

**BEAUREGARD COMMUNITY ACTION
ASSOCIATION, INC.
DeRidder, Louisiana**

**Financial Statements
September 30, 2003**

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 4.28.04

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Founded in 1978

BROUSSARD & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS, L.L.C.

INDEPENDENT AUDITORS' REPORT

Board of Directors
Beauregard Community Action Association, Inc.
DeRidder, Louisiana

We have audited the accompanying statement of financial position of Beauregard Community Action Association, Inc., (a non-profit organization) as of September 30, 2003, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of Beauregard Community Action Association, Inc.'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 *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 Beauregard Community Action Association, Inc. at September 30, 2003, and the results of its operations and changes in net assets and cash flows for the year then ended in conformity with generally accepted accounting principles of the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2004, on our consideration of Beauregard Community Action Association, Inc.'s internal control structure and compliance with laws and regulations. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Broussard & Company

Lake Charles, Louisiana
March 19, 2004

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BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.
DeRidder, Louisiana
Statement of Financial Position
September 30, 2003

ASSETS

Cash and cash equivalents	\$ 31,092
Grants receivable	29,674
Other receivables	350
Property and equipment	<u>4,017</u>

Total Assets 65,133

LIABILITIES

Accounts payable	<u>14,769</u>
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Total Liabilities 14,769

NET ASSETS - UNRESTRICTED 50,364

TOTAL LIABILITIES AND NET ASSETS \$ 65,133

BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.
DeRidder, Louisiana
Statement of Activity and Changes of Net Assets
For The Year Ended September 30, 2003

	<u>General and Administrative</u>	<u>CSBG</u>
REVENUES		
State and federal grants	\$ -	\$ 107,171
Other	584	-
	<hr/>	<hr/>
Total Revenues	584	107,171
	<hr/>	<hr/>
EXPENSES		
Program Services		
Salaries	-	63,767
Fringe benefits	-	10,431
Travel	-	713
Program services	-	21,433
	<hr/>	<hr/>
Total Program Services	-	96,344
	<hr/>	<hr/>
General and Administrative		
Fringe benefits and other	3,110	-
Depreciation	-	-
	<hr/>	<hr/>
Total General and Administrative	3,110	-
	<hr/>	<hr/>
OTHER CHANGES		
Acquisition of property and equipment	(584)	(4,238)
	<hr/>	<hr/>
CHANGE IN NET ASSETS	(3,110)	6,589
UNRESTRICTED NET ASSETS - Beginning	(1,261)	22,643
Prior period adjustment - correction of error	-	(28,733)
	<hr/>	<hr/>
UNRESTRICTED NET ASSETS - Beginning, as restated	(1,261)	(6,090)
	<hr/>	<hr/>
UNRESTRICTED NET ASSETS - Ending	\$ (4,371)	\$ 499
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BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.
DeRidder, Louisiana
Statement of Activity and Changes of Net Assets
For The Year Ended September 30, 2003

	<u>Family and Youth Services</u>	<u>Energy Assistance Program</u>	<u>Commodity Distribution</u>
REVENUES			
State and federal grants	\$ -	\$ -	\$ 432
Other	-	5,621	-
	<hr/>	<hr/>	<hr/>
Total Revenues	-	5,621	432
EXPENSES			
Program Services			
Salaries	-	36	-
Fringe benefits	-	3	-
Travel	-	-	-
Program services	267	562	-
	<hr/>	<hr/>	<hr/>
Total Program Services	267	601	-
General and Administrative			
Fringe benefits and other	-	-	-
Depreciation	-	-	-
	<hr/>	<hr/>	<hr/>
Total General and Administrative	-	-	-
OTHER CHANGES			
Acquisition of property and equipment	-	-	-
	<hr/>	<hr/>	<hr/>
CHANGE IN NET ASSETS	(267)	5,020	432
UNRESTRICTED NET ASSETS - Beginning	267	2,407	(432)
Prior period adjustment - correction of error	-	-	-
	<hr/>	<hr/>	<hr/>
UNRESTRICTED NET ASSETS - Beginning, as restated	267	2,407	(432)
	<hr/>	<hr/>	<hr/>
UNRESTRICTED NET ASSETS - Ending	\$ -	\$ 7,427	\$ -
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.
DeRidder, Louisiana
Statement of Activity and Changes of Net Assets
For The Year Ended September 30, 2003

	<u>Teen Pregnancy Prevention Program</u>	<u>Medicaid Program</u>	<u>Emergency Food and Shelter</u>
REVENUES			
State and federal grants	\$ -	\$ 5,614	\$ 17,391
Other	-	-	-
	<hr/>	<hr/>	<hr/>
Total Revenues	-	5,614	17,391
	<hr/>	<hr/>	<hr/>
EXPENSES			
Program Services			
Salaries	-	3,528	-
Fringe benefits	-	464	-
Travel	(115)	-	-
Program services	(51)	401	16,193
	<hr/>	<hr/>	<hr/>
Total Program Services	(166)	4,393	16,193
	<hr/>	<hr/>	<hr/>
General and Administrative			
Fringe benefits and other	-	-	-
Depreciation	-	-	-
	<hr/>	<hr/>	<hr/>
Total General and Administrative	-	-	-
	<hr/>	<hr/>	<hr/>
OTHER CHANGES			
Acquisition of property and equipment	-	-	-
	<hr/>	<hr/>	<hr/>
CHANGE IN NET ASSETS	166	1,221	1,198
UNRESTRICTED NET ASSETS - Beginning	(3,838)	(3,484)	5,862
Prior period adjustment - correction of error	-	-	-
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UNRESTRICTED NET ASSETS - Beginning, as restated	(3,838)	(3,484)	5,862
	<hr/>	<hr/>	<hr/>
UNRESTRICTED NET ASSETS - Ending	\$ (3,672)	\$ (2,263)	\$ 7,060
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.
DeRidder, Louisiana
Statement of Activity and Changes of Net Assets
For The Year Ended September 30, 2003

	<u>LIHEAP</u>	<u>CHDO</u>	<u>Resource Center</u>
REVENUES			
State and federal grants	\$ 40,389	\$ -	\$ 110,757
Other	-	32,416	-
	<u>40,389</u>	<u>32,416</u>	<u>110,757</u>
Total Revenues			
	<u>40,389</u>	<u>32,416</u>	<u>110,757</u>
EXPENSES			
Program Services			
Salaries	8,225	4,829	53,844
Fringe benefits	996	422	5,607
Travel	-	106	354
Program services	32,389	642	50,950
	<u>41,610</u>	<u>5,999</u>	<u>110,755</u>
Total Program Services			
	<u>41,610</u>	<u>5,999</u>	<u>110,755</u>
General and Administrative			
Fringe benefits and other	-	-	-
Depreciation	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total General and Administrative			
	<u>-</u>	<u>-</u>	<u>-</u>
OTHER CHANGES			
Acquisition of property and equipment	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN NET ASSETS	(1,255)	26,417	(2,889)
UNRESTRICTED NET ASSETS - Beginning	2,862	(5,737)	19,376
Prior period adjustment - correction of error	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
UNRESTRICTED NET ASSETS - Beginning, as restated	2,862	(5,737)	19,376
	<u>2,862</u>	<u>(5,737)</u>	<u>19,376</u>
UNRESTRICTED NET ASSETS - Ending	\$ <u>1,607</u>	\$ <u>20,680</u>	\$ <u>16,487</u>

BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.
DeRidder, Louisiana
Statement of Activity and Changes of Net Assets
For The Year Ended September 30, 2003

	<u>TANF</u>	<u>Property</u>	<u>Total</u>
REVENUES			
State and federal grants	\$ 1,656	\$	283,410
Other	-		38,621
	<hr/>	<hr/>	<hr/>
Total Revenues	1,656		322,031
	<hr/>	<hr/>	<hr/>
EXPENSES			
Program Services			
Salaries	1,008		135,237
Fringe benefits	130		18,053
Travel	-		1,058
Program services	255		123,041
	<hr/>	<hr/>	<hr/>
Total Program Services	1,393		277,389
	<hr/>	<hr/>	<hr/>
General and Administrative			
Fringe benefits and other	-		3,110
Depreciation	-	805	805
	<hr/>	<hr/>	<hr/>
Total General and Administrative	-	805	3,915
	<hr/>	<hr/>	<hr/>
OTHER CHANGES			
Acquisition of property and equipment	-	4,822	-
	<hr/>	<hr/>	<hr/>
CHANGE IN NET ASSETS	263	4,017	40,727
UNRESTRICTED NET ASSETS - Beginning	(295)	-	38,370
Prior period adjustment - correction of error	-	-	(28,733)
	<hr/>	<hr/>	<hr/>
UNRESTRICTED NET ASSETS - Beginning, as restated	(295)	-	9,637
	<hr/>	<hr/>	<hr/>
UNRESTRICTED NET ASSETS - Ending	\$ (32)	\$ 4,017	\$ 50,364
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BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.
DeRidder, Louisiana
Statement of Cash Flows
For the Year Ended September 30, 2003

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from supporters, grants, programs, fees	\$ 302,711
Interest income	22
Cash Provided By Operating Activities	<u>302,733</u>
Cash paid to employees, suppliers, and for programs	<u>340,203</u>
Cash Disbursed For Operating Activities	<u>340,203</u>
Net Cash Provided by Operating Activities	<u>(37,470)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of equipment	<u>(4,822)</u>
Net Cash Provided by Investing Activities	<u>(4,822)</u>
Net Increase In Cash	(42,292)
CASH AND CASH EQUIVALENTS	
Beginning	<u>73,384</u>
Ending	<u><u>31,092</u></u>
RECONCILIATION OF INCREASE IN UNRESTRICTED	
NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Increase (decrease) in unrestricted net assets	40,727
Adjustments to reconcile changes in excess of revenue and support over expenses to net cash provided by operating activities:	
Depreciation	802
(Increase) decrease in receivables	(19,295)
Increase (decrease) in accounts payable and bank overdraft	<u>(59,704)</u>
Net Cash Provided (Used) by Operating Activities	<u><u>(37,470)</u></u>

BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.
DeRidder, Louisiana
Notes to Financial Statements
September 30, 2003

Note 1 - Nature of Organization and Summary of Significant Accounting Policies :

Nature of Organization

The Beauregard Community Action Association, Inc. was incorporated under the laws of the State of Louisiana on September 16, 1965. The Association is a non-profit community action association which is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. The laws of the State of Louisiana exempt the Association from Louisiana taxation.

Grants, miscellaneous contributions of cash, and other assets are reported as unrestricted support unless donor stipulations are not removed during the fiscal year.

The Association's primary source of revenue is federal and state grant monies, which provide services to elderly and low-income clients.

Program and Supporting Services

The following programs and supporting services are included in the accompanying financial statements:

CSBG - The CSBG accounts for funds granted by the United States Department of Health and Human Services under the Community Services Block Grant Program.

Energy Assistance Program - The Energy Assistance Program accounts for funds donated to local utility companies by the public to provide to low income families.

Medicaid Program - Beauregard Community Action Association is an enrollment center with staff trained to complete applications. Persons wishing to apply must be interviewed and provide required documentation of living and financial status. This program is a cost reimbursement program through the Department of Health and Hospitals.

Emergency Food and Shelter - The Emergency Food and Shelter accounts for funds granted by the Emergency Food and Shelter National Board Program.

LIHEAP - The LIHEAP accounts for funds granted by the United States Department of Health and Human Services under the Low Income Home Energy Assistance Block Grant Program.

Community Housing Development Organization (CHDO) - This fund is financed by the U.S. Department of Housing and Urban Development through the Louisiana Housing Finance Agency acting on behalf of the State of Louisiana. The Agency is responsible for identifying potential sites for the project, ranking the sites by specified criteria, selecting the optimal sites and then providing additional technical assistance and site control loan as needed.

BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.
DeRidder, Louisiana
Notes to Financial Statements (Continued)
September 30, 2003

Resource Center – The scope of this program is to provide a continuum of services to families that may be in danger of disruption and displacement of the children in the family from their biological roots. The program is funded through the office of Community Services.

TANF - To provide time-limited assistance to needy families with children.

Method of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting, in accordance with generally accepted accounting principles.

Estimates

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

Cash and Cash Equivalents

For purposes of reporting cash flows, the Association considers all highly liquid debt investments purchased with a maturity of three months or less to be cash equivalents.

Property and Equipment

Property and equipment is stated at cost. It is the Association's policy to capitalize expenditures for these items in excess of \$500. Depreciation of property and equipment is computed principally by the straight-line method over 5 years.

Funding Policies

The Association receives their monies through basically three methods of funding. Most of the funds are obtained through grants. Under this method, funds are received on a monthly allocation of the total budget in advance of the actual expenditure. The Association also receives funds as a reimbursement of actual expenditures. The other method by which the Association receives funding is through private and in-kind contributions.

Compensated Absences

Employees accrue vacation leave based on years of service. At September 30, 2003, accrued vacation leave was approximately \$9,800 based on the current pay levels and maximum carryover amounts. This amount is not reflected in the financial statements based on the above criteria.

BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.
DeRidder, Louisiana
Notes to Financial Statements (Continued)
September 30, 2003

Note 1 - Summary of Significant Accounting Policies (Continued):

Functional Expenses

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

Deposits with Financial Institutions

The Association's bank balances of deposits with financial institutions at September 30, 2003 were fully insured by the Federal Deposit Insurance Corporation.

Note 2 - Board Members

During the period covered by our audit, there were no payments made to or on behalf of board members.

Note 3 - Claims and Contingencies

The Association receives revenues from various Federal and State grant programs which are subject to final review and approval as to allowability of expenditures by the respective grantor agencies. Any settlements or expenses arising out of a final review are recognized in the period in which agreed upon by the agency and the Association.

Note 4 - Operating Leases

The Association leases office equipment on a month to month lease of \$395 per month. Additionally, the Association leases its facility from the Beauregard Parish Police Jury for \$100 per month. The lease term is renewed annually. The Resource Center has a two year lease of \$600 per month. Operating lease payments for the year totaled \$4,740 for the equipment and \$8,400 for the facilities.

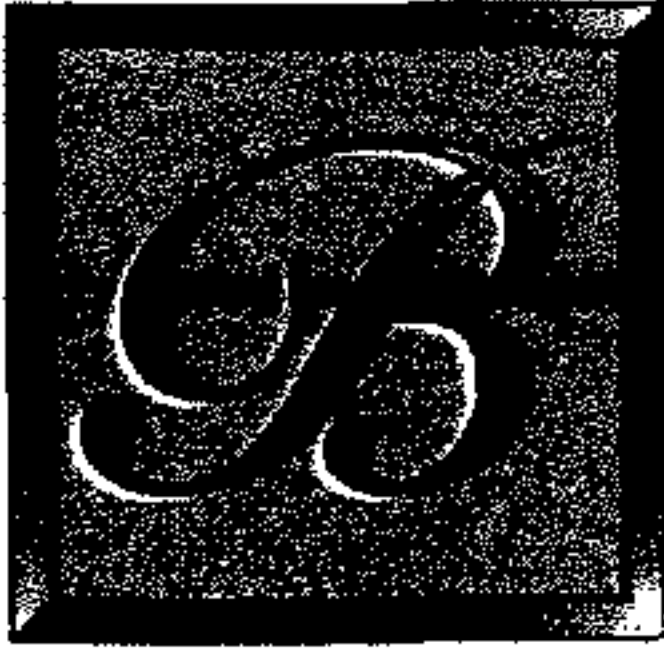
Note 5 - Economic Dependency

The Association receives the majority of its revenue from funds provided through grants. The grant amounts are appropriated each year by the Federal and State governments. The significant budget cuts are made at the Federal and/or State level, the amount of funds the association receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Association will receive in the next fiscal year.

Note 6 - Prior Period Adjustment

An adjustment was made to correct the recording of a receivable in the amount of \$28,733. The effect of the adjustment reduced fund balance by \$28,733 in the CSBG Program.

SUPPLEMENTARY REPORTS



Founded in 1978

BROUSSARD & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS, L.L.C.

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors
Beauregard Community Action Association, Inc.
DeRidder, Louisiana

We have audited the component unit financial statements of Beauregard Community Action Association, Inc. as of and for the period ended September 30, 2003, and have issued our report thereon dated March 19, 2004. 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.

Compliance

As part of obtaining reasonable assurance about whether Beauregard Community Action Association, Inc.'s component unit statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Beauregard Community Action Association, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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Board of Directors
Beauregard Community Action Association, Inc.

This report is intended solely for the information and use of management, others within the organization, Board of Directors, 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. However, this report is a matter of public record and its distribution is not limited.

Bransard & Company

Lake Charles, Louisiana
March 19, 2004

FINDINGS AND QUESTIONED COSTS

BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.
DeRidder, Louisiana
Findings and Questioned Costs
September 30, 2003

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Beauregard Community Action Association, Inc.
2. Reportable conditions in internal control – Refer to B.1.
3. No instances of noncompliance material to the financial statements of Beauregard Community Action Association, Inc. were disclosed during the audit.

B. GAGAS FINDINGS

1. None.

PRIOR YEAR FINDINGS September 30, 2002

GAGAS FINDINGS

None.