added in response to an electronic request from the Legislative Auditors for the State of Louisiana and satisfies our mandate to respond within ten days.

SUPPLEMENTAL INFORMATION

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended December 31, 2007

Federal Grantor/Pass through Grantor/Program Title	<u>Federal CFDA Number</u>	<u>Agency or Pass-through Number</u>	<u>Federal Expenditures</u>
<u>U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Direct Program			
Head Start Program	93.600	06CH0190/25	\$ 2,777,063
Passed through Louisiana Department of Labor Community Services Block Grant (CSBG)	93.569	2007N0033 & 2006N0033	275,033
Passed through Louisiana Department of Social Services- Office of Community Services Title XIX Transportation (NEMT)	93.667	Unknown	39,674
Passed through Louisiana Housing Finance Agency Low Income Home Energy Assistance Program (LIHEAP)	93.568	Unknown	405,504
Total U.S. Department of Health and Human Services			<u>3,497,274</u>
<u>U. S. DEPARTMENT OF AGRICULTURE</u>			
Passed Through Louisiana Department of Education Child and Adult Care Food Program (CACFP)	10.558	N/A	301,647
National School Lunch Program (NSLP)	10.555	N/A	49,683
Total Department of Agriculture			<u>351,330</u>
<u>U. S. Department of Housing and Urban Development</u>			
Passed through City of Bossier City Community Development Block Grant - (CDBG) Transportation Assistance	14.218	N/A	14,877
Total Department of Housing and Urban Development			<u>14,877</u>
<u>U. S. DEPARTMENT OF HOMELAND SECURITY</u>			
Passed through a local governing board Emergency Food and Shelter Program (FEMA)	97.024	Unknown	16,800
Total Federal Emergency Management Agency			<u>16,800</u>
Total Federal Expenditures			<u><u>\$ 3,880,282</u></u>

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
RECONCILIATION OF FINANCIAL STATEMENTS TO FEDERAL EXPENDITURES
For the Year Ended December 31, 2007

	<u>Amount</u>
EXPENSES FROM FINANCIAL STATEMENTS	\$ 5,461,018
Less: Depreciation	(99,340)
State Expenditures (Juvenile Home)	(671,411)
Local Youth Services	(649,982)
General Services	(114,743)
Non Federal Support for School Lunch Program	(43,005)
Non Federal Support for Transportation Program	(2,255)
Total Federal Expenditures	<u>\$ 3,880,282</u>

See accompanying notes.

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
NOTES TO SCHEDULE OF FEDERAL AWARDS
December 31, 2007

(1) Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance and state assistance and federal and state cost-reimbursement contracts of Bossier Office of Community Services, Inc. BOCS receives federal awards both directly from the United States Department of Health and Human Services and indirectly through the State of Louisiana.

Federal program expenditures included in the accompanying schedule are presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

(2) Major Programs

Three major programs are identified in the Summary of Auditor's Results in the Schedule of Findings and Questioned Costs.

(3) Matching

During the year BOCS received donations of space, materials and volunteer services that totaled \$1,279,355.

TERRIE L. JACKSON
Certified Public Accountants
P. O. Box 31873
Houston, Texas 77231-1873
(713) 728-0650

Membership:

American Institute of Certified Public Accountants
Texas Society of Certified Public Accountants
Society of Louisiana Certified Public Accountants
Houston Chapter, Texas Society of CPAs

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

To the Board of Directors
Bossier Office of Community Services, Inc.
Bossier City, Louisiana

We have audited the financial statements of Bossier Office of Community Services, Inc. (BOCS) as of and for the year ended December 31, 2007, and have issued our report thereon dated June 25, 2008. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Bossier Office of Community Services Inc.'s internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether BOCS's 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*.

This report is intended solely for the information and use of management, the board of directors, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Tom Jackson". The signature is written in a cursive style with a large, sweeping initial "T".

Houston, Texas

June 25, 2008

TERRIE L. JACKSON
Certified Public Accountants
P. O. Box 31873
Houston, Texas 77231-1873
(713) 728-0650

Membership:

American Institute of Certified Public Accountants
Texas Society of Certified Public Accountants
Society of Louisiana Certified Public Accountants
Houston Chapter, Texas Society of CPAs

**Report on Compliance with Requirements Applicable to Each Major Program
and on Internal Control over Compliance in Accordance with OMB A-133**

To the Board of Directors
Bossier Office of Community Services, Inc.
Bossier City, Louisiana

Compliance

We have audited the compliance of Bossier Office of Community Services, Inc. (BOCS) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2007. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of BOCS's management. Our responsibility is to express an opinion on BOCS's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 BOCS's 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. Our audit does not provide a legal determination of BOCS's compliance with those requirements.

In our opinion, Bossier Office of Community Services, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2007.

Internal Control over Compliance

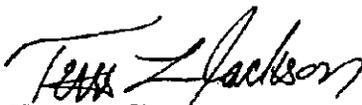
The management of Bossier Office of Community Services, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered BOCS's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 BOCS's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the board of directors, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.


Houston, Texas
June 25, 2008

**BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2007**

Financial Statement Audit Findings

2006-1: FINDING

Condition: Bossier Office of Community Services did not submit its audit report for the year ended December 31, 2006 within six months of its year end as required by state law.

Recommendation: We recommend that the agency implement procedures to ensure that the audit report is submitted in accordance with state audit law.

Current Status: Bossier Office of Community Services has developed and implemented procedures to ensure timely submission of the audit report.

2006-2: MATERIAL WEAKNESS

Condition: Bossier Office of Community Services did not submit reimbursement requests for the Johnny Gray Jones School Lunch timely for the month of January 2006.

Recommendation: We recommend that controls are implemented to ensure that all reports for reimbursement are submitted timely.

Current Status: Johnny Gray Jones Youth Shelter's Administrative Assistant is responsible for submitting the monthly school lunch reimbursement report to the Department of Education by the 10th of each month. The bookkeeper receives a copy of the report for her files which is then reconciled to the payment received from the Department of Education. Condition no longer exists.

2006-3: MATERIAL WEAKNESS

Condition: During the year funds were transferred to an account styled "Payroll Account" in order to pay payroll, related payroll costs, retirement, medical, and reimbursement of former employees insurance.

Recommendation: We recommend that only payroll and the related liabilities be deposited and paid from this account. We also recommend that the agency establish a fixed balance "imprest" in this account that after this account is reconciled by an individual not responsible for payroll the reconciled balance should be constant from month to month. We believe the implementation of this procedure would decrease the

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2007
(Continued)

likelihood that funds will be diverted for other than payroll or agency expenditures without being detected.

Current Status: Condition has been corrected.

Major Federal Award Program Audit Findings

2006-4: MATERIAL WEAKNESS

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Head Start and Early Head Start Program CFDA #93.600

DEPARTMENT OF AGRICULTURE

Child and Adult Care Food Programs CFDA #10.558

Condition: During the year funds were transferred to an account styled "Payroll Account" in order to pay payroll, related payroll costs, retirement, medical, and reimbursement of former employees insurance.

Recommendation: We recommend that only payroll and the related liabilities be deposited and paid from this account. We also recommend that the agency establish a fixed balance "imprest" in this account that after this account is reconciled by an individual not responsible for payroll the reconciled balance should be constant from month to month. We believe the implementation of this procedure would decrease the likelihood that funds will be diverted for other than payroll or agency expenditures without being detected.

Current Status: Condition has been corrected.

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2007

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued – Unqualified

Internal control over financial reporting:

Material weaknesses identified? No

Significant deficiencies identified that are not considered to be material weakness? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

Material weaknesses identified? No

Significant deficiencies identified that are not considered to be material weaknesses? None reported

Type of auditor’s report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? No

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
93.600	Head Start/Early Head Start Program
10.558	Child and Adult Care Food Program
93.568	Low Income Home Energy Assistance Program

Dollar threshold used to distinguish between type A and type B programs:
\$300,000

Auditee qualified as low-risk auditee? No

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2007
(Continued)

Section II – Financial Statement Findings

None reported.

Section III – Federal Award Findings and Questioned Costs

None reported.

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
 (COMBINING STATEMENTS OF FINANCIAL POSITION
 DECEMBER 31, 2007)

ASSETS	Head Start	Early Head Start	Child and Adult Care Food	CSBKJ	CSBQJ	LIHEAP	Youth Shelter Juvenile Home	School Lunch	Family Day Care Home	Weatherization Assistance	NEMT & Transi Services	JGJYS General Skills	JGJYS CASINO General Services	General Fund	2007 BALANCE	2006 BALANCE	
Current Assets																	
Cash	238	2,936	35,242	50	24,325	(72,338)	-	(1,658)	-	-	8,128	35,683	131,396	44,127	208,130	\$	140,165
Grants receivable	-	-	22,532	-	-	90,195	-	14,073	-	-	-	40,093	9,540	-	183,052	\$	72,058
Other receivable	-	-	-	-	-	-	-	-	-	-	483	-	29,920	-	30,403	\$	-
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$	-
Insurance claim	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$	100,000
Total current assets	238	2,936	57,794	50	24,325	17,857	-	13,015	-	-	8,611	81,776	170,856	44,127	421,585	\$	312,223
Property and Equipment																	
Furniture and equipment	-	102,591	-	-	-	4,140	-	-	3,090	29,940	-	5,099	94,649	18,750	258,258	\$	258,258
Vehicles	643,083	-	-	-	-	-	-	-	-	-	115,480	-	90,072	-	848,637	\$	848,637
Buildings	928,858	-	-	-	-	-	-	-	-	-	-	-	-	-	928,858	\$	928,858
Land	35,966	-	-	-	-	-	-	-	-	-	-	-	-	-	35,966	\$	35,966
Accumulated depreciation	(1,137,397)	(83,691)	-	-	-	(3,029)	-	-	(3,090)	(18,275)	(115,480)	(5,099)	(138,390)	(18,750)	(1,523,201)	\$	(1,423,861)
Net property and equipment	470,512	18,901	-	-	-	1,111	-	-	(0)	11,665	-	-	46,331	-	548,519	\$	647,858
Total Assets	470,750	21,837	57,794	50	24,325	18,968	-	13,015	(0)	11,665	8,611	81,776	217,187	44,127	970,104	\$	960,081
Liabilities and Net Assets																	
Current Liabilities																	
Accounts payable	-	-	50,661	-	4,706	69	-	439	-	-	19	-	1,700	-	57,593	\$	162,198
Accrued liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$	-
IRS payables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,660	\$	1,000,921
Current portion of long term	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17,959	\$	3,916
Deferred	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$	-
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$	-
Total	-	-	50,661	-	4,706	69	-	439	-	-	19	-	1,700	-	77,212	\$	1,07,015
Long term portion of debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$	1,660
Total liabilities	-	-	50,661	-	4,706	69	-	439	-	-	19	-	1,700	-	77,212	\$	1,168,695
Net assets:																	
Unrestricted	-	2,936	-	-	-	-	-	-	-	-	-	-	-	44,127	47,063	\$	(873,804)
Temporarily restricted	238	-	7,134	50	-	17,788	-	12,575	-	-	8,592	81,776	169,155	-	297,309	\$	17,331
Permanently restricted	470,512	18,901	-	-	-	1,111	-	-	-	11,665	-	-	46,331	-	548,530	\$	647,858
Total net assets	470,750	21,837	7,134	50	24,325	18,899	-	12,575	-	11,665	8,592	81,776	215,486	44,127	892,892	\$	(208,014)
Total liabilities and net assets	470,750	21,837	57,794	50	24,325	18,968	-	13,015	-	11,665	8,611	81,776	217,187	44,127	970,105	\$	960,081

BOSSIER OFFICE OF COMMUNITY SERVICES, INC.
 COMBINING STATEMENTS OF ACTIVITIES
 YEARS ENDING DECEMBER 31, 2007

	Head Start	Body Head Start	Child and Adult Care Food	CSBG I	LIBEAF	School Lunch	Weatherization Assistance	Local CDBG & Non Emergency Medical Transportation	JOBS General State	JOBS OCS & CASINO General Services	General Fund	2007 Total	2006 Total
Revenues:													
Chairs & Support													
Interest	\$ 132	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 290	\$ -	\$ 423	\$ -
Grant revenues	2,358,345	422,000	308,780	245,544	417,048	49,683	-	39,674	753,188	314,685	16,800	4,944,199	4,779,391
CDBG	-	-	-	-	-	-	-	14,877	-	-	-	14,877	-
Local	-	-	-	-	-	35,380	-	10,848	-	504,133	57,621	628,182	118,232
Insurance claim	-	-	-	-	-	-	-	-	-	-	-	-	100,000
Abatement	-	-	-	-	-	-	-	-	-	-	974,843	974,843	-
	2,358,477	422,000	308,780	245,544	417,048	105,264	-	65,399	753,188	819,108	1,049,264	6,562,373	5,013,524
Net Assets Released from Restrictions													
Note payment	-	-	-	-	-	-	-	-	-	-	-	-	-
Satisfaction equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Expiration of time restrict	-	-	-	-	-	-	-	-	-	-	-	-	-
	2,358,477	422,000	308,780	245,544	417,048	105,264	-	65,399	753,188	819,108	1,049,264	6,562,373	5,013,524
Expenses													
HS	2,410,111											2,410,111	2,827,629
BHS		447,410										447,410	-
CACFP			301,647									301,647	307,016
CSBG I				29,489								29,489	-
CSBG II				245,544								245,544	216,969
Energy					405,918							405,918	34,058
NEMT								39,674				39,674	31,767
Youth Shelter									671,411			671,411	493,491
OCS Youth										668,450		668,450	604,391
School Lunch						49,683						49,683	43,106
FDCH													247,281
FEM/A											16,800	16,800	17,136
CDBG								14,877				14,877	4,418
Weatherization													88,936
Support Services						43,005		2,256					45,261
General Services											114,743	114,743	426,517
Total	2,410,111	447,410	301,647	245,544	417,048	92,688	-	56,807	753,188	819,108	1,049,264	5,461,018	5,346,936
Changes in net assets	(51,694)	(25,410)	7,134	-	11,129	12,575	-	8,592	81,777	150,658	917,721	1,101,506	(333,412)
Beginning Net Assets	523,384	47,249	-	-	7,770	-	11,665	-	-	64,929	(873,597)	(208,614)	131,579
Transfer out	-	-	-	-	-	-	-	-	-	-	-	-	110,961
Transfer in	-	-	-	-	-	-	-	-	-	-	-	-	(110,961)
Assets Returned Permanently	-	-	-	-	-	-	-	-	-	-	-	-	(6,780)
Ending Net Assets	\$ 470,750	\$ 21,839	\$ 7,134	\$ -	\$ 18,899	\$ 12,575	\$ 11,665	\$ 8,592	\$ 81,777	\$ 215,487	\$ 44,124	\$ 892,892	\$ (288,613)