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RED RIVER DELTA LAW ENFORCEMENT PLANNING COUNCIL, INC.

Pineville, Louisiana

Annual Financial Report

For the Year Ended September 30, 1998

(With Audit Report Thereon)

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Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 ~~MAR 3 1 1999~~

**RED RIVER DELTA LAW ENFORCEMENT PLANNING COUNCIL, INC.**  
Pineville, Louisiana

For the Year Ended September 30, 1998

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**TOM MILHOAN**  
Certified Public Accountant

Member:  
American Institute of Certified Public Accountants  
Society of Louisiana Certified Public Accountants

109 North Eleventh Street  
Oakdale, Louisiana 71463  
(318)335-0495

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Red River Delta Law Enforcement  
Planning Council, Inc.  
Pineville, Louisiana

I have audited the accompanying statement of financial position of Red River Delta Law Enforcement Planning Council, Inc. (a nonprofit organization) as of September 30, 1998, and the related statements of support, revenue, expenses and changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Council's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my 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 I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Red River Delta Law Enforcement Planning Council, Inc. as of September 30, 1998, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued a report dated March 8, 1999, on my consideration of Red River Delta Law Enforcement Planning Council, Inc. internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.



Oakdale, Louisiana  
March 8, 1999

**RED RIVER DELTA LAW ENFORCEMENT PLANNING COUNCIL, INC.**

Pineville, Louisiana

Statement of Financial Position

September 30, 1998

**ASSETS**

Current Assets		
Cash		\$ 71,968
Accounts Receivable		7,860
Prepaid Expenses		<u>4,981</u>
Current Assets		84,809
Property and Equipment:		
Land and Building	\$118,315	
Furniture and Equipment	<u>183,840</u>	
	302,155	
Less: Accumulated Depreciation	<u>137,584</u>	<u>164,571</u>
<b>TOTAL ASSETS</b>		<b><u>\$249,380</u></b>

**LIABILITIES AND NET ASSETS**

Current Liabilities		
Accounts Payable		\$ 86,136
Short Term Note Payable		13,550
Program Income		807
Accrued Expenses		1,831
Deferred Revenue		11,250
Current Portion of Notes Payable		<u>5,659</u>
Total Current Liabilities		119,233
Notes payable, less current portion		55,753
Accrued Annual Leave		<u>18,478</u>
Total Liabilities		193,464
Net Assets -		
Unrestricted	\$ 18,258	
Temporarily Restricted -		
Grant Property and Equipment	<u>37,658</u>	<u>55,916</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>		<b><u>\$249,380</u></b>

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

**RED RIVER DELTA LAW ENFORCEMENT PLANNING COUNCIL, INC.**  
Pineville, Louisiana

Statement of Support and Revenue, Expenses,  
and Changes in Net Assets  
For the Year Ended September 30, 1998  
(With Comparative Totals for September 30, 1997)

	Operating Funds <u>Unrestricted</u>	Grant Funds <u>Restricted</u>	Total <u>All Funds</u>	September 30, 1997 <u>Total</u>
<b>SUPPORT AND REVENUE</b>				
Membership Dues	\$ 55,000	\$ -	\$ 55,000	\$ 55,000
Administrative Fee - Northwest Contract	45,000	-	45,000	30,000
Interest Income	2,147	-	2,147	534
Other Income	4,310	-	4,310	1,033
Rent Income	10,794	-	10,794	11,775
Federal and State Grants:				
Jail Removal Specialist	-	59,296	59,296	72,550
Law Enforcement Training	-	2,734	2,734	17,551
D.A.R.E. Program	-	120,743	120,743	59,208
Drug Grant Administration	-	39,690	39,690	35,280
State Training Center	-	132,188	132,188	184,601
Block Training	-	14,880	14,880	19,855
JDP Planning Funds	-	5,892	5,892	5,892
Basic and Correction Officer Training	-	45,100	45,100	40,300
<b>TOTAL SUPPORT AND REVENUE</b>	<u>117,251</u>	<u>420,523</u>	<u>537,774</u>	<u>533,579</u>
<b>EXPENSES</b>				
Salaries	44,324	127,033	171,357	164,944
Employee Insurance and Taxes	12,930	11,242	24,172	19,620
Retirement Plan	25,182	-	25,182	15,059
Office Supplies and Expense	4,172	28,956	33,128	36,006
Rent	-	10,794	10,794	11,775
Interest	6,446	-	6,446	7,606
Automobile Operating Cost	1,215	16,548	17,763	13,522
Depreciation	27,041	-	27,041	26,103
Professional Fees	4,486	83,183	87,669	105,610
Maintenance	1,495	758	2,253	2,028
Meeting and Other Expenses	3,569	715	4,284	2,091
Travel	907	55,106	56,013	65,847
Reimburse Specialized Training	-	62,714	62,714	60,155
Supplies and Other Training Expenses	-	18,805	18,805	10,971
<b>TOTAL EXPENSES</b>	<u>131,767</u>	<u>415,854</u>	<u>547,621</u>	<u>541,337</u>
Excess of Support and Revenue Over (Under) Expenses	<u>(14,516)</u>	<u>4,669</u>	<u>(9,847)</u>	<u>(7,758)</u>
Capital Additions Transferred - Temporarily Restricted Grant Property and Equipment	<u>4,669</u>	<u>(4,669)</u>	<u>-</u>	<u>-</u>
Excess of Support and Revenue Over (Under) Expenses	(9,847)	-	(9,847)	(7,758)
<b>Net Assets, Beginning of Year</b>	62,073	-	62,073	69,831
Gain on Sale of Unrestricted Asset	<u>3,690</u>	<u>-</u>	<u>3,690</u>	<u>-</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 55,916</u>	<u>\$ -</u>	<u>\$ 55,916</u>	<u>\$ 62,073</u>

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

**RED RIVER DELTA LAW ENFORCEMENT PLANNING COUNCIL, INC.**  
Pineville, Louisiana

Statement of Cash Flows  
For the Year Ended September 30, 1998

	Operating Funds <u>Unrestricted</u>	Grant Funds <u>Restricted</u>	Total <u>All Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Excess of Support and Revenue Over (Under) Expenses	\$ (6,157)	\$ -	\$ (6,157)
Adjustments to reconcile net income to net cash provided (used) by operating activities:			
Depreciation	27,041	-	27,041
(Increase)/Decrease in:			
Due from Unrestricted Operating Funds	-	3,122	3,122
Accounts Receivable	(7,860)	8,891	1,031
Prepaid Expenses	(259)	-	(259)
Increase/(decrease) in:			
Due to Restricted Grant Funds	(3,122)	-	(3,122)
Accounts Payable	-	(8,343)	(8,343)
Accrued Liabilities	(3,089)	-	(3,089)
Deferred Revenue	<u>(6,766)</u>	<u>(3,670)</u>	<u>(10,436)</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>(212)</u>	<u>-</u>	<u>(212)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of Equipment	<u>(36,880)</u>	<u>-</u>	<u>(36,880)</u>
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<u>(36,880)</u>	<u>-</u>	<u>(36,880)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from Debt	20,050		20,050
Debt Reduction	<u>(7,245)</u>	<u>-</u>	<u>(7,245)</u>
<b>NET CASH USED BY FINANCING ACTIVITIES</b>	<u>12,805</u>	<u>-</u>	<u>12,805</u>
<b>NET INCREASE/(DECREASE) IN CASH</b>	(24,287)	-	(24,287)
<b>CASH AT BEGINNING OF YEAR</b>	<u>96,255</u>	<u>-</u>	<u>96,255</u>
<b>CASH AT END OF YEAR</b>	<u>\$71,968</u>	<u>\$ -</u>	<u>\$71,968</u>

**SUPPLEMENTAL DISCLOSURES**

Operating activities reflect interest paid of \$ 6,060.

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

**RED RIVER DELTA LAW ENFORCEMENT PLANNING COUNCIL, INC.**  
Pineville, Louisiana

Notes to the Financial Statements  
For the Year Ended September 30, 1998

**A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Organization*

Red River Delta Law Enforcement Planning Council, Inc. (hereinafter referred to as Red River Delta), is a not-for-profit corporation, organized in 1976 under Louisiana Corporation Statutes. The Corporation, acting under the authority of the Louisiana Commission on Law Enforcement and the Administration of Criminal Justice, as provided in Louisiana Revised Statutes 15:1209 et seq, provides planning, assistance, and advice on criminal justice activities and projects to the various local law enforcement agencies within the parishes of Avoyelles, Catahoula, Concordia, Grant, LaSalle, Rapides, Vernon, and Winn.

*Income Tax Exemption*

Red River Delta qualifies as a tax-exempt organization under Section 501(c)(4) of the Internal Revenue Code and, therefore, has no provision for federal income taxes.

*Basis of Accounting*

The financial statements of Red River Delta have been prepared on the accrual basis of accounting.

*Presentation of Net Assets by Class*

The accompanying financial statements have been prepared in conformity with the disclosure and presentation requirements of the Financial Accounting Standards Board (FASB) as set forth in Statement of Financial Accounting Standards No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, Red River Delta is required 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.

Net assets of the two restricted classes are created by grant imposed restrictions on their use. All other net assets, including board designated or appropriated amounts, are legally unrestricted and are reported as part of the unrestricted class.

The temporarily restricted net assets consist of property and equipment that are acquired with grant funds and remain restricted for use in a specified future period.

Red River Delta reports revenue in the following two classifications:

**Membership Dues** - Membership dues and a contractual agreement with Northwest Law Enforcement Planning Agency, Inc. (Northwest) are the primary sources of unrestricted operating funds. A schedule of dues for each parish is adopted annually by the Board of Directors. Under the contract with Northwest, Red River Delta serves as the operating staff of Northwest and performs the basic duties of office administration, planning and grant administration. Northwest compensates Red River Delta at the rate of \$45,000 per year plus any grant reimbursements from the Juvenile Justice and Delinquency Prevention programs. The agreement provides for alteration or cancellation by either party upon thirty days notice.

(continued)

**RED RIVER DELTA LAW ENFORCEMENT PLANNING COUNCIL, INC.**  
Pineville, Louisiana

Notes to the Financial Statements  
For the Year Ended September 30, 1998

**Federal and State Grants** - The restricted grant funds consist primarily of subgrants administered by the Governor of the State of Louisiana, administered by the Louisiana Commission on Law Enforcement and Administration of Criminal Justice (LCLE), to be used for specific programs. These subgrants, funded by Federal and state agencies, are used primarily to provide specialized training to local law enforcement personnel in the areas of crime prevention and control, and to administer juvenile justice programs. Grant applications submitted to LCLE for approval require specific information and budgets as to the use of these grant funds. Certain grants allow for the reimbursement of salary expense and the use of office space for approved grant personnel in the administration of the grant programs by Red River Delta.

*Cash and Equivalents*

For the Statement of Cash Flows, cash is defined as all monies in checking and savings accounts, certificates of deposits maturing in one year or less, and cash on hand.

*Concentration of Credit Risk*

Red River Delta's deposits are concentrated in two financial institutions. FDIC coverage is available up to \$100,000 per bank. Amounts in excess of this are uninsured and are subject to loss should the bank fail (with a possible offset against the outstanding loans, if any). During the year ended September 30, 1998 the organization's bank balance did not exceed FDIC coverage.

*Total Columns*

Total columns are presented to facilitate financial analysis. Data in these columns do not present financial position, results of operation and changes in fund balances in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

*Comparative Data*

The financial information for the year ended September 30, 1997, presented for comparative purposes, is not intended to be a complete financial statement presentation.

**B - CASH**

Cash consists of the balance in the operating account as follows:

Cash on Hand	\$ 400
Operating Account	16,219
Passbook Savings Account	6,922
Certificates of Deposit	<u>48,427</u>
Total	<u>\$71,968</u>

**C - ACCOUNTS RECEIVABLE**

This amount consists of uncollected membership dues as of September 30, 1998.

(continued)



**RED RIVER DELTA LAW ENFORCEMENT PLANNING COUNCIL, INC.**  
Pineville, Louisiana

Notes to the Financial Statements  
For the Year Ended September 30, 1998

**D - ACCOUNTS PAYABLE**

This balance reflects amounts to be paid subsequent to year end for costs incurred and reimbursements due under the following programs:

Block Training	T98-3-001	\$ 14,880
Jail Removal Specialist	96-J8-J.3-0248	6,501
D.A.R.E. Program	R99-8-001	8,787
D.A.R.E. Program	E99-3-011	<u>55,968</u>
Total		<u>\$ 86,136</u>

**E - DEFERRED REVENUES**

Deferred revenues consist of payments received from Northwest prior to year end for the subsequent year's contract fee.

**F - PROGRAM INCOME**

Matching funds for program costs in excess of required amounts represents program income that must be used in the reduction of future approved program costs. Program income at September 30, 1998 was:

	Drug Block <u>90-B3-B.2-0010</u>	D.A.R.E. Program <u>92-B3-B.1-0335</u>	D.A.R.E. Program <u>94-B3-B.1-0047</u>
Balance, September 30, 1997	\$ 609	\$ 13	\$ 185
Program Costs	-	-	-
Program Income	<u>-</u>	<u>-</u>	<u>-</u>
Balance, September 30, 1998	<u>\$ 609</u>	<u>\$ 13</u>	<u>\$ 185</u>

**G - PROPERTY AND EQUIPMENT**

Property and equipment is stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range as follows:

	<u>Years</u>
Building and building addition	40
Furniture and equipment	5-7

(continued)

**RED RIVER DELTA LAW ENFORCEMENT PLANNING COUNCIL, INC.**  
Pineville, Louisiana

Notes to the Financial Statements  
For the Year Ended September 30, 1998

**H - SHORT-TERM NOTE PAYABLE**

Note payable to bank, due February 9, 1999, bearing interest at 7.00%, secured by a certificate of deposit in the amount of \$25,424. Amount due as of September 30, 1998:	September 30, <u>1998</u> <u>\$13,550</u>
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**I - LONG -TERM LIABILITIES**

Note payable to a financial institution in monthly installments through March 1, 2017, of \$489, and is collateralized by land and building. The interest rate varies and is based on an index that is the weekly average yield on United States Treasury Securities adjusted to a constant maturity of one year. The rate in effect for the year ended September 30, 1998, was 8.75 percent.	September 30, <u>1998</u>  \$42,437
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Note payable to bank, bearing interest of 7.00% per annum, secured by certificate of deposit in an amount not less than \$22,554; principal and interest payable at \$482 per month; due June, 2002.	<u>18,975</u> <u>61,412</u>
Current Portion	<u>5,659</u>
Long-Term Notes Payable	<u>\$55,753</u>

Estimated maturities on long-term debt for the next five years are as follows:

1999	5,659
2000	6,089
2001	6,550
2002	5,538
2003	1,500
Thereafter	36,076

**J - RESTRICTIONS ON NET ASSETS**

Furniture and equipment purchased with grant funds are to be used for specific purposes. Any other use or disposal requires LCLC approval.

**K - OTHER INCOME**

Other income consists primarily of tuition charged for state D.A.R.E. training programs. The amounts are used to defray associated costs not covered by the grants.

(continued)

**RED RIVER DELTA LAW ENFORCEMENT PLANNING COUNCIL, INC.**  
Pineville, Louisiana

Notes to the Financial Statements  
For the Year Ended September 30, 1998

**L - RESTRICTED GRANT FUNDS**

Red River Delta received and spent the following funds from Federal and state programs:

	Schedule of Grants Received and Disbursed For the Year Ended September 30, 1998			Revenues			Expenditures		
				Prior Years	Current Year	Total To Date	Prior Years	Current Year	Total To Date
	Grant	Matching Contributions	Total						
<b>FEDERAL</b>									
Jail Removal Specialist #96-J8-J.3-0248	\$ 59,296	\$ -	\$ 59,296	-	\$ 59,296	\$ 59,296	\$ -	\$ 59,296	\$ 59,296
JJDP RPU Planning #97-J8-J.1-0217	2,946	2,946	2,946	-	5,892	5,892	-	5,892	5,892
Drug Administration Grant #97-B3-B399-0076	39,690	-	39,690	-	39,690	39,690	-	39,690	39,690
Prosecution Training #95-M3-M.01-0423	6,730	2,244	8,974	<u>6,240</u>	<u>2,734</u>	<u>8,974</u>	<u>6,240</u>	<u>2,734</u>	<u>8,974</u>
<b>Total Federal Grants</b>				<u>6,240</u>	<u>107,612</u>	<u>113,852</u>	<u>6,240</u>	<u>107,612</u>	<u>113,852</u>
<b>STATE</b>									
D.A.R.E. State Training Center #R98-3-012	185,258	-	185,258	64,515	120,743	185,258	64,515	120,743	185,258
D.A.R.E. #R98-8-001	60,000	-	60,000	14,165	45,835	60,000	14,165	45,835	60,000
D.A.R.E. #r99-8-001	60,000	-	60,000	-	15,110	15,110	-	15,110	15,110
D.A.R.E. State Training Center #E99-3-011	210,497	-	210,497	-	71,243	71,243	-	71,243	71,243
Basic Training #P98-3-BAS	34,500	-	34,500	-	34,500	34,500	-	34,500	34,500
Correctional Training #P98-3-COR	10,600	-	10,600	-	10,600	10,600	-	10,600	10,600
Block Training - Act 562 #I98-3-001	14,880	-	14,880	-	14,880	14,880	-	14,880	14,880
<b>Total State Grants</b>				<u>78,680</u>	<u>312,911</u>	<u>391,591</u>	<u>78,680</u>	<u>312,911</u>	<u>391,591</u>
<b>Total Grants</b>				<u>\$ 84,920</u>	<u>\$420,523</u>	<u>\$505,443</u>	<u>\$ 84,920</u>	<u>\$420,523</u>	<u>\$505,443</u>

(continued)

**RED RIVER DELTA LAW ENFORCEMENT PLANNING COUNCIL, INC.**  
Pineville, Louisiana

Notes to the Financial Statements  
For the Year Ended September 30, 1998

**M - ACCRUED ANNUAL LEAVE**

Red River Delta provides a leave policy that allows accumulation of unused annual leave which is carried forward each year. Upon separation of employment, Red River Delta will pay up to three hundred hours of unused accumulated annual leave. The remainder of unused annual leave and all sick leave is canceled. The amount accrued for the year ended September 30, 1998, was \$18,478.

**N - RETIREMENT PLAN**

Red River Delta maintains a Simplified Employee Pension Plan as defined in Section 408(k) of the Internal Revenue Code for those employees who qualify. The Board adopted a policy to contribute 15 percent of qualified employees' salary. The contribution for the year ended September 30, 1998, amounted to \$25,182.

**O - CONTINGENT LIABILITIES**

Amounts received from the grantor agency is subject to audit and adjustment by the grantor. Any disallowed claims, including amounts already collected may constitute a liability of the corporation. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although Red River Delta expects such amounts, if any, to be immaterial.

**TOM MILHOAN**  
Certified Public Accountant

Member:  
American Institute of Certified Public Accountants  
Society of Louisiana Certified Public Accountants

109 North Eleventh Street  
Oakdale, Louisiana 71463  
(318)335-0495

**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  
Red River Delta Law Enforcement  
Planning Council, Inc.  
Pineville, Louisiana

I have audited the financial statements of Red River Delta Law Enforcement Planning Council, Inc. (a nonprofit organization) as of and for the year ended September 30, 1998, and have issued my report thereon dated March 8, 1999. I conducted my 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 Red River Delta Law Enforcement Planning Council, Inc. financial statements are free of material misstatement, I performed tests of its 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 my audit, and accordingly, I do not express such an opinion. The results of my 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 my audit, I considered Red River Delta Law Enforcement Planning Council, Inc. internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

Prior Year Findings

There were no prior year findings.

This report is intended for the information of the audit committee, management, Louisiana Commission on Law Enforcement, and the Legislative Auditor. However, this report is a matter of public record, and its distribution is not limited.



Oakdale, Louisiana  
March 8, 1999