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EMERGENCY AID CENTER
FRANKLIN, LOUISIANA

ANNUAL FINANCIAL REPORT

December 31, 1999

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date JUN 14 2000

EMERGENCY AID CENTER
FRANKLIN, LOUISIANA

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Emergency Aid Center
Franklin, Louisiana

We have audited the accompanying statements of financial position of the Emergency Aid Center (a non-profit organization) as of December 31, 1999 and 1998, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Center'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 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 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 audits provide a reasonable basis for our opinion.

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the Emergency Aid Center as of December 31, 1999 and 1998, and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated May 17, 2000, on our consideration of the Emergency Aid Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Guidry & Chauvin, CPAs
Certified Public Accountants

Franklin, Louisiana
May 17, 2000

EMERGENCY AID CENTER
FRANKLIN, LOUISIANA

COMPARATIVE STATEMENTS OF FINANCIAL POSITION
December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
<u>ASSETS</u>		
Current Assets:		
Cash in Bank	\$ 16,305	\$ 11,210
Receivable - United Way	<u>-</u>	<u>1,869</u>
Total Current Assets	16,305	13,079
Property & Equipment:		
Property & Equipment (Net)	<u>1,410</u>	<u>1,746</u>
TOTAL ASSETS	<u>\$ 17,715</u>	<u>\$ 14,825</u>
<u>LIABILITIES</u>		
Current Liabilities:		
Payroll taxes payable	\$ 421	\$ 290
Net Assets:		
Unrestricted	<u>17,294</u>	<u>14,535</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 17,715</u>	<u>\$ 14,825</u>

The accompanying notes are an integral part of these financial statements.

EMERGENCY AID CENTER
FRANKLIN, LOUISIANA

COMPARATIVE STATEMENTS OF ACTIVITIES
For the Years Ended December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
UNRESTRICTED NET ASSETS		
Support		
Business Organizations	\$ 2,804	\$ 2,370
Churches	6,824	7,574
Individuals	<u>4,126</u>	<u>1,653</u>
TOTAL UNRESTRICTED SUPPORT	13,754	11,597
Net assets released from restrictions		
United Way Services funding for the year	29,434	28,215
FEMA funding for the year	<u>14,368</u>	<u>10,700</u>
TOTAL UNRESTRICTED SUPPORT AND RECLASSIFICATIONS	<u>57,556</u>	<u>50,512</u>
Expenses		
Program services	39,556	33,683
Management and general	<u>15,201</u>	<u>13,597</u>
TOTAL EXPENSES	<u>54,757</u>	<u>47,280</u>
UNRESTRICTED NET ASSETS OVER EXPENSES	2,799	3,232
Other Income (Expenses)		
Loss on Disposal of Assets	<u>(40)</u>	<u>-</u>
INCREASE IN UNRESTRICTED ASSETS	2,759	3,232
NET ASSETS AT BEGINNING OF YEAR	<u>14,535</u>	<u>11,303</u>
NET ASSETS AT END OF YEAR	<u>\$ 17,294</u>	<u>\$ 14,535</u>

The accompanying notes are an integral part of these financial statements.

EMERGENCY AID CENTER
FRANKLIN, LOUISIANA

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 1999

	<u>Program Services</u>	<u>Support Services</u>	<u>Total</u>
Specific Assistance to Individuals:			
Food	\$ 1,356	\$ -	\$ 1,356
Shelter	9,171	-	9,171
Utilities	7,163	-	7,163
Medical & Hygiene	<u>914</u>	<u>-</u>	<u>914</u>
	<u>\$ 18,604</u>	<u>-</u>	<u>\$ 18,604</u>
Rent	-	5,000	5,000
Travel	-	890	890
Office	-	1,193	1,193
Postage	-	259	259
Utilities	-	1,545	1,545
Telephone	-	1,087	1,087
Insurance	-	514	514
Legal & Professional	-	2,850	2,850
Repairs & Maintenance	-	1,022	1,022
Taxes	-	65	65
Salaries	19,463	-	19,463
Payroll Taxes	<u>1,489</u>	<u>-</u>	<u>1,489</u>
Total expenses before depreciation	39,556	14,425	53,981
Depreciation	<u>-</u>	<u>776</u>	<u>776</u>
Total Expenses	<u>\$ 39,556</u>	<u>\$ 15,201</u>	<u>\$ 54,757</u>

The accompanying notes are an integral part of these financial statements.

EMERGENCY AID CENTER
FRANKLIN, LOUISIANA

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 1998

	<u>Program Services</u>	<u>Support Services</u>	<u>Total</u>
Specific Assistance to Individuals			
Food	\$ 889	\$ -	\$ 889
Shelter	7,415	-	7,415
Utilities	6,377	-	6,377
Medical & Hygiene	895	-	895
	<u>\$ 15,576</u>	<u>-</u>	<u>\$ 15,576</u>
Rent	-	4,200	4,200
Travel	-	518	518
Office	-	933	933
Postage	-	317	317
Utilities	-	1,513	1,513
Telephone	-	1,071	1,071
Insurance	-	452	452
Legal & Professional	-	2,700	2,700
Repairs & Maintenance	-	799	799
Salaries	16,819	-	16,819
Payroll Taxes	<u>1,288</u>	<u>-</u>	<u>1,288</u>
Total expenses before depreciation	33,683	12,503	46,186
Depreciation	<u>-</u>	<u>1,094</u>	<u>1,094</u>
Total Expenses	<u>\$ 33,683</u>	<u>\$ 13,597</u>	<u>\$ 47,280</u>

The accompanying notes are an integral part of these financial statements.

EMERGENCY AID CENTER
FRANKLIN, LOUISIANA

COMPARATIVE STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Cash Flows from Operating Activities:		
Excess of revenue over expenses	\$ 2,759	\$ 3,232
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:		
Depreciation	776	1,094
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	1,869	(1,869)
(Decrease) increase in payroll taxes payable	<u>131</u>	<u>(136)</u>
Net Cash Provided by Operating Activities	<u>5,535</u>	<u>2,321</u>
Cash Flows from Investing Activities:		
Donation of equipment	(480)	-
Loss on disposal of equipment	<u>40</u>	<u>-</u>
Net Cash Used in Investing Activities	<u>(440)</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>5,095</u>	<u>2,321</u>
Cash and Cash Equivalents, beginning of Year	<u>11,210</u>	<u>8,889</u>
Cash and Cash Equivalents, end of Year	<u>\$ 16,305</u>	<u>\$ 11,210</u>

The accompanying notes are an integral part of these financial statements.

EMERGENCY AID CENTER
FRANKLIN, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 1999

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Emergency Aid Center, Inc. is a voluntary agency that operates a center providing social services to needy families in West St. Mary Parish. The Emergency Aid Center annually assists approximately 2,600 disadvantaged individuals in the community. These individuals make up about 420 families, all of which live at or below poverty level. The Center is supported primarily through donor contributions, grants, and the United Way. Approximately 51% and 55% of the organization's support for the years ended December 31, 1999 and 1998, respectively, came from allocations from the United Way.

Basis of Accounting

The financial statements of the Center have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-For-Profit Organizations. Under SFAS No. 117, the organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted assets, and permanently restricted net assets.

Use of Estimates

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

Property & Equipment

The Emergency Aid Center capitalizes all expenditures for the purchase of property and equipment. Property and equipment are carried at cost or if donated, at the approximate fair value at the date of donation. Depreciation is recorded over the estimated useful lives of the assets on the Modified Accelerated Cost Recovery (MACRS) basis.

EMERGENCY AID CENTER
FRANKLIN, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended December 31, 1999

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All donors-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Contributed Services

The Center receives donated services from a variety of unpaid volunteers who assist the Center in various ways. No amounts have been reflected in the statement of activities for those services since they do not meet the criteria for recognition under SFAS No. 116, Accounting for Contributions Received and Contributions Made.

The Emergency Aid Center occupies a building belonging to St. Jules Catholic Church. The Center rents the building on an annual basis for \$1 per year. The Church estimates the approximate fair value of the annual rental for 1999 and 1998 to be \$5,000 and \$4,200, respectively. It is included in contributions and expenses in the statement of activities.

Functional Expenses

Expenses are charged directly to program or support in general categories based on specific identification.

Income Taxes

The Emergency Aid Center qualifies as a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity date of less than three months. At December 31, 1999 and 1998 the Emergency Aid Center had all of its funds in a checking account at a local bank.

NOTE 2: CASH

The total cash held by the Center at December 31, 1999 and 1998, includes \$16,305 and \$11,210, respectively, in monies that are covered by insurance provided by the federal government.

EMERGENCY AID CENTER
FRANKLIN, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended December 31, 1999

NOTE 3: PROPERTY & EQUIPMENT

Depreciation of equipment is calculated on the Modified Accelerated Cost Recovery System (MACRS) over the class lives of the assets. The cost of such assets at December 31, 1999 is as follows:

Furniture & Fixtures	\$ 2,790
Office Equipment	<u>4,320</u>
	7,110
Less: Accumulated Depreciation	<u>(5,700)</u>
Total	<u>\$ 1,410</u>

Depreciation expense for the year ended December 31, 1999 is \$776.

INDEPENDENT AUDITOR'S REPORT REQUIRED
BY GOVERNMENTAL AUDITING STANDARDS

GUIDRY & CHAUVIN
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A PROFESSIONAL ACCOUNTING CORPORATION
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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Emergency Aid Center
Franklin, Louisiana

We have audited the financial statements of the Emergency Aid Center (a nonprofit organization) as of and for the year ended December 31, 1999, and have issued our report thereon dated May 17, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Emergency Aid Center's financial statements are free of material misstatement, we performed tests of it's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Emergency Aid Center's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Emergency Aid Center's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in Schedule 2, Management's Corrective Action Plan for Current Year Audit Findings, Section I, as item A-1.

EMERGENCY AID CENTER
REPORT ON COMPLIANCE AND INTERNAL CONTROL
PAGE TWO

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, the reportable condition described above as item A-1 is considered to be a material weakness.

This report is intended solely for the information and use of the Board of Directors of the Emergency Aid Center, its management and its grantor agencies. However, this report is a matter of public record, and its distribution is not limited.

Guidry & Chauvin, CPA's
Certified Public Accountants

Franklin, Louisiana
May 17, 2000

SCHEDULES AND DATA COLLECTION FORM

EMERGENCY AID CENTER
FRANKLIN, LOUISIANA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended December 31, 1999

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occured</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
Section 1 - Internal Control and Compliance Material to the Financial Statements:				
<u>A-1</u>	<u>1993</u>	<u>Inadequate Segregation Of Accounting Functions</u>	<u>Partially</u>	<u>See Management's Corrective Action Plan (Schedule 2)</u>

EMERGENCY AID CENTER
FRANKLIN, LOUISIANA

MANAGEMENT'S CORRECTIVE ACTION PLAN FOR
CURRENT YEAR AUDIT FINDINGS
For the year ended December 31, 1999

Ref. No.	Description of Findings
Section 1	Internal Control and Compliance Material to the Financial Statements:
A-1	Inadequate Segregation of Accounting Functions:
	<p><i>Condition:</i> The Center's accounting system does not provide for adequate segregation of duties in the areas of cash receipts, cash disbursements, and account reconciliation.</p>
	<p><i>Criteria:</i> Internal controls should be in place to provide reasonable assurance that funds are not misappropriated and that the Center is in compliance with rules and regulations.</p>
	<p><i>Effect:</i> Because of the inadequate segregation of accounting functions, the Center could be placing themselves at risk for misappropriation of funds.</p>
	<p><i>Recommendation:</i> The Center has made several attempts to segregate some of the accounting functions. They have hired an independent accounting firm to reconcile bank accounts and to compile monthly financial statements. However, all pertinent accounting functions cannot be segregated due to the limited number of personnel. Based on the size of the operation and the cost-benefit of adding personnel, it may not be feasible to achieve complete segregation of duties.</p>
	<p><i>Response:</i> The Board of Directors is aware of this finding and they review all cash receipts and disbursements at their monthly board meetings. The Director often meets with the accountant in an effort to make sure that the monthly financial statements are accurate.</p>

[This form is an unaudited informational document prepared by management of the audited agency.]

LEGISLATIVE AUDITOR
BATON ROUGE LA 70804

DATA COLLECTION FORM

FOR REPORTING ON AUDITS OF STATE AND LOCAL GOVERNMENT AND QUASIPUBLIC ENTITIES

OMB Form 0348-0057 may be used as a substitute for this form.

Date Submitted 05/31/00

RETURN to: Legislative Auditor
Attn: Engagement Processing
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

1. Fiscal Year Ending Date For This Submission:

12/31/99

3. Audit Period Covered

Annual Biennial
 Other to

2. Type of Report:

Single Audit GAO Audit Standards Audit
 Compilation Compilation/Attestation
 Program Audit Other

4. AUDITEE INFORMATION

5. AUDITOR INFORMATION

Auditee Name

Emergency Aid Center

Firm Name

Guidry & Chauvin, CPA'S

Street Address (Number and Street)

1608 W. Thert Street

b. Street Address (Number and Street)

1013 Main Street

Mailing Address (PO No.)

P. O. Box 17

Mailing Address (PO No.)

P. O. Box 1028

City State Zip
Franklin LA 70538

City State Zip
Franklin LA 70538

Auditee Contact

Name Title
Lois Hines Director

c. Auditor Contact

Name Title
Kristie C. Boudreaux, CPA

Telephone Fax
(337) 828-0921 (337) 828-4734
Email (Optional)

Telephone Fax
(337) 828-0272 (337) 828-0290
Email (Optional)

Component Units Included Within the Report and for Which No Separate Report Will Be Issued:

If there are no modifications to the auditor's financial opinion, no reportable conditions, no material weaknesses, no reported instances of noncompliance, and no management letter, check this box; do not complete the rest of the form.

6. FINANCIAL STATEMENTS

a. Type of audit report on financial statements. Not Applicable
 Unqualified Opinion Qualified Opinion Adverse Opinion Disclaimer of Opinion
b. Is a 'going concern' explanatory paragraph included in the audit report? Yes No
c. Do any of the funds have deficit fund balances? Yes No
d. Is there a related party footnote? Yes No

7. INTERNAL CONTROL

Do the comments on internal control include: material weaknesses reportable conditions not applicable

8. COMPLIANCE

Do the comments on compliance include: illegal acts fraud/criminal acts not applicable

9. MANAGEMENT LETTER (Finding Caption and No.)

Resolved Yes No No Longer Applicable
Resolved Yes No No Longer Applicable
Resolved Yes No No Longer Applicable

10. SCHEDULE OF CURRENT YEAR FINDINGS/QUESTIONED COSTS (Finding Caption and No.)

\$ _____ Resolved Yes No No Longer Applicable
\$ _____ Resolved Yes No No Longer Applicable
\$ _____ Resolved Yes No No Longer Applicable
\$ _____ Resolved Yes No No Longer Applicable
\$ _____ Resolved Yes No No Longer Applicable
\$ _____ Resolved Yes No No Longer Applicable

Do any findings address nepotism, ethics violations or related party transactions? Yes No

Do any findings address violation of bond indenture covenants? Yes No

11. SCHEDULE OF PRIOR YEAR FINDINGS/QUESTIONED COSTS/MANAGEMENT LETTER COMMENTS

(Finding/Comment Caption and No.)

Resolved Yes No No Longer Applicable
Resolved Yes No No Longer Applicable
Resolved Yes No No Longer Applicable
Resolved Yes No No Longer Applicable
Resolved Yes No No Longer Applicable

AUDITEE SIGNATURE Lois Hines Date 6-2-2000