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

**Financial Statements  
December 31, 1998**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 2000 11 5 10:30

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Founded in 1978

## BROUSSARD & COMPANY, APC

CERTIFIED PUBLIC ACCOUNTANTS

### INDEPENDENT AUDITORS' REPORT

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 December 31, 1998, as listed on the table of contents. These component unit 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 generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of the Office of Management and Budget 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 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 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. Separate reports have been issued, and included in these reports, regarding our testing of compliance with laws and regulations and internal controls, as required by generally accepted government auditing standards.

In our opinion, the component unit financial statements referred to above present fairly, in all material respects, the financial position of Beauregard Community Action Association, Inc. at December, 31, 1998, and the results of its operations and changes in fund balances for the period then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the component unit financial statements taken as a whole. The supplemental information listed as "Supplementary Reports and Schedules" in the table of contents is presented for purposes of additional analysis and is not a required part of the component unit financial statements. Such information has been subjected to the auditing procedures applied in the examination 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.

*Broussard & Company*

Lake Charles, Louisiana  
June 4, 1999  
/dkb

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**COMPONENT UNIT FINANCIAL STATEMENTS**

**BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.**  
**DeRidder, Louisiana**  
**Combined Balance Sheet - All Fund Types and Account Groups**  
**December 31, 1998**

	Governmental	Fund Type	Account Group	Total
	General Fund	Special Revenue	General Fixed Assets	(Memorandum Only)
<b>ASSETS</b>				
Cash	\$ 3,234	\$ 7,116	\$ -	\$ 10,350
Grants receivable	1,878	18,984	-	20,862
Due from other funds	14,247	26,455	-	40,702
Furniture, fixtures and leasehold improvements	-	-	54,663	54,663
<b>Total Assets</b>	<b>\$ 19,359</b>	<b>\$ 52,555</b>	<b>\$ 54,663</b>	<b>\$ 126,577</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 12	\$ 5,785	\$ -	\$ 5,797
Due to other funds	14,000	26,702	-	40,702
<b>Total Liabilities</b>	<b>14,012</b>	<b>32,487</b>	<b>-</b>	<b>46,499</b>
<b>FUND BALANCES</b>				
Unreserved	5,347	20,068	-	25,415
Investment in fixed assets	-	-	54,663	54,663
<b>Total Fund Balances</b>	<b>5,347</b>	<b>20,068</b>	<b>54,663</b>	<b>80,078</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 19,359</b>	<b>\$ 52,555</b>	<b>\$ 54,663</b>	<b>\$ 126,577</b>

See accompanying notes to financial statements.

**BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.**  
**DeRidder, Louisiana**  
**Statement of Revenue, Expenditures, and Changes**  
**in Fund Balances - Governmental Fund Types**  
**For The Year Ended December 31, 1998**

	General Fund	Special Revenue	Total (Memorandum Only)
<b>REVENUES</b>			
State and federal grants	\$ -	\$ 219,442	\$ 219,442
In-kind contributions	-	5,729	5,729
Other	3,389	14,044	17,433
Interest	-	471	471
Total Revenues	3,389	239,686	243,075
<b>EXPENDITURES</b>			
Salaries	298	116,009	116,307
Fringe benefits	1,990	14,788	16,778
Travel	281	3,371	3,652
Program services	2,020	124,829	126,849
In-kind expenditures	-	5,729	5,729
Total Expenditures	4,589	264,726	269,315
Excess (deficiency) of revenues over expenditures	(1,200)	(25,040)	(26,240)
<b>FUND BALANCES - Beginning</b>	6,547	45,108	51,655
<b>FUND BALANCES - Ending</b>	\$ 5,347	\$ 20,068	\$ 25,415

See accompanying notes to financial statements



**BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.**  
**DeRidder, Louisiana**  
**Notes to Financial Statements**  
**December 31, 1998**

*Note 1 - Summary of Significant Accounting Policies*

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

The financial statements of the Beauregard Community Action Association, Inc. have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity for financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization that is fiscally dependent on the primary government should be included in its reporting entity.

Based on the following application of criteria, there are no potential component units which should be included in the Association's financial statements. The Association is a component unit of the Beauregard Parish Police Jury based on a review of various entities performed by the Louisiana Legislative Auditor's Office. It is the opinion of that office that community action agencies are non profit corporations established to perform a public purpose which the parish police jury is statutorily authorized to perform. The police jury appoints one-third of the members of the governing board of the community action agencies (which is not considered a voting majority). However, because the nature and significance of the relationship between the community action agencies and the police jury are such that exclusion from the financial reporting of the police jury would render the financial statements incomplete or misleading. This report includes all funds which are controlled by the Beauregard Community Action Association, Inc., Board of Directors.

Fund Accounting

The accounts of the Beauregard Community Action Association, Inc. are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate.

**BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.**  
**DeRidder, Louisiana**  
**Notes to Financial Statements (Continued)**  
**December 31, 1998**

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

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 of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Fixed Assets

All fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair value on the date donated. No depreciation has been provided for any general fixed assets and presentation of this account information is not intended to purport them as available resources for present or future Association operations.

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.

Basis of Accounting

All funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Purchases of various operating supplies are regarded as expenditures at the time purchased.

Compensated Absences

Vested or accumulated vacation leave that is not expected to be liquidated with expendable available financial resources is reported in the general long-term debt account group. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the Association should be accrued as the employees earn the benefit. Due to the fact that payment of these compensated absences (vacation only) is contingent on the funding level of the existing grantors, we have not accrued a liability. Sick leave payments are also not accrued since the Association does not pay any accrued sick leave amounts at separation.



**BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.**  
**DeRidder, Louisiana**  
**Notes to Financial Statements (Continued)**  
**December 31, 1998**

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

Employees accrue vacation leave based on years of service. At December 31, 1998, accrued vacation leave was \$5,566 based on the current pay levels and maximum carryover amounts. This amount is not reflected in the financial statements based on the above criteria.

Short-Term Interfund Receivables/Payables

During the course of operations, transactions occur between the general fund and other funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

Total Columns on Combined Statements

Total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Deposits with Financial Institutions

The Association's bank balances of deposits with financial institutions at December 31, 1998 were fully insured by the Federal Deposit Insurance Corporation.

*Note 2 - Changes in General Fixed Assets*

A summary of the changes in general fixed assets follows:

	Balance December <u>31, 1997</u>	<u>Additions</u>	<u>Deletions</u>	Balance December <u>31, 1998</u>
Furniture, fixtures, transportation, and computer equipment	\$ <u>54,663</u>	\$ <u>      </u> -	\$ <u>      </u> -	\$ <u>54,663</u>

*Note 3 - In-Kind Contributions*

Beauregard Community Action Association, Inc. received various in-kind contributions during the year, which consisted of commodities furnished at no cost by the State of Louisiana.

The total amount of commodities furnished to the Association during the period ended December 31, 1998 totaled \$5,729. These commodities were distributed to needy families during the year. The value of these commodities has been recorded in the Commodity Distribution Special Revenue Fund as a revenue and an expenditure.

**BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.**  
**DeRidder, Louisiana**  
**Notes to Financial Statements (Continued)**  
**December 31, 1998**

**Note 4 - Income Tax Status**

The Association, a non-profit corporation, is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

**Note 5 - Board Members**

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

**Note 6 - 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 7 - Operating Leases**

The Association leases office equipment on a month to month lease of \$292 per month. Additionally, the Association leases its facility from the Beauregard Parish Police Jury for \$100 per month. The lease term is renewed annually. Operating lease payments for the year totaled \$3,144 for the equipment and \$1,200 for the facility.

**Note 8 - 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 9 - Other Required Disclosures**

Interfund Assets/Liabilities - The following funds had short-term loan transactions at December 31, 1998:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 14,247	\$ 14,000
Special Revenue Funds:		
CSB6	958	-
LIHEAP	-	20,051
CHDO	<u>25,497</u>	<u>6,651</u>
	<u>\$ 40,702</u>	<u>\$ 40,702</u>

**SUPPLEMENTARY REPORTS AND SCHEDULES**

**BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.**  
**DeRidder, Louisiana**  
**Special Revenue Funds**  
**December 31, 1998**

General Fund

The General Fund is the general operating fund of the Association. It is used to account for all financial resources except those required to be accounted for in another fund. These discretionary funds are accounted for and reported according to the funding source (federal, state, or local) from which they are derived.

Special Revenue Funds

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

**Family and Youth Services** - Accounts for funds granted by the Office of Community Services.

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

**Commodity Distribution Fund** - *The Commodity Fund accounts for commodity distributions granted by the United States Department of Agriculture under the Food Distribution Program.*

**Community Food and Nutrition Program** - Funds are used to assist and prepare community and private gardens for Beauregard Parish. Seeds, fertilizer, and garden preparation will be done by Beauregard Community Action Association. Canning and food preparation will be taught along with participating in a local farmers market. Funds are provided through the Department of Agriculture.

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

**LIHEAP Fund** - The LIHEAP Fund 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**  
**Combining Balance Sheet - Special Revenue Funds**  
**December 31, 1998**

	CSBG	Family and Youth Services	Energy Assistance Program	Commodity Distribution	Community Food and Services
<b>ASSETS</b>					
Cash	\$ 560	\$ 1	\$ 2,890	\$ (10)	\$ -
Grants receivable	2,473	-	-	-	-
Due from other funds	958	-	-	-	-
<b>Total Assets</b>	<b>\$ 3,991</b>	<b>\$ 1</b>	<b>\$ 2,890</b>	<b>\$ (10)</b>	<b>\$ -</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 3,918	\$ 239	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
<b>Total Liabilities</b>	<b>\$ 3,918</b>	<b>\$ 239</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>FUND BALANCES (DEFICIT)</b>	<b>\$ 73</b>	<b>\$ (238)</b>	<b>\$ 2,890</b>	<b>\$ (10)</b>	<b>\$ -</b>
<b>Total Liabilities and Fund Balances (Deficit)</b>	<b>\$ 3,991</b>	<b>\$ 1</b>	<b>\$ 2,890</b>	<b>\$ (10)</b>	<b>\$ -</b>

See accompanying notes to financial statements.

Continued  
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**BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.**  
**DeRidder, Louisiana**  
**Combining Balance Sheet - Special Revenue Funds**  
**December 31, 1998**

	Medicaid Program	Emergency Food and Shelter	LIHEAP	CHDO	Total
<b>ASSETS</b>					
Cash	\$ 1,105	\$ -	\$ 1,847	\$ 723	\$ 7,116
Grants receivable	-	-	16,511	-	18,984
Due from other funds	-	-	-	25,497	26,455
<b>Total Assets</b>	<b>\$ 1,105</b>	<b>\$ -</b>	<b>\$ 18,358</b>	<b>\$ 26,220</b>	<b>\$ 52,555</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 1	\$ 268	\$ 245	\$ 1,114	\$ 5,785
Due to other funds	-	-	20,051	6,651	26,702
<b>Total Liabilities</b>	<b>\$ 1</b>	<b>\$ 268</b>	<b>\$ 20,296</b>	<b>\$ 7,765</b>	<b>\$ 32,487</b>
<b>FUND BALANCES (DEFICIT)</b>	<b>\$ 1,104</b>	<b>\$ (268)</b>	<b>\$ (1,938)</b>	<b>\$ 18,455</b>	<b>\$ 20,068</b>
<b>Total Liabilities and Fund Balances (Deficit)</b>	<b>\$ 1,105</b>	<b>\$ -</b>	<b>\$ 18,358</b>	<b>\$ 26,220</b>	<b>\$ 52,555</b>

See accompanying notes to financial statements.

**BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.**  
**DeRidder, Louisiana**  
**Combining Statement of Revenue, Expenditures, and**  
**Changes in Fund Balances - Special Revenue Funds**  
**For The Year Ended December 31, 1998**

	CSBG	Family and Youth Services	Energy Assistance Program	Commodity Distribution	Community Food and Services
<b>REVENUES</b>					
State and federal grants	\$ 82,473	\$ 7,484	\$ -	\$ 1,162	\$ 26,667
In-kind contributions	-	-	-	5,729	-
Other	-	-	872	2	-
Interest	-	-	-	-	-
Total Revenues	82,473	7,484	872	6,893	26,667
<b>EXPENDITURES</b>					
Salaries	61,828	2,000	-	-	17,195
Fringe benefits	7,218	325	-	-	3,032
Travel	1,973	1	-	-	-
Program services	11,665	4,893	1,602	1,498	6,440
In-kind expenditures	-	-	-	5,729	-
Total Expenditures	82,684	7,219	1,602	7,227	26,667
Excess (deficiency) of revenues over expenditures	(211)	265	(730)	(334)	-
<b>FUND BALANCES - Beginning</b>	284	(503)	3,620	324	-
<b>FUND BALANCES - Ending</b>	\$ 73	\$ (238)	\$ 2,890	\$ (10)	\$ -

See accompanying notes to financial statements.

Continued  
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**BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.**  
**DeRidder, Louisiana**  
**Combining Statement of Revenue, Expenditures, and**  
**Changes in Fund Balances - Special Revenue Funds**  
**For The Year Ended December 31, 1998**

	Medicaid Program	Emergency Food and Shelter	LIHEAP	CHDO	Total
<b>REVENUES</b>					
State and federal grants	\$ 6,123	\$ 14,784	\$ 80,749	\$ -	\$ 219,442
In-kind contributions	-	-	-	-	5,729
Other	-	-	-	13,170	14,044
Interest	-	-	-	471	471
Total Revenues	6,123	14,784	80,749	13,641	239,686
<b>EXPENDITURES</b>					
Salaries	4,266	-	6,350	24,370	116,009
Fringe benefits	102	-	933	3,178	14,788
Travel	462	-	-	935	3,371
Program services	961	15,052	75,701	7,017	124,829
In-kind expenditures	-	-	-	-	5,729
Total Expenditures	5,791	15,052	82,984	35,500	264,726
Excess (deficiency) of revenues over expenditures	332	(268)	(2,235)	(21,859)	(25,040)
<b>FUND BALANCES - Beginning</b>	772	-	297	40,314	45,108
<b>FUND BALANCES - Ending</b>	\$ 1,104	\$ (268)	\$ (1,938)	\$ 18,455	\$ 20,068

See accompanying notes to financial statements.



Founded in 1978

## BROUSSARD & COMPANY, APC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT ON  
COMPLIANCE WITH LAWS AND REGULATIONS  
BASED ON AN AUDIT OF THE COMPONENT UNIT  
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 December 31, 1998, and have issued our report thereon dated June 4, 1999.

We conducted our audit in accordance with generally accepted auditing standards 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 general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Beauregard Community Action Association, Inc. is the responsibility of Beauregard Community Action Association, Inc.'s management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Association's compliance with certain provisions of laws, regulations, contracts, and grants. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests indicate that, with respect to the items tested, Beauregard Community Action Association, Inc. complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Association had not complied, in all material respects, with those provisions.

This report is intended for the information of management, and others within the organization and the Association's cognizant agency. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

*Broussard & Company*

Lake Charles, Louisiana  
June 4, 1999  
/dkb

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*Founded in 1978*

## **BROUSSARD & COMPANY, APC**

**CERTIFIED PUBLIC ACCOUNTANTS**

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
STRUCTURE BASED ON AN AUDIT OF BASIC 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 December 31, 1998, and have issued our report thereon dated June 4, 1999.

We conducted our audit in accordance with generally accepted auditing standards 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.

The management of Beauregard Community Action Association, Inc. is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of Beauregard Community Action Association, Inc. for the period ended December 31, 1998, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

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Board of Directors  
Beauregard Community Action Association, Inc.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the 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 structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of management and the Association's cognizant agency. However, this report is a matter of public record, and its distribution is not limited.

*Broussard & Company*

Lake Charles, Louisiana  
June 4, 1999  
/dkb