

BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.
DeRidder, Louisiana

Financial Statements
September 30, 2022

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Broussard & Company
Certified Public Accountants

To the Board of Trustees of
Beauregard Community Action Association, Inc.
DeRidder, Louisiana

Management is responsible for the accompanying financial statements of Beauregard Community Action Association, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2022, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

Other Supplementary Information

The accompanying supplementary information schedules, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. The information was subject to our compilation engagement, but we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on such information.

Broussard and Company

April 27, 2023

Lake Charles, Louisiana

BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.
Statement of Financial Position
As of September 30, 2022

Assets

Current Assets:	
Cash	\$ 4,134
Grant receivables	<u>38,129</u>
Total Current Assets	<u>42,263</u>
Noncurrent Assets:	
Equipment - phone system	8,453
Accumulated depreciation - phone system	<u>(6,440)</u>
Total Noncurrent Assets	<u>2,013</u>
Total Assets	<u><u>\$ 44,276</u></u>

Liabilities and Net Assets

Current Liabilities:	
Payroll liabilities	<u>\$ 2,109</u>
Total Current Liabilities	<u>2,109</u>
Total Liabilities	<u>2,109</u>
Net Assets	
Without donor restrictions	<u>42,167</u>
Total Net Assets	<u>42,167</u>
Total Liabilities and Net Assets	<u><u>\$ 44,276</u></u>

The accompanying notes are an integral part of this statement

BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.
Statement of Activities
For The Year Ended September 30, 2022

Changes in Net Assets Without Donor Restrictions:

Revenue, Gains and Other Support

Governmental Grants	\$ 160,851
Miscellaneous Revenues	2,408
	163,259

Total Revenues, Gains and Other Support Without Donor Restrictions	163,259
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Expenses

CSBG	114,424
CSBG- CARES	18,984
LIHEAP	26,669
Local	14,877
	174,954

Total Expenses	174,954
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Increase in Net Assets Without Donor Restrictions	(11,695)
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Net Assets Without Donor Restrictions, Beginning of Period	53,862
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Net Assets Without Donor Restrictions, End of Period	\$ 42,167
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The accompanying notes are an integral part of this statement

BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.
Statement of Cash Flows
For The Year Ended September 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from supporters, grants, programs, fees	\$ 152,656
Cash paid to employees, suppliers, and for programs	<u>(172,580)</u>
Net Cash Provided (Used) by Operating Activities	<u>(19,924)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Principal payments on capital lease obligation	<u>(857)</u>
Net Cash Provided (Used) by Financing Activities	<u>(857)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(20,781)
CASH AT BEGINNING OF YEAR	<u>24,915</u>
CASH AT END OF YEAR	<u><u>\$ 4,134</u></u>
 RECONCILIATION OF DECREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS TO NET CASH USED BY OPERATING ACTIVITIES:	
Increase (decrease) in net assets without donor restrictions	(11,695)
Depreciation	1,208
Adjustments to reconcile changes in excess of revenue and support over expenses to net cash provided by operating activities:	
(Increase) decrease in receivables	(10,602)
(Increase) decrease in prepaid insurance	2,363
Increase (decrease) in payroll liabilities	<u>(1,198)</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (19,924)</u></u>

The accompanying notes are an integral part of this statement

BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.
Statement of Functional Expenses
For The Year Ended September 30, 2022

	CSBG	CSBG - CARES	LIHEAP	Local	TOTAL
Salaries, payroll taxes and benefits	\$ 85,470	\$ 7,323	\$ 17,540	\$ 7,582	\$ 117,915
Supplies	6,312	184	2,543	3,067	12,106
Contractual	524	-	178	2,417	3,119
Utilities	4,928	-	1,834	790	7,552
Rent	5,301	-	230	685	6,216
Training	430	-	210	153	793
Insurance	2,948	-	2,375	-	5,323
Utility Assistance	4,100	11,477	849	-	16,426
Depreciation Expense	1,208	-	-	-	1,208
Miscellaneous	3,203	-	910	183	4,296
Total Expenses	<u>\$ 114,424</u>	<u>\$ 18,984</u>	<u>\$ 26,669</u>	<u>\$ 14,877</u>	<u>\$ 174,954</u>

The accompanying notes are an integral part of this statement

BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.
DeRidder, Louisiana
Notes to Financial Statements
September 30, 2022

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

Nature of Organization

The Beauregard Community Action Association, Inc. (the Association) 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.

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.

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

BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.
DeRidder, Louisiana
Notes to Financial Statements (Continued)
September 30, 2022

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

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 - 10 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.

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.

BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.
DeRidder, Louisiana
Notes to Financial Statements (Continued)
September 30, 2022

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

Deposits with Financial Institutions

The Association's bank balances of deposits with financial institutions at September 30, 2022 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 - 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 5 - Subsequent Events

The Association evaluated its September 30, 2022 financial statements for subsequent events through the date the financial statements were available to be issued. The Association is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.
DeRidder, Louisiana
Notes to Financial Statements (Continued)
September 30, 2022

Note 6 - Grants Receivable

Grants receivable represent amounts that have been expended for grant purposes and are to be reimbursed by the grantor. Management considers all receivables to be collectible. Therefore, no allowance for doubtful accounts has been established. Grants receivable at September 30, 2022 consisted of the following:

CSBG	<u>\$ 38,129</u>
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Note 7 - Risk Management

The Association is exposed to various risks of loss related to torts, theft or damage and destruction of assets, error and omissions, injuries to employees, and natural disasters. The Association carries commercial insurance for these risks.

Note 8 - Fair Values of Financial Instruments

The Association determined the fair value of its assets and liabilities through a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels. Level 1 inputs to the valuation methodology are based on unadjusted quoted prices for identical assets in active markets that the Association has the ability to access. Level 2 inputs are based primarily on quoted prices for similar assets in active or inactive markets and/or based on inputs that are derived principally from or corroborated by observable market data. Level 3 inputs are unobservable and are based on assumptions that market participants would utilize in pricing the asset.

The fair value of financial instruments, including cash, approximate the carrying value, principally because of the short maturity of those items and are considered Level 1 or Level 2.

Note 9 - Liquidity and Availability of Financial Assets

The Association's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. The Association has \$42,263 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure consisting of cash of \$4,134 and grant receivables of \$38,129. The grant receivables are subject to implied time restrictions but are expected to be collected within one year. The Association has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.
DeRidder, Louisiana
Notes to Financial Statements (Continued)
September 30, 2022

Note 10 - Operating Leases

The Association leases its facility for \$900 per month and the lease term was renewed for one year starting in August 2022. The Beauregard Police Jury contributes \$800 per month towards this lease. The net impact to the Association is net rent expense of \$100 per month.

Note 11 - Revenue Recognition

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update (“ASU”) No. 2014-09, Revenue from Contracts with Customers (Topic 606). The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in U.S. GAAP. The ASU also required expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Association adopted the new standard effective January 1, 2020, the first day of the Association’s fiscal year, using the full retrospective method.

As part of the adoption of the ASU, the Association elected to use the following transition practical expedients: (i) completed contracts that begin and end in the same annual reporting period have not been restated; (ii) the Association used the known transaction price for completed contracts; (iii) to exclude disclosures of transaction prices allocated to remaining performance obligations when the Association expects to recognize such revenue for all periods prior to the date of initial application of the ASU; and (iv) the Association has reflected the aggregate of all contract modifications that occurred prior to the date of initial application when identifying the satisfied and unsatisfied performance obligations, determining the transaction price, and allocating the transaction price.

The majority of the Association’s revenue is recognized over time based on grants from several governmental agencies. Revenue recognized over time primarily consists of performance obligations that are satisfied within one year or less. In addition, the majority of the Association’s revenue streams do not contain variable consideration and contract modifications are generally minimal. For these reasons, there is not a significant impact as a result of electing these transition practical expedients.

The adoption of this ASU did not have a significant impact on the Association’s financial statements. Based on the Association’s evaluation process and review of its contracts with customers, the timing and amount of revenue recognized previously is consistent with how revenue is recognized under the new standard. No changes were required to previously reported revenues as a result of the adoption.

BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.
DeRidder, Louisiana
Notes to Financial Statements (Continued)
September 30, 2022

Note 12 - Disaggregation of Revenue from Contracts with Customers

The Association reports revenues based on the following categories: Governmental Grants and Other Miscellaneous Revenue. The Association has determined that these categories can be used to meet the objective of the disaggregation disclosure requirements, which is to disaggregate revenue from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. The following table disaggregates the Agency’s revenue based on type and on the timing of satisfaction of performance obligations for the year ended September 30, 2022:

	Governmental Grants	Other Revenue	Total
Performance obligations satisfied at a point in time	\$ -	\$ -	\$ -
Performance obligations satisfied over time	160,851	2,408	163,259
	\$ 160,851	\$ 2,408	\$ 163,259

Note 13 - Disaggregation of Revenue from Contracts with Customers

Contract assets include unbilled amounts resulting from sales under contracts when the percentage-of-completion cost-to-cost method of revenue recognition is utilized and revenue recognized exceeds the amount billed to the customer. Contract liabilities include billings in excess of revenue recognized. Contract assets and contract liabilities were as follows for the year ended September 30, 2022:

	2022
Contract assets	\$ -
Contract liabilities	-

Beauregard Community Action Association, Inc.
Schedule of Per Diem Paid to Board Members
For the Year Ended September 30, 2022

There were no per diem payments made to board members from October 1, 2021 through September 30, 2022.

See accompanying notes to the financial statements.

Beauregard Community Action Association, Inc.
 Schedule of Compensation, Benefits, and Other Payments to Agency Head
 For the Year Ended September 30, 2022

Agency Head Name: Melissa Wingate, Executive Director

Purpose	Amount
Salary	\$ 38,257
Benefits - insurance	\$ -
Benefits - retirement	\$ 2,927
Deferred compensation (contributions made by the agency)	\$ -
Benefits - other (pair of shoes)	\$ -
Benefits - other (fuel district vehicle)	\$ -
Car allowance	\$ -
Vehicle provided by government	\$ -
Cell phone	\$ -
Dues	\$ -
Vehicle rental	\$ -
Per diem	\$ -
Reimbursements	\$ -
Travel	\$ -
Registration fees	\$ -
Conference travel	\$ -
Housing	\$ -
Unvouchered expenses	\$ -
Special meals	\$ -
Other	\$ -

See accompanying notes to the financial statements.

BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.
Schedule of Findings and Management's Corrective Action Plan
Year Ended September 30, 2022

Section I – Financial Statement Findings

2022-001 Timely Report of Compiled Financial Statements

Condition:

The compilation report filing was not in accordance with the State of Louisiana's Audit Law, R.S. 24:513.

Criteria:

The compilation report filing must be posted to the Louisiana Legislative Auditor's portal by six months from the entity's year end.

Cause:

The Beauregard Community Action Association, Inc. (the Association) experienced high turnover in key positions during fiscal year 2022. The Executive Director's position and bookkeeper's position remained open for significant periods during and after fiscal year 2022.

Effect:

Failure to meet the filing deadline with the Louisiana Legislative Auditor. The due date was March 31, 2023 but the filing is dated April 27, 2023.

Recommendation:

The Association should meet the State Audit Law by hiring an experienced bookkeeper or outsourcing this responsibility to a qualified third party.

Management's Corrective Action Plan:

The Beauregard Community Action Association, Inc. will hire an experienced bookkeeper in order to meet the state's filing deadline.