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**CRIMESTOPPERS, INC.
COURT FUND PROGRAM**

**FINANCIAL AND COMPLIANCE AUDIT
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT**

FOR THE YEAR ENDED DECEMBER 31, 2003

Under provisions of state law, this report is a public document. A copy of its contents 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 7-28-04

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Society of Louisiana
Certified Public Accountants

Michael B. Bruno, CPA
Allen J. Tervelin, Jr., CPA
Walter A. Moore, Jr., CPA
Paul S. Arditt, Sr., CPA

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Crimestoppers, Inc. - Court Fund Program
New Orleans, Louisiana

We have audited the accompanying statement of financial position for the **Court Fund Program (the Court Fund)** of Crimestoppers, Inc. (a non-profit corporation) as of December 31, 2003 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Crimestoppers, Inc.'s management. 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 Governmental 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 audit provides a reasonable basis for our opinion.

As described in NOTE 1, the accompanying financial statements were prepared for the purpose of complying with the requirements of the **Court Fund** and are not intended to present fairly the financial position of Crimestoppers, Inc., as of December 31, 2003, and the changes in its net assets for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the **Court Fund** as of December 31, 2003, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the Board of Directors
Crimestoppers, Inc. - Court Fund Program
New Orleans, Louisiana
Page 2

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2004 on our consideration of the Court Fund's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Bruno & Tervalon LLP
BRUNO & TERVALÓN LLP
CERTIFIED PUBLIC ACCOUNTANTS

June 21, 2004

CRIMESTOPPERS, INC. - COURT FUND PROGRAM
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2003

ASSETS

Cash and cash equivalents (NOTE 2)	\$ 29,818
Certificates of Deposit	200,000
Court fee receivable	14,143
Computer equipment (NOTES 3 AND 3)	<u> 599</u>
Total assets	<u>\$254,560</u>

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$ <u>1,598</u>
Total liabilities	<u>1,598</u>

Net Assets (NOTE 2)

Temporarily restricted	<u>254,962</u>
Total net assets	<u>254,962</u>
Total liabilities and net assets	<u>\$258,560</u>

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

CRIMESTOPPERS, INC. - COURT FUND PROGRAM
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2003

Revenues	
Court fees (NOTE 3)	\$ 302,567
Total revenues	<u>302,567</u>
Expenses	
Program services:	
Reward payments	46,690
Advertising and marketing	<u>12,664</u>
Total program services	<u>59,354</u>
Support services:	
Miscellaneous	790
Professional services	<u>3,000</u>
Total support services	<u>3,790</u>
Total expenses	<u>63,144</u>
Changes in net assets	240,203
Net assets at beginning of year	<u>14,759</u>
Net assets at end of year	<u>\$ 254,962</u>

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

CRIMESTOPPERS, INC. - COURT FUND PROGRAM
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2003

Cash Flows From Operating Activities	
Change in net assets	\$240,203
Adjustments to reconcile decrease in net assets to net cash provided by operations:	
(Increase) decrease in assets:	
Court fee receivable	(34,343)
Increase (decrease) in liabilities:	
Accounts payable	<u>1,298</u>
Net cash provided by operating activities	<u>206,658</u>
Cash Flows from Investing Activities	
Purchase of certificates of deposit	(290,600)
Purchase of equipment	<u>(3,382)</u>
Net cash used in investing activities	<u>(293,982)</u>
Net increase in cash and cash equivalents	9,059
Cash and cash equivalents, beginning of year	<u>14,759</u>
Cash and cash equivalents, end of year	<u>\$ 23,818</u>

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

CRIMESTOPPERS, INC. - COURT FUND PROGRAM
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - Organization:

The Crimestoppers, Inc. program is a cooperative effort among the police, the media and the community. Crimestoppers, Inc. is a private, non-profit (501)(c)(3) corporation formed locally in 1982, by small business and concerned citizens, to provide a means for the police to get critical information on crime from anonymous sources. Crimestoppers, Inc. administers the Court Fund program.

In June 2002, Act 50 House Bill No. 33 was passed to provide for an additional cost of court to be imposed on offenders convicted of criminal and traffic violations, and to provide the payment of the Court Funds derived from the additional cost of court to crimestopper organizations. The Court Funds shall be used solely for the purposes of paying rewards to individuals who provide information on criminal activity, for the operation of a hotline used for receiving that information, and other purposes which are directly related to obtaining information on criminal activities.

The Court Fund is a program of Crimestoppers, Inc. The financial statements of the Court Fund are not intended to and do not present either the financial position, or the change in net assets of the Crimestoppers, Inc.

NOTE 2 - Summary of Significant Accounting Policies:

Principles of Accounting

The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America and are prepared on the accrual basis.

Cash and Cash Equivalents

Cash consists solely of demand deposits fully secured by federal deposit insurance. For purposes of the statement of cash flows, the management of the Court Fund considers all time deposit and certificates of deposit with a maturity of three months or less to be cash equivalents. At December 31, 2003, there were no cash equivalents.

CRIMESTOPPERS, INC. - COURT FUND PROGRAM
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Basis of Reporting

SFAS No. 117 establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes in to three net asset categories (i.e. unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets) according to externally (donor) imposed restrictions.

A description of the net asset categories is as follows:

Unrestricted Net Assets

Unrestricted net assets include funds not subject to donor-imposed stipulations. The expenses incurred for the Court Fund are included in this category.

Temporarily Restricted Net Assets

Temporarily restricted net assets include realized gains and losses, investment income and gifts and contributions for which donor-imposed restrictions have not been met. The revenues received for the Court Fund are included in this category.

Permanently Restricted Net Assets

Permanently restricted net assets are contributions which are required by the donor-imposed restriction to be invested in perpetuity and only the income be made available for program operations in accordance with the donor restrictions. Such income is reflected in temporarily restricted net assets until utilized for donor-imposed restrictions.

At December 31, 2003, the Court Fund did not have any permanently restricted net assets.

CRIMESTOPPERS, INC. - COURT FUND PROGRAM
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - *Summary of Significant Accounting Policies, Continued:*

Funding

The Court Fund receives its funding through fees assessed for any criminal or traffic offense in court within the territorial jurisdiction of the parishes served.

Computer Equipment

Computer equipment is recorded at cost (or fair market value for donated assets) and depreciated using the straight-line method over the estimated useful lives of the related assets, which is five years.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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 these estimates.

Fair Value of Financial Instruments

Generally accepted accounting principles require disclosure of fair value information about financial instruments for which it is practicable to estimate fair value, whether or not recognized in the statement of financial position. Cash and cash equivalents carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments.

Functional Allocation of Expenses

The costs of providing the various program and other activities have been presented on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

CRIMESTOPPERS, INC. - COURT FUND PROGRAM
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 3 - Computer Equipment:

Computer equipment consists of the following:

Computer	\$ 599
Total	599
Less: accumulated depreciation	<u>(-0-)</u>
Computer equipment net of accumulated depreciation	\$ 599

There was no depreciation expense recorded for the year ended December 31, 2003.

NOTE 4 - Economic Dependence:

The major source of revenue for the Court Fund are received from the fees assessed within the territorial jurisdiction of the parishes served. The continued success of the Court Fund is dependent upon the continuation of the Act 50 House Bill No. 33 which represents 100% of total revenues.

NOTE 5 - Court Fees:

Pursuant to Act 50 House Bill No. 33, when a criminal defendant of any criminal offense or any traffic offense is any court, and a Crimestoppers organization exist within the territorial jurisdiction of the court, the court shall assess a \$2.00 fee for each offense for which the defendant is convicted, and shall be in addition to all other fines, penalties, and fees imposed by the court. The court shall not suspend the payment of this fee. The fees collected are restricted and will be transferred to Crimestoppers, Inc. at least annually.

For the year ended December 31, 2003, Crimestoppers, Inc. received \$302,567 from the Act 50 House Bill No. 33.



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INDEPENDENT AUDITORS' 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
Crimestoppers, Inc. - Court Fund Program
New Orleans, Louisiana

We have audited the financial statements for the Court Fund of Crimestoppers, Inc. as of and for the year ended December 31, 2003 and have issued our report thereon dated June 21, 2004. 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 Court Fund's financial statements are free of material misstatement, we 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 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*.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Court Fund'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. Our 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Directors, management and the State of Louisiana and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana revised statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

June 21, 2004

CRIMESTOPPERS, INC. - COURT FUND PROGRAM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SUMMARY OF THE INDEPENDENT AUDITORS' RESULT
FOR THE YEAR ENDED DECEMBER 31, 2003

We have audited the financial statements for the Court Fund of Crimestoppers, Inc. as of and for the year ended December 31, 2003, and have issued our report thereon dated June 21, 2004. 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. Our audit of the financial statements as of December 31, 2003 resulted in an unqualified opinion.

Section I - Summary of Auditors' Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses - No

Reportable Conditions - No

Compliance

Compliance Material to Financial Statements - No

b. Federal Awards

Not Applicable

c. Identification of Major Programs

Not Applicable

Section II - Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards*

No matters reported.

Section III - Findings and Questioned Costs Related to Federal Awards

Not Applicable

CRIMESTOPPERS, INC. - COURT FUND PROGRAM

EXIT CONFERENCE

An exit conference was held to discuss the audit report. This exit conference was attended by:

CRIMESTOPPERS, INC. - COURT FUND

Mr. Melvin M. Pechon, CPA	--	Treasurer
Ms. Darlene G. Cannon	--	Executive Director

BRUND & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

Mr. Sean M. Brano, CPA	--	Manager
Mr. Eric J. Griffin	--	Senior