

BEAUREGARD COMMUNITY CONCERNS, INC.
DERIDDER, LOUISIANA

ANNUAL FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT
JUNE 30, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Beauregard Community Concerns, Inc.
DeRidder, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Beauregard Community Concerns, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, 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 Community Concerns, Inc. as of June 30, 2019, 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 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 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 December 9, 2019 on our consideration of Beauregard Community Concerns, 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 Community Concerns, Inc.'s internal control over financial reporting and compliance.



DeRidder, Louisiana
December 9, 2019

FINANCIAL STATEMENTS

Statement of Financial Position
June 30, 2019

ASSETS

Current Assets:

Cash and cash equivalents	\$	182,225
Grants receivable		48,629
Prepaid expenses		6,057
Total current assets	\$	236,911

Non Current Assets:

Capital assets, net	\$	567,381
Total assets	\$	804,292

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable	\$	2,096
Salaries payable		8,006
Payroll withholdings payable		1,503
Total current liabilities	\$	11,605

Net Assets:

Without donor restrictions	\$	792,687
Total liabilities and net assets	\$	804,292

The accompanying notes are an integral part of this statement.

Statement of Activities
For the Year Ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
SUPPORT			
Grants			
Government:			
DCFS	\$ -	\$ 193,905	\$ 193,905
VAWA	-	18,496	18,496
VOCA	-	24,965	24,965
Total government grants	<u>\$ -</u>	<u>\$ 237,366</u>	<u>\$ 237,366</u>
Private:			
United Way	\$ -	\$ 70,000	\$ 70,000
IOLTA	-	37,097	37,097
Total private grants	<u>\$ -</u>	<u>\$ 107,097</u>	<u>\$ 107,097</u>
Total grants	<u>\$ -</u>	<u>\$ 344,463</u>	<u>\$ 344,463</u>
Cash contributions:			
Individuals	\$ 7,049	\$ -	\$ 7,049
Business	11,911	-	11,911
Total cash contributions	<u>\$ 18,960</u>	<u>\$ -</u>	<u>\$ 18,960</u>
Contributed materials and services:			
Individuals	\$ 13,959	\$ -	\$ 13,959
Business	5,858	-	5,858
Total contributed materials and services	<u>\$ 19,817</u>	<u>\$ -</u>	<u>\$ 19,817</u>
Total contributions	<u>\$ 38,777</u>	<u>\$ -</u>	<u>\$ 38,777</u>
Fundraising	<u>\$ 3,389</u>	<u>\$ -</u>	<u>\$ 3,389</u>
Total support	<u>\$ 42,166</u>	<u>\$ 344,463</u>	<u>\$ 386,629</u>

(Continued)

The accompanying notes are an integral part of this statement.

Statement of Activities
For the Year Ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE			
Investment income	\$ 2,027	\$ -	\$ 2,027
Miscellaneous income	32	-	32
Net assets released from restrictions	344,463	(344,463)	-
Total revenue	\$ 346,522	\$ (344,463)	\$ 2,059
 Total support and revenue	 \$ 388,688	 \$ -	 \$ 388,688
EXPENSES			
Program services:			
June M. Jenkins Women's Shelter	\$ 396,912	\$ -	\$ 396,912
Excess (deficiency) of support and revenue over expenses	\$ (8,224)	\$ -	\$ (8,224)
Net assets, beginning of year	800,911	-	800,911
Net assets, end of year	\$ 792,687	\$ -	\$ 792,687 (Concluded)

The accompanying notes are an integral part of this statement.

Statement of Functional Expenses
For the Year Ended June 30, 2019

	Program Services	Supporting Services	
	June M. Jenkins Women's Shelter	General and Administrative	Total
Salaries	\$ 130,424	\$ 81,990	\$ 212,414
Employee benefits	2,137	1,577	3,714
Payroll taxes	9,659	6,273	15,932
Health and dental insurance	54,710	1,853	56,563
Total salaries and related expenses	<u>\$ 196,930</u>	<u>\$ 91,693</u>	<u>\$ 288,623</u>
Supplies	\$ 8,563	\$ -	\$ 8,563
Telephone	14,440	-	14,440
Professional services	7,900	-	7,900
Client assistance	2,615	-	2,615
Membership dues and subscriptions	1,001	-	1,001
Travel and conferences	728	778	1,506
Postage	1,012	-	1,012
Printing and publishing	142	-	142
Bank charges	159	-	159
Meals	1,512	-	1,512
Contract labor	1,400	-	1,400
Occupancy	600	-	600
Equipment rental & maintenance	2,004	-	2,004
Building repairs	5,321	-	5,321
Office supplies	2,514	-	2,514
Donated materials	17,326	-	17,326
Donated services	2,491	-	2,491
Insurance	13,262	-	13,262
Interest	245	-	245
Utilities	13,598	-	13,598
Fundraising expense	29	-	29
Total expenses before depreciation	<u>\$ 293,792</u>	<u>\$ 92,471</u>	<u>\$ 386,263</u>
Depreciation			
Purchased assets	<u>\$ 10,649</u>	<u>\$ -</u>	<u>\$ 10,649</u>
Total expenses	<u>\$ 304,441</u>	<u>\$ 92,471</u>	<u>\$ 396,912</u>

The accompanying notes are an integral part of this statement.

Statement of Cash Flows
For the Year Ended June 30, 2019

Cash flows from operating activities:	
Cash received from grants	\$ 339,897
Cash received from contributions	38,777
Cash received from investing	2,027
Cash received from fundraising	3,389
Cash received from miscellaneous sources	32
Cash payments for program activities	(97,868)
Cash payments to employees for services	(288,849)
Net cash used by operating activities	<u>\$ (2,595)</u>
Net increase (decrease) in cash and cash investments	\$ (2,595)
Cash and Cash equivalents, July 1, 2018	184,820
Cash and Cash equivalents, June 30, 2019	<u>\$ 182,225</u>
Reconciliation of net income (loss) from operations to net cash used by operating activities:	
Net income (loss) from operations	\$ (8,224)
Adjustments to reconcile income (loss) from operations to net cash used by operating activities:	
Depreciation	\$ 10,649
Change in assets and liabilities:	
Decrease in salaries payable	(343)
Increase in grants receivable	(4,566)
Decrease in prepaid expenses	136
Increase in payroll deductions payable	117
Decrease in accounts payable	(364)
Net cash used by operating activities	<u>\$ (2,595)</u>

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

Beauregard Community Concerns, Inc.

Notes to the Financial Statements
For the Year Ending June 30, 2019

Introduction

Beauregard Community Concerns, Inc. is a Louisiana non-profit corporation. This Organization is organized for, 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 abused women and dependent children; and the making of distributions to organizations that qualify as exempt organizations under section 501 (c) (3) of the Internal Revenue Code or the corresponding section of any future federal tax code. The Board of Directors consists of ten members that are appointed to the Board by the other members. Eight employees staff Beauregard Community Concerns, Inc. with two clerical employees and the other six employees handling the operations of the shelter.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies following are described to enhance the usefulness of the financial statements to the reader. The financial statements of Beauregard Community Concerns, 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* and Accounting Standards Update No. 2016-14 – *Not-for-Profit Entities: Presentation of Financial Statements of Not-for-Profit Entities (ASU 2016-14)*, which requires the organization to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. In addition, the Organization is required to present a statement of cash flows.

B. 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 has been determined by the Internal Revenue Service not to be a private foundation within Section 509 (a) of the Code. The tax years subject to examination by the Internal Revenue Service are those years ending June 30, 2019, 2018, and 2017.

C. Support and Revenue

All contributions and revenues received are considered to be available for unrestricted use unless specifically restricted by the donor.

D. Deposits and Investments

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.

Beauregard Community Concerns, Inc.

Notes to the Financial Statements (Continued)

E. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

F. 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 net assets with donor restrictions to net assets without donor restrictions at that time. Beauregard Community Concerns, Inc. maintains a threshold level of \$1,000 or more for capitalizing capital assets.

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.

All capital assets, other than land, are depreciated using the straight line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and building improvements	40-50 years
Furniture and fixtures	5-10 years
Equipment	5-10 years
Vehicles	5 years

G. Long-Term Obligations

In the fund financial statements, long-term debt and other long-term obligations are reported as liabilities.

H. 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 Community Concerns, Inc., which are either unusual in nature or infrequent in occurrence. Subsequent events have been evaluated through December 9, 2019, the date that the financial statements were available to be issued.

I. 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.

J. 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.

K. Recent Financial Accounting Pronouncements

During the year ended June 30, 2019, Beauregard Community Concerns, Inc. adopted the requirements of the Financial Accounting Standards Board's Accounting Standards Update No. 2016-14 – *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities (ASU 2016-14)*. This update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. A key change required by ASU 2016-14 is a change in the net asset classes used in the financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets are now reported as net assets with donor restrictions.

L. Restrictions on Contributions of Long-lived Assets

Beauregard Community Concerns, Inc. has not adopted a policy for implying time restrictions on contributions of long-lived assets and contributions of cash and other assets restricted to purchasing them. As of June 30, 2019, Beauregard Community Concerns, Inc. has had no contributions of long-lived assets or assets that would be used to acquire them.

2. 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 non-financial 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.

3. VACATION/SICK LEAVE POLICY

All full-time employees who have been employed with Beauregard Community Concerns, Inc. 0-5 years will receive 16 days of vacation/sick leave. six of these days are considered sick leave and the remaining ten are vacation time. Sick days may be used from the first day of employment; vacation days may not be used until the employee has completed the six month probationary period.

All full-time employees who have been employed with Beauregard Community Concerns, Inc. for 5-10 years will receive 21 days of vacation/sick leave. Six of these days are considered sick leave and the remaining 15 are vacation time.

After the end of the first year of employment, vacation/sick days will begin on the anniversary date of employment. Neither sick nor vacation days will roll over into the next year. All employees must use their time off by the end of the year of his/her working year.

At no time will an employee be allowed to take more than ten consecutive days off, unless it is for a medical reason and a letter from the doctor is provided to the Executive Director.

Vacation and sick days can only be taken in full or half day increments.

Beauregard Community Concerns, Inc.

Notes to the Financial Statements (Continued)

4. ECONOMIC DEPENDENCY

The Organization receives a substantial portion of its total support from DCFS (Department of Children and Family Services) and United Way. During the period ended June 30, 2019, Beauregard Community Concerns, Inc. received \$193,905 and \$70,000 respectively, in grant support which represents 68% of total support.

5. FUNDING

Beauregard Community Concerns, Inc. receives funds from the Louisiana Bar Foundation under the IOLTA program. The monies are used to pay salaries and related expenses for services provided by legal advocates. The funds received for the year ended June 30, 2019, amounted to \$37,097. Beauregard Community Concerns, Inc. also receives funds from OVW (Office on Violence Against Women) through the VAWA (Violence Against Women Act) and VOCA (Victims of Crime Act). The monies can be used to provide for personnel and related expenses for services provided. The funds received for the year ended June 30, 2019 amounted to \$18,496 and \$24,965, respectively.

6. CASH AND CASH EQUIVALENTS

At June 30, 2019, the Organization has cash and cash equivalents (book balances) totaling \$182,225 as follows:

Passbook savings	\$	74,565
Interest bearing demand deposits		107,443
Petty cash		217
Total	\$	<u>182,225</u>

At June 30, 2019, the Organization has \$188,095 in deposits (collected bank balances). These deposits are secured from risk by \$188,095 of federal deposit insurance.

7. RECEIVABLES

The following is a summary of receivables for June 30, 2019:

<u>Class of Receivable</u>		
Grants:		
DCFS	\$	29,557
VAWA		8,447
VCOA		10,625
Total	\$	<u>48,629</u>

Beauregard Community Concerns, Inc.

Notes to the Financial Statements (Continued)

8. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2019, for the Organization is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated				
Building	\$ 440,000	\$ -	\$ -	\$ 440,000
Capital assets being depreciated				
Buildings	\$ 169,522	\$ -	\$ -	\$ 169,522
Vehicles	16,090	-	-	16,090
Machinery and equipment	46,375	-	-	46,375
Furniture and fixtures	66,343	-	-	66,343
Total capital assets being depreciated	<u>\$ 298,330</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 298,330</u>
Less accumulated depreciation for:				
Buildings	\$ 60,971	\$ 4,903	\$ -	65,874
Vehicles	16,090	-	-	16,090
Machinery and equipment	41,705	1,722	-	43,427
Furniture and fixtures	41,534	4,024	-	45,558
Total accumulated depreciation	<u>\$ 160,300</u>	<u>\$ 10,649</u>	<u>\$ -</u>	<u>\$ 170,949</u>
Total capital assets being depreciated, net	<u>\$ 138,030</u>	<u>\$ (10,649)</u>	<u>\$ -</u>	<u>\$ 127,381</u>

9. ACCOUNTS AND OTHER PAYABLES

The following is a summary of payables for the year ending June 30, 2019:

<u>Class of Payable</u>	
Accounts	\$ 2,096
Salaries payable	8,006
Payroll withholdings	1,503
Total	<u>\$ 11,605</u>

10. BUILDING DONATION

During a previous year Merryville Real Property, L.L.C., a limited liability company, donated a building and land to Beauregard Community Concerns, Inc. At the time of the donation, the market value of the property was the amount of four hundred forty thousand dollars (\$440,000) as determined by an appraisal report dated March 9, 2017. This building is carried on the books of Beauregard Community Concerns, Inc. in its fixed assets but at this time no depreciation is taken on the building as it is not in use.

11. NET ASSETS

As required by ASU 2016-14, net assets have been reclassified into two categories: Without donor restrictions and with donor restrictions. The classification is as follows:

Without donor restrictions	\$ 792,687
With donor restrictions	-
Total net assets	<u>\$ 792,687</u>

Beauregard Community Concerns, Inc.

Notes to the Financial Statements (Concluded)

12. LITIGATION AND CLAIMS

At June 30, 2019, Beauregard Community Concerns, Inc. had no litigation or claims pending.

13. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Beauregard Community Concerns, Inc. maintains operating revenue for general expenditures. The current financial assets totaled \$182,225 at June 30, 2019 and are available for general expenditures; that is, without donor or other restrictions limiting their use.

As part of Beauregard Community Concerns, Inc.'s liquidity management, it primarily maintains its current assets in cash and cash equivalent.

OTHER SUPPLEMENTAL INFORMATION

Schedule of Compensation, Benefits and
Other Payments to Agency Head
For the Year Ended June 30, 2019

Agency Head Name - Courtney Montgomery

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 48,734
Benefits - insurance	-
Benefits - retirement	9,859
Deferred compensation	-
Benefits - other	-
Car allowance	-
Vehicle provided by government	-
Cell phone	-
Dues	-
Vehicle rental	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	289
Conference travel	-
Housing	-
Unvouchered expenses	-
Special meals	-
Other	866

OTHER REPORTS

Schedule of Prior Year Audit Findings
For the Year Ending June 30, 2019

Finding – Financial Statement Audit

Audit Finding No. 2018-1

Petty cash not being reconciled

Condition: The petty cash drawer of \$217 is not being reconciled or monitored. Deposits into petty cash were at times from cash donations and not recorded as revenues.

Criteria: Petty cash lends itself to abuse and misappropriation of assets when not being reconciled and monitored by responsible individuals. Petty cash should be reconciled, with receipts and cash in the drawer checked on a regular basis by an individual appointed to the reconciliation. The reconciliation should then be monitored by the director. Petty cash should only be replenished by a check written out of the operating account.

Cause and Condition: The director stated that they just quit keeping up with the petty cash drawer.

Effect of Condition: Possible misappropriation of petty cash when no controls exist over it.

Recommendation: We recommend that petty cash be reconciled with receipts and cash in the drawer checked for accuracy by the bookkeeper. This reconciliation should then be monitored by the director. When needed, petty cash should be replenished by writing a check out of the operating account. All cash donations should be deposited to bank accounts and recorded as revenues and not placed in the petty cash drawer.

Date of Initial Occurrence - June 30, 2018

Corrective Action Taken - Yes

Schedule of Current Year Audit Findings and Management's Response
For the Year Ending June 30, 2019

There were no current year audit findings as of June 30, 2019.

Windham & Reed, L.L.C.

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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 Community Concerns, 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 Community Concerns, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, 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 December 9, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Beauregard Community Concerns, 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 Community Concerns, 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 charge 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 any 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 Community Concerns, 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.



DeRidder, Louisiana
December 9, 2019