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CRIME STOPPERS OF LAKE CHARLES, INC.

Reviewed Financial Statements

For the year ended December 31, 2003

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 4-14-04

Affidavit and Revenue Certification

Crime Stoppers of Lake Charles ENTITY NAME
Calcasieu Parish
Lake Charles (City), Louisiana

**ANNUAL SWORN FINANCIAL STATEMENTS AND
CERTIFICATION OF REVENUES \$50,000 OR LESS (if applicable)**

The annual sworn financial statements are required by Louisiana Revised Statute 24:514 to be filed with the Legislative Auditor within 90 days after the close of the fiscal year. If applicable, the certification of revenues \$50,000 or less is required by Louisiana Revised Statute 24:513(l)(1)(c)(i). (The threshold is \$200,000 for Justices of the Peace and Constables.)

Personally came and appeared before the undersigned authority, Tamra Nelson
(name), who, duly sworn, deposes and says that the financial statements herewith given present fairly the financial position of Crime Stoppers of Lake Charles (entity name) as of December 31, 2003, and the results of operations for the year then ended, in accordance with the basis of accounting described within the accompanying financial statements.

(Complete if applicable)

In addition, Tamra Nelson, (name), who, duly sworn, deposes and says that Crime Stoppers of Lake Charles (entity name) received \$50,000 (\$200,000) or less in revenues and other sources for the year ended December 31, 2003, and accordingly, is not required to have an audit for the previously mentioned year.

Tamra Nelson
Signature

Sworn to and subscribed before me this 31st day of March, 2004.

Sheryl N. Adair
NOTARY PUBLIC

Officer Name Tamra Nelson
Title Secretary / Treasurer
Address P.O. Box 35
Lake Charles, LA 70602
Telephone No. 337-436-6648
Fax No. 337-433-4169

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Tax
Accounting and Auditing
Financial Planning and Forecasting
Estate Planning
Management Advisory Services
Small Business Accounting Services

ACCOUNTANTS' REVIEW REPORT

MEMBERS

To the Board of Directors
Crime Stoppers of Lake Charles, Inc.
Lake Charles, Louisiana

Robert G. Dunn
CPA



DUNN, ROBERTS
& COMPANY, LLC

We have reviewed the accompanying statement of financial position of Crime Stoppers of Lake Charles, Inc. (a nonprofit organization) as of December 31, 2003, and the related statements of activities and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Crime Stoppers of Lake Charles, Inc.

Sara A. Roberts
CPA

A review consists principally of inquiries of Organization personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Donita G. Helms
CPA

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with U.S. generally accepted accounting principles.

Dunn, Roberts & Company, LLC

DUNN, ROBERTS & COMPANY, LLC
Lake Charles, Louisiana

March 26, 2004

Crime Stoppers of Lake Charles, Inc.

STATEMENT OF FINANCIAL POSITION

December 31, 2003

ASSETS

Cash	\$ 63,684
Certificates of deposit	50,602
Receivables, state and local governments	<u>1,451</u>
Total assets	<u><u>\$ 115,737</u></u>

LIABILITIES AND NET ASSETS

NET ASSETS

Unrestricted net assets	
Operating	\$ 70,650
Board designated	<u>3,516</u>
	74,166
Temporarily restricted net assets	<u>41,571</u>
Total liabilities and net assets	<u><u>\$ 115,737</u></u>

See accompanying notes and accountants' report.

Crime Stoppers of Lake Charles, Inc.

STATEMENT OF ACTIVITIES

December 31, 2003

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE			
Support			
Contributions	\$ 6,525	\$ -	\$ 6,525
State and local government (Act 50)	-	36,131	36,131
Net assets released from restrictions	2,146	(2,146)	-
	<u>8,671</u>	<u>33,985</u>	<u>42,656</u>
Revenue			
Interest income	1,039	47	1,086
	<u>1,039</u>	<u>47</u>	<u>1,086</u>
Total support and revenue	9,710	34,032	43,742
EXPENSES			
Program services			
Hotline	196	-	196
Payoffs	1,950	-	1,950
	<u>2,146</u>	<u>-</u>	<u>2,146</u>
General and administrative			
Annual banquet	1,365	-	1,365
Conference	169	-	169
Dues and subscriptions	680	-	680
Insurance	1,000	-	1,000
Office expenses	109	-	109
Outside services	1,200	-	1,200
Postage	223	-	223
Professional fees	1,325	-	1,325
Promotional supplies	9,588	-	9,588
Student Crime Stoppers promotions	75	-	75
Web page	251	-	251
	<u>15,985</u>	<u>-</u>	<u>15,985</u>
Fundraising	582	-	582
	<u>582</u>	<u>-</u>	<u>582</u>
Total expenses	18,713	-	18,713
CHANGE IN NET ASSETS	(9,003)	34,032	25,029
NET ASSETS, BEGINNING OF YEAR	<u>83,169</u>	<u>7,539</u>	<u>90,708</u>
NET ASSETS, END OF YEAR	<u>\$ 74,166</u>	<u>\$ 41,571</u>	<u>\$ 115,737</u>

See accompanying notes and accountants' report.

Crime Stoppers of Lake Charles, Inc.

STATEMENT OF CASH FLOWS

For the year ended December 31, 2003

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from contributors	\$ 6,525
Cash received from state and local governments	36,646
Interest received	1,086
Cash paid to suppliers and informants	<u>(18,713)</u>
Net cash provided by (used in) operating activities	25,544
CASH FLOWS FROM INVESTING ACTIVITIES	
Net deposits to certificates of deposit	<u>(50,602)</u>
Net increase (decrease) in cash and equivalents	(25,058)
Cash and equivalents at beginning of year	<u>88,742</u>
Cash and equivalents at end of year	<u><u>\$ 63,684</u></u>
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	
Increase in net assets	\$ 25,029
Adjustments to reconcile net assets to net cash provided by (used in) operating activities:	
Decrease in accounts receivable	<u>515</u>
Net cash provided by (used in) operating activities	<u><u>\$ 25,544</u></u>

See accompanying notes and accountants' report.

Crime Stoppers of Lake Charles, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2003

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

Crime Stoppers of Lake Charles, Inc. is a corporation organized under the laws of the State of Louisiana for the purpose of promoting community welfare and lessening the burdens of law enforcement agencies by assisting in the apprehension and conviction of criminals through making funds available for use in offering rewards.

The Organization's funding for 2003 was provided by contributions from the general public, violation collections from local courts, and collections received from state and local governments in connection with Act 50 of the 2002 Regular Legislative Session, which amended the Code of Criminal Procedure Article 895.4. Act 50 mandates that all courts assess an additional cost of court of two dollars per offense from anyone convicted of any criminal or traffic offense in any district, parish, city or mayor's court and where a crime stoppers organization exists. The Organization began receiving funds as a result of this Act in October 2002. Funds received under this Act are classified as temporarily restricted until the purpose restriction is accomplished.

Basis of Accounting

The accompanying financial statements are prepared on an accrual basis; therefore, revenue is recognized when earned and expenses when incurred. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions.

Financial Statement Presentation

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Net assets of the Organization and changes therein are classified into the following categories:

continued

Crime Stoppers of Lake Charles, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2003

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Financial Statement Presentation (continued)

Unrestricted net assets are not subject to donor-imposed stipulations, or the donor-imposed stipulations have expired. The Organization's unrestricted net assets are composed of the following:

Operating: Net assets that are available to fulfill the purpose and administration of the Organization.

Board Designated: Net assets that are designated by the Board and represent unrestricted funds that have been set-aside for a designated purpose.

Temporarily restricted net assets consist of donor-restricted contributions. Amounts restricted by the donor, grantor or other outside party for a particular purpose are recognized as revenue when received and such amounts are reported as temporarily restricted net assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets are those net assets subject to donor imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

Support and Revenue

The Organization has also adopted SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

continued

Crime Stoppers of Lake Charles, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2003

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Use of Estimates

The preparation of financial statements for the Organization in conformity with generally accepted accounting principles requires the use of management's 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. Accordingly, actual results could differ from those estimates.

Income Taxes

Crime Stoppers of Lake Charles, Inc. is an organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is presented on the statement of activities. In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code. Currently, the Organization engages in no activities that would be taxed as unrelated business income.

Donated Services

Crime Stoppers of Lake Charles, Inc. receives free advertising from several companies. The values for these donated services cannot be reasonably determined.

Cash and Cash Equivalents

The Organization considers all liquid investments with an original maturity of three months or less to be cash equivalents. Cash received in connection with Act 50 is required to be held in a separate account.

Certificates of Deposit

Certificates of deposit are carried at market value.

continued

Crime Stoppers of Lake Charles, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2003

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Receivables

The Organization considers all receivables to be fully collectible; accordingly, no allowance for doubtful accounts is required. If an amount becomes uncollectible, it will be expensed in the period the determination is made.

Environmental Matters

As of December 31, 2003, the Organization is not aware of any violation with respect to environmental issues that need to be considered.

**NOTE B – TEMPORARILY RESTRICTED NET ASSETS AND BOARD
DESIGNATED FUNDS**

As of December 31, 2003, temporarily restricted net assets are available for the following purposes or periods:

Purpose restrictions:

Act 50 - Paying rewards, operation of a hotline used for receiving information, and for other purposes directly related to obtaining information on criminal activities	<u>\$ 41,571</u>
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Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows:

Purpose restriction accomplished:

Act 50 - purposes directly related to obtaining information on criminal activities:	
Rewards	\$ 1,950
Hotline	196
	<u>\$ 2,146</u>

continued

Crime Stoppers of Lake Charles, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2003

NOTE B – TEMPORARILY RESTRICTED NET ASSETS AND BOARD DESIGNATED FUNDS (CONTINUED)

Board designated funds are designated for the purpose of issuing rewards for information leading to the conviction of a criminal who's act was arson. The balance at December 31, 2003 was \$3,516.

NOTE C – SUPPORT CONCENTRATION

During the year ended December 31, 2003, the Organization received 85% of its support from collections received from state and local governments in connection with Act 50 of the 2002 Regular Legislative Session, which amended the Code of Criminal Procedure Article 895.4. Act 50 mandates that all courts assess an additional cost of court of two dollars per offense from anyone convicted of any criminal or traffic offense in any district, parish, city or mayor's court and where a crime stoppers organization exists.

NOTE D – RECLASSIFICATION

The following discloses the reclassification of net assets as of the beginning of the year:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>
Net assets, beginning of year, as previously stated	\$ 82,119	\$ 8,589
Reclassification due to satisfaction of purpose restriction for the year ended December 31, 2002	<u>1,050</u>	<u>(1,050)</u>
Net assets, beginning of year, as restated	<u>\$ 83,169</u>	<u>\$ 7,539</u>