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EMERGENCY AID CENTER  
Franklin, Louisiana

Annual Financial Statements  
with Auditors' Reports

For the Year Ended December 31, 1966

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

Release Date 9 - 2 - 96

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**CLARKE & CHAPMAN**

STATE OFFICE: HOUSTON, TEXAS  
OFFICE: FRANKLIN, LOUISIANA  
1715 B. BERRY STREET - HOUSTON, TEXAS 77002  
FRANKLIN, LOUISIANA, OFFICE

1935 - 1954  
1955 - 1956

**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Emergency Aid Center  
Franklin, Louisiana

We have audited the accompanying balance sheets of the Emergency Aid Center (a non-profit organization) as of December 31, 1955 and 1954, and the related statements of support, revenue, expenses, and changes in fund balance 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 Government Auditing Standards, issued by the Comptroller General of the United States. These 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, 1955, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Schedule of Functional Expenses on page 12 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Clarke & Chapman*  
Certified Public Accountants

Franklin, Louisiana  
June 10, 1956

EMERGENCY AID CENTER  
Franklin, Louisiana

Comparative Balance Sheet  
December 31, 1995 and 1994

	<u>1995</u>	<u>1994</u>
<b>ASSETS</b>		
Current Assets:		
Cash in Bank	\$ 5,491	\$ 7,388
Receivable-United Way	-	<u>3,259</u>
Total Current Assets	5,491	8,647
Property & Equipment:		
Property & Equipment (Net)	<u>1,229</u>	<u>925</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 6,720</u></b>	<b><u>\$ 9,572</u></b>
<b>LIABILITIES &amp; FUND BALANCE</b>		
Current Liabilities:		
Payroll Taxes payable	\$ 129	\$ 129
Total Current Liabilities	129	129
Fund Balance:		
Undesignated	5,418	5,518
Equity in Property and equipment	<u>1,223</u>	<u>829</u>
Total Fund Balance	<u>7,143</u>	<u>6,347</u>
<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<b><u>\$ 7,272</u></b>	<b><u>\$ 6,476</u></b>

Subject to the comments contained in the independent Auditors' report and notes to financial statements which are an integral part hereof

EMERGENCY AID CENTER  
Franklin, Louisiana

Comparative Statement of Support, Revenue,  
Expenses & Changes in Fund Balances  
For the Years Ended December 31, 1995 and 1994

	<u>1995</u>	<u>1994</u>
Public Support:		
Contributions	\$ 7,295	\$ 10,038
Allocations by United Way of South Louisiana	25,000	25,000
Grant from governmental agency	<u>14,853</u>	<u>22,878</u>
Total Public Support	<u>47,148</u>	<u>43,602</u>
Expenses:		
Program Services	37,836	40,340
Management and general	<u>8,582</u>	<u>6,856</u>
Total Expenses	<u>46,418</u>	<u>47,196</u>
Public Support and Other Revenue Over (Under) Expenses	700	(1,320)
Fund Balance, Beginning of Year	<u>5,443</u>	<u>7,283</u>
Fund Balance, End of Year	<u>\$ 7,143</u>	<u>\$ 5,963</u>

Subject to the comments contained in the independent Auditors' report  
and notes to financial statements which are an integral part hereof

EMERGENCY AID CENTER  
Franklin, Louisiana

Comparative Statement of Cash Flows  
For the Years Ended December 31, 1995 and 1994

	<u>1995</u>	<u>1994</u>
<b>Cash Flows from Operating Activities:</b>		
Excess of revenue over expenses	\$ 798	\$ (1,320)
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:		
Depreciation		
Changes in operating assets and liabilities:		
(increase) decrease in accounts receivable	3,258	3,413
(Decrease) increase in payroll taxes payable	<u>(88)</u>	<u>(286)</u>
<b>Net Cash Provided by Operating Activities</b>	<u>4,832</u>	<u>2,240</u>
<b>Cash Flows from Investing Activities:</b>		
Purchases of office equipment	<u>(1,428)</u>	<u>-</u>
<b>Net Cash Used in Investing Activities</b>	<u>(1,428)</u>	<u>-</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	3,404	2,240
Cash and Cash Equivalents, beginning of Year	<u>2,238</u>	<u>35</u>
<b>Cash and Cash Equivalents, end of Year</b>	<u>\$ 5,642</u>	<u>\$ 2,300</u>

Subject to the comments contained in the independent Auditors' report and notes to financial statements which are an integral part hereof

EMERGENCY AID CENTER  
Franklin, Louisiana

Notes to the Financial Statements  
For the year ended December 31, 1995

NOTE 2: 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 residents of Franklin, Louisiana and the surrounding area.

Basis of Presentation

The accompanying financial statements are presented on the accrual basis of accounting. Annual basis accounting is the comprehensive basis of accounting prescribed by generally accepted accounting principles.

Fund Accounting

In order to comply with restrictions which govern place on grants and other gifts as well as designations made by its governing board, the principles of fund accounting are used. Accordingly, all assets, liabilities, and activities are stated on the accrual basis and are accounted for in the Operating, Restricted, and Plant Funds. Contributions are considered to be unrestricted funds unless restricted by the donor. All funds over which the Board of Directors has discretionary control have been included in the operating fund.

Functional Expenses

Expenses are charged to each program based on direct expenditures incurred.

Income Tax Status

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.

Property & Equipment

The Emergency Aid Center capitalizes all expenditures for the purchase of property and equipment. Property and equipment is recorded at cost or estimated fair value at date of gift, if donated. 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, 1988

NOTE 2: 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, 1988 is as follows:

Furniture & Fixtures	\$ 2,460
Office Equipment	<u>2,348</u>
	4,808
Less: Accumulated Depreciation	<u>(3,181)</u>
Total	<u>\$ 1,627</u>

Depreciation expense for the year ended December 31, 1988 is \$229.



**GURNEY & CHAMBERLAIN**  
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FRANKLIN, LOUISIANA 70501

MEMBERSHIP IN  
EXCESS OF 250  
MEMBER OF A COMPANY, 1986

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
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, 1985, and have issued our report thereon dated June 18, 1986.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

In planning and performing our audit of the financial statements of the Emergency Aid Center for the year ended December 31, 1985, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the organization's ability to record, process, summarize, and report financial data in a manner that is consistent with the assertions of management in the financial statements.

Inadequate Segregation of Accounting Functions

Finding:

Due to the small number of employees, the Emergency Aid Center did not have adequate segregation of functions within the accounting system.

Recommendation:

Based on the size of the operation and the cost-benefit of addition personnel, it may not be feasible to achieve complete segregation of duties.

Response:

No response is considered necessary.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a related timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe that the reportable conditions described above are material weaknesses.

This report is intended for the information 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.

*David J. Dennis,*  
Certified Public Accountants

**QUINCY & CHAMLIN**  
CERTIFIED PUBLIC ACCOUNTANTS  
A FIRM OF DELLOITTE, PARRISON AND ERNST & YOUNG  
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MEMPHIS, TENNESSEE 38103

MEMPHIS  
MEMPHIS, TENNESSEE

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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, 1998, and have issued our report thereon dated June 23, 1999.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

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

*Quincy & Chamlin*  
Certified Public Accountants

Franklin, Louisiana  
June 10, 1999

EMERGENCY AID CENTER  
Franklin, Louisiana

Schedule of Functional Expenses  
For the year ended December 31, 1995

	Program Activities	Support Services	Total Program & Support Services
Food	\$ 2,817	\$ -	\$ 2,817
Shelter	1,872	-	1,872
Utilities	9,318	698	10,017
Medical	381	-	381
Rent	-	1	1
Travel	247	1,263	1,510
Office	180	752	932
Postage	88	96	184
Telephone	-	658	658
Insurance	-	810	810
Legal & Professional	-	2,180	2,180
Repairs & Maintenance	21	674	701
Salaries	16,838	-	16,838
Payroll Taxes	1,230	-	1,230
Total expenses before depreciation	<u>33,636</u>	<u>7,643</u>	<u>41,279</u>
Depreciation	-	622	622
Total Expenses	<u>\$ 33,636</u>	<u>\$ 8,265</u>	<u>\$ 41,901</u>

Subject to the comments contained in the independent Auditors' report and noted to Financial statements which are an integral part hereof