

BEAUREGARD ASSOCIATION FOR RETARDED CITIZENS, INC.  
DERIDDER, LOUISIANA

ANNUAL FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITOR'S REPORT  
JUNE 30, 2018

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# Windham & Reed, L.L.C.

*Certified Public Accountants*

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John A. Windham, CPA  
Charles M. Reed, Jr., CPA

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Beauregard Association for Retarded Citizens, Inc.  
DeRidder, Louisiana

### *Report on the Financial Statements*

We have audited the accompanying financial statements of Beauregard Association for Retarded Citizens, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses, and cash flows, for the year then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of an entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Beauregard Association for Retarded Citizens, Inc. as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

*Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of compensation, benefits and other payments to agency head is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2018, on our consideration of Beauregard Association for Retarded Citizens, 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* in considering Beauregard Association for Retarded Citizens, Inc.'s internal control over financial reporting and compliance.



DeRidder, Louisiana  
November 30, 2018

## FINANCIAL STATEMENTS

Statement of Financial Position  
June 30, 2018

ASSETS

Current Assets:

Cash and cash equivalents	\$	343,530
Accounts receivable:		
Accounts		24,659
Private pay		11,900
Medicaid		10,736
Total current assets	<u>\$</u>	<u>390,825</u>

Noncurrent Assets:

Capital assets being depreciated, net	\$	<u>613,521</u>
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Total assets	<u>\$</u>	<u>1,004,346</u>
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LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable	\$	10,716
Sales tax payable		488
Salaries payable		15,116
Payroll taxes payable		2,868
Total current liabilities	<u>\$</u>	<u>29,188</u>

Net Assets:

Unrestricted	\$	<u>975,158</u>
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Total liabilities and net assets	<u>\$</u>	<u>1,004,346</u>
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The accompanying notes are an integral part of this statement.

Statement of Activities  
For the Year Ended June 30, 2018

<u>SUPPORT AND REVENUE</u>	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>SUPPORT</u>				
Grants				
Private:				
United Way	\$ 2,617	\$ -	\$ 43,000	\$ 45,617
Total grants	<u>\$ 2,617</u>	<u>\$ -</u>	<u>\$ 43,000</u>	<u>\$ 45,617</u>
Contributions	\$ 8,823	\$ -	\$ -	\$ 8,823
Fundraiser	1,373	-	-	1,373
Total support	<u>\$ 12,813</u>	<u>\$ -</u>	<u>\$ 43,000</u>	<u>\$ 55,813</u>
<u>REVENUE</u>				
Program revenue:				
Private pay	\$ 191,666	\$ -	\$ -	\$ 191,666
Medicaid waiver	182,370	-	-	182,370
Program income	158,930	-	-	158,930
Interest income	611	-	-	611
Miscellaneous	476	-	-	476
Restrictions satisfied by payments	43,000	-	(43,000)	-
Total revenue	<u>\$ 577,053</u>	<u>\$ -</u>	<u>\$ (43,000)</u>	<u>\$ 534,053</u>
Total support and revenue	<u>\$ 589,866</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 589,866</u>
<u>EXPENSES</u>				
Program services:				
DeRidder Retarded Citizens Organization	\$ 724,695	\$ -	\$ -	\$ 724,695
Increase (decrease) in net assets	\$ (134,829)	\$ -	\$ -	\$ (134,829)
Net assets, beginning of year	1,109,987	-	-	1,109,987
Net assets, end of year	<u>\$ 975,158</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 975,158</u>

The accompanying notes are an integral part of this statement.

Statement of Functional Expenses  
For the Year Ended June 30, 2018

	<u>Program Services</u>	<u>Supporting Services</u>	
	Beauregard Retarded Citizens Organization	General and Administrative	Total
Salaries and related benefits	\$ 387,745	\$ 66,035	\$ 453,780
Payroll taxes	30,797	5,052	35,849
Total salaries and related expenses	<u>\$ 418,542</u>	<u>\$ 71,087</u>	<u>\$ 489,629</u>
Auto expense	\$ 27,676	\$ -	\$ 27,676
Center supplies	21,506	-	21,506
Interest expense	221	-	221
Telephone	4,954	-	4,954
Professional services	11,852	-	11,852
Membership dues	4,962	-	4,962
Sales tax	4,265	-	4,265
Background checks	516	-	516
Advertising	130	-	130
Office expense	2,059	-	2,059
Maintenance	12,277	-	12,277
Fundraising	123	-	123
Insurance	51,343	-	51,343
Training and conferences	5,781	-	5,781
Utilities	18,099	-	18,099
Total expenses before depreciation	<u>\$ 584,306</u>	<u>\$ 71,087</u>	<u>\$ 655,393</u>
Depreciation			
Donated assets	\$ 11,325	\$ -	\$ 11,325
Purchased assets	57,977	-	57,977
Total depreciation	<u>\$ 69,302</u>	<u>\$ -</u>	<u>\$ 69,302</u>
Total expenses	<u>\$ 653,608</u>	<u>\$ 71,087</u>	<u>\$ 724,695</u>

The accompanying notes are an integral part of this statement.

Statement of Cash Flows  
For the Year Ended June 30, 2018

Cash flows from operating activities:	
Cash received from grants	\$ 45,617
Cash received from charges for services	582,056
Cash received from donations	8,823
Cash received from fundraising	1,373
Cash received from other sources	476
Cash received from investing	611
Cash payments for program activities	(165,764)
Cash payments to employees for services	(489,769)
Net cash used by operating activities	<u>\$ (16,577)</u>
Cash flows from capital and related financing activities:	
Principal paid on note	<u>\$ (11,340)</u>
Net cash used by capital and related financing activities	<u>\$ (11,340)</u>
Cash flows from investing activities:	
Purchase of fixed assets	<u>\$ (20,881)</u>
Net cash used by investing activities	<u>\$ (20,881)</u>
Net increase (decrease) in cash and cash investments	\$ (48,798)
Cash and cash equivalents, July 1, 2017	392,328
Cash and cash equivalents, June 30, 2018	<u>\$ 343,530</u>
Reconciliation of net income (loss) from operations to net cash used by operating activities:	
Net loss from operations	\$ (134,829)
Adjustments to reconcile income (loss) from operations to net cash used by operating activities:	
Depreciation	\$ 69,302
Change in assets and liabilities:	
Decrease in salaries payable	(823)
Decrease in accounts receivable	49,306
Decrease in accounts payable	(216)
Increase in payroll taxes payable	683
Net cash used by operating activities	<u>\$ (16,577)</u>

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

Beauregard Association for Retarded Citizens, Inc.

Notes to the Financial Statements  
For the Year Ending June 30, 2018

**Introduction**

Beauregard Association for Retarded Citizens, Inc. is a Louisiana non-profit corporation that was formed November 11, 1967. This corporation is organized and it shall be operated exclusively for charitable, religious, and educational purposes, within the meaning of Section 501 (c) (3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, including for purposes, to purchase, acquire, hold, use, manage, alienate or encumber property of any kind, necessary and proper to protect the best interest of retarded citizens. Beauregard Association of Retarded Citizens, Inc. supervises the daily operations of its retarded citizens, sponsors community events in an effort to educate the public, and is active with other community events and human service agencies, and host awareness events. The Organization is supported primarily from charges for services provided, private pay clients, individual donor's contributions, and the United Way. The Board of Directors consists of eight members that are appointed to the Board by the other members. Sixteen employees staff Beauregard Association for Retarded Citizens, Inc. with three clerical employees and the other thirteen employees handling the operations of the facility.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies followed are described to enhance the usefulness of the financial statements to readers. The financial statements of Beauregard Association for Retarded Citizens, Inc. have been prepared on the accrual basis; therefore, certain revenues and the related assets are recognized when earned rather than when received and certain expenses are recognized when the obligation is incurred rather than when paid. These policies have been consistently applied in the preparation of the financial statements. The Organization has no capital stock.

**A. Basis of Accounting**

The financial statements are presented in accordance with Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations, which requires the Organization to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows.

**B. Cash and Cash Equivalents**

The Organization's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition and are reported in the statement of cash flows.

**C. Capital Assets**

Capital assets, which include property, plant, and equipment, are reported in the financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. 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 stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Beauregard Association for Retarded Citizens, Inc. maintains a threshold level of \$1,000 or more for capitalizing capital assets.

Beauregard Association for Retarded Citizens, Inc.

Notes to the Financial Statements (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed. There was no interest expense on construction incurred during the current fiscal year.

Capital assets are depreciated using the straight-line method with the following estimated lives.

<u>Description</u>	<u>Estimated Lives</u>
Buildings	40-50 years
Improvements	20-50 years
Furniture and fixtures	5-10 years
Equipment	5-10 years
Vehicles	3-5 years

**D. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of Beauregard Association for Retarded Citizens, Inc., which are either unusual in nature or infrequent in occurrence. Subsequent events have been evaluated through November 30, 2018, the date that the financial statements were available to be issued.

**E. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require 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 expenses during the reporting period. Actual results could differ from those estimates.

**F. Income Taxes**

The Organization is qualified as an exempt organization under Section 501 (c) (3) of the Internal Revenue Code and is not subject to federal income tax. In addition, the Organization qualifies for the charitable contribution deduction under section 170(b) (1) (A) of the Internal Revenue code and has been determined by the Internal Revenue Service not to be a private foundation within Section 509 (a) of the Code.

**G. Donated Facilities, Materials and Services**

Donated materials, equipment, and use of facilities (if any) are reflected as contributions or fundraising support in the accompanying statements at their estimated values at the date of receipt. Donated services (if any) are recognized as contributions in accordance with SFAS No. 116, Accounting for Contributions Received and Contributions Made, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills and would otherwise be purchased by the organization. Volunteers also provided services throughout the year that are not recognized as contributions in the financial statements since the criteria for SFAS No. 116 are not met.

**H. Subsequent Events**

The accounting records of the Organization were reviewed subsequent to year end and through the date the auditor's report was issued for subsequent events that could materially affect the financial statements. No subsequent events were found during this period that would materially affect the financial statements.

Beauregard Association for Retarded Citizens, Inc.

Notes to the Financial Statements (Continued)

**2. CASH AND CASH EQUIVALENTS**

At June 30, 2018, the Organization has cash and cash equivalents (book balances) totaling \$343,530 as follows:

Business checking	\$	242,296
NOW accounts		13,345
Demand deposits		419
Savings accounts		87,470
Total	\$	<u>343,530</u>

At June 30, 2018, the Organization has \$343,920 in deposits (collected bank balances). These deposits are secured from risk by \$343,920 of federal deposit insurance.

**3. RECEIVABLES**

The following is a summary of receivables for June 30, 2018:

<u>Class of Receivable</u>	
Accounts	\$ 24,659
Private pay	11,900
Medicaid	10,736
Total	<u>\$ 47,295</u>

**4. CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended June 30, 2018, for the Organization is as follows:

	Beginning Balance	Increases	Decreases	Ending Balances
Capital assets being depreciated				
Buildings	\$ 748,454	\$ -	\$ -	\$ 748,454
Improvements	14,869	-	-	14,869
Vehicles	169,111	20,880	-	189,991
Machinery and equipment	58,211	-	-	58,211
Total capital assets being depreciated	<u>\$ 990,645</u>	<u>\$ 20,880</u>	<u>\$ -</u>	<u>\$ 1,011,525</u>
Less accumulated depreciation for:				
Buildings	\$ 193,148	\$ 37,423	\$ -	\$ 230,571
Improvements	524	744	-	1,268
Vehicles	108,285	24,458	-	132,743
Machinery and equipment	26,745	6,677	-	33,422
Total accumulated depreciation	<u>\$ 328,702</u>	<u>\$ 69,302</u>	<u>\$ -</u>	<u>\$ 398,004</u>
Total capital assets being depreciated, net	<u>\$ 661,943</u>	<u>\$ (48,422)</u>	<u>\$ -</u>	<u>\$ 613,521</u>

**5. ACCOUNTS AND OTHER PAYABLES**

The following is a summary of payables at June 30, 2018:

<u>Class of Payable</u>	
Accounts	\$ 10,716
Sales taxes	488
Payroll taxes	2,868
Salaries	<u>15,116</u>
Total	<u>\$ 29,188</u>

**6. CHANGES IN NOTE PAYABLE**

The following is a summary of the note payable at June 30, 2018:

Note Payable	
at June 30, 2017	\$ 11,340
Additions	-
Principal payments	<u>(11,340)</u>
Note Payable	
at June 30, 2018	<u>\$ -</u>

**7. FUNDRAISING ACTIVITIES**

The following is a summary of the note payable at June 30, 2018:

	<u>Fundraising</u>
Freezin for a Reason	<u>\$ 1,373</u>

OTHER SUPPLEMENTAL INFORMATION

Schedule of Compensation, Benefits and  
Other Payments to Agency Head  
For the Year Ended June 30, 2018

Agency Head Name - Jackie Hickman

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 37,767
Benefits - insurance	-
Benefits - retirement (Simple IRA)	-
Deferred compensation	-
Benefits - other	-
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	-

OTHER REPORTS

Schedule of Prior Year Audit Findings  
For the Year Ending June 30, 2018

Audit Finding No. 2017-1Financial Statements Not Presented to Auditor Timely

Condition:	The financial statements to be audited were not given timely to the auditors in order to allow them the proper amount of time to conduct a thorough examination of the accounts and issue the audit report prior to the statutory deadline of December 31, 2017.
Criteria:	State law requires audited financial statements be filed with the Louisiana Legislative Auditor's office within six months of the entity's year end.
Cause and Condition:	The financial statements when reviewed by a contracted certified public accountant required numerous adjustments and took more time than expected for his review.
Effect of Condition:	The extra time taken for the review process of the financial statements before they could be given to the auditor did not leave adequate time for a proper audit of those financial statements and submission of the audited financial statements to the Louisiana Legislative Auditor's office by the statutory deadline.
Recommendation:	We recommend that the entity's financial statements be reviewed throughout the year by an outside accountant and as soon as possible after year end. These statements should then be timely submitted to the auditor in order to allow proper time for conducting the audit and submission of the audited financial statements to the Louisiana Legislative Auditor's office by the statutory deadline.
Date of initial occurrence	- June 30, 2017
Corrective action taken	- Yes

Schedule of Current Year Audit Findings and Management's Response  
For the Year Ending June 30, 2018

There were no current year audit findings as of June 30, 2017.

# Windham & Reed, L.L.C.

*Certified Public Accountants*

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John A. Windham, CPA  
Charles M. Reed, Jr., CPA

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
*GOVERNMENT AUDITING STANDARDS*

To the Board of Directors  
Beauregard Association for Retarded Citizens, Inc.  
DeRidder, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Beauregard Association for Retarded Citizens, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 30, 2018.

## **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Beauregard Association for Retarded Citizens, Inc.'s, internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Beauregard Association for Retarded Citizens, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify and deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Beauregard Association for Retarded Citizens, Inc.'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*.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "John A. Windham, CPA". The signature is written in a cursive style.

DeRidder, Louisiana  
November 30, 2018