

**SOUTHWEST DISTRICT LAW ENFORCEMENT  
PLANNING COUNCIL, INC.**

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT**

**Year Ended June 30, 2004**

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: 09 - 20 - 2004

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*McMillan and Hancock*  
Certified Public Accountants, LLC  
P.O. Box 100

*Don S. McMillan, CPA*  
*Frank C. Hancock, CPA*

2002 Maplewood Drive  
Bogalusa, Louisiana 70003

Telephone (504) 222-2224  
Fax (504) 222-2224

**INDEPENDENT ACCOUNTANTS' REPORT**

Board of Directors  
The Southwest District Law Enforcement  
Planning Council, Inc.  
Lake Charles, Louisiana

We have audited the accompanying statement of financial position of Southwest District Law Enforcement Planning Council, Inc. (a non-profit organization) as of June 30, 2004 and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization'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 Governmental 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 audit provides 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 Southwest District Law Enforcement Planning Council, Inc. as of June 30, 2004, 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.

In accordance with Government Auditing Standards, we have also issued our report dated September 7, 2004, on our examination of Southwest District Law Enforcement Planning Council, Inc.'s internal control over financial reporting and on 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.

McMillan and Hancock, CPAs

*McMillan and Hancock, CPAs*

September 7, 2004

*Members*  
American Institute of Certified Public Accountants  
Louisiana Society of Certified Public Accountants

Seventeen Florida Law Enforcement Planning Council, Inc.

STATEMENT OF FINANCIAL POSITION

June 30, 1984

ASSETS

	1984	1983
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 617,193	\$ 215,828
Investments	104,658	69,240
Claims due receivable	44,304	42,888
Claims receivable	<u>4,381</u>	<u>7,622</u>
Total current assets	770,536	335,578
<b>PROPERTY AND EQUIPMENT (Net A/E)</b>		
Furniture, fixtures and equipment	11,487	11,187
Buildings and improvements	<u>71,341</u>	<u>71,300</u>
	82,828	82,487
Less accumulated depreciation	<u>(24,212)</u>	<u>(24,076)</u>
	58,616	58,411
<b>OTHER ASSETS</b>		
Deposits - utilities	<u>770</u>	<u>778</u>
Total Assets	\$ <u>829,782</u>	\$ <u>394,067</u>

LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ <u>271</u>	\$ <u>517</u>
Total current liabilities	271	517
<b>NET ASSETS</b>		
Unrestricted	<u>189,111</u>	<u>388,550</u>
Total Liabilities and Net Assets	\$ <u>389,382</u>	\$ <u>389,067</u>

The accompanying notes are an integral part of these statements.

Southwest Marine Law Enforcement Training Council, Inc.

STATEMENT OF ACTIVITIES

Year ended June 30, 2004  
with comparative data for 2003

	2004			2003
	TRUST FUNDS			TOTAL
	UNRESTRICTED	RESTRICTED	TOTAL	TOTAL
<b>PUBLIC SUPPORT AND REVENUE</b>				
Grants from state	\$ -	\$ 40,004	\$ 40,004	\$ 41,500
Subscriptions	48,800	-	48,800	48,800
Donations	3,200	-	3,200	3,200
Other Revenue Income	0	-	0	-
Netting related trust activities	40,004	(40,004)	-	-
<b>Total public support and revenue</b>	<u>92,004</u>	<u>-</u>	<u>92,004</u>	<u>93,500</u>
<b>EXPENSES</b>				
Program services	40,004	-	40,004	41,400
Management and general	12,000	-	12,000	12,101
<b>Total expenses</b>	<u>52,004</u>	<u>-</u>	<u>52,004</u>	<u>53,501</u>
<b>GRANTS DEDUCTIBLE</b>	<u>(1,000)</u>	<u>-</u>	<u>(1,000)</u>	<u>(1,740)</u>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>39,000</u>	<u>-</u>	<u>39,000</u>	<u>39,000</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 80,000</u>	<u>\$ -</u>	<u>\$ 80,000</u>	<u>\$ 80,000</u>

The accompanying notes are an integral part of these statements.

Investment District Law Enforcement Planning Council, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

Year ended June 30, 2004  
with comparative totals for 2003

	Program Services	Supporting Services	Total Program and Supporting Services Expenses	
			2004	2003
Salaries	\$ 25,354	\$ 11,328	\$ 45,280	\$ 41,424
Payroll taxes	768	3,587	3,812	3,728
Retirement	1,413	1,088	5,420	5,480
Legal and professional	-	1,088	1,880	1,968
Occupancy	-	7,218	7,538	6,287
Other costs	-	1,040	1,240	983
Printing and supplies	1,893	1,118	4,811	3,282
Training	29,780	-	29,780	24,000
Travel	-	247	247	560
<b>Total before depreciation</b>	<b>60,817</b>	<b>48,384</b>	<b>109,231</b>	<b>95,463</b>
Depreciation	-	3,384	3,384	3,891
<b>Total expenses</b>	<b>\$ 60,817</b>	<b>\$ 52,868</b>	<b>\$ 112,615</b>	<b>\$ 99,354</b>

The accompanying notes are an integral part of these statements.

Southwest District Law Enforcement Planning Council, Inc.

STATEMENT OF CASH FLOWS

Year ended June 30, 1994  
and comparative totals for 1993

	<u>1994</u>	<u>1993</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (1,774)	\$ (2,749)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,704	1,670
Net (increase)/decrease in:		
Debtors (less receivables)	(3,345)	4,799
Credit receivables	1,124	11,999
Net increase (decrease) in:		
Grants payable	-	111,000
Accounts payable	(365)	90
	<u>(2,115)</u>	<u>1,610</u>
Net cash provided (used) by operating activities	(2,115)	1,610
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of certificates of deposit	<u>(85,411)</u>	<u>(85,140)</u>
Net cash used by investing activities	<u>(85,411)</u>	<u>(85,140)</u>
Net decrease in cash and cash equivalents	(87,526)	(83,530)
Cash and cash equivalents, beginning of year	<u>215,508</u>	<u>299,038</u>
Cash and cash equivalents, end of year	<u>\$ 127,982</u>	<u>\$ 215,508</u>

The accompanying notes are an integral part of these statements.

Southwest District Law Enforcement Planning Council, Inc.

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. **Organization and Purpose**

The Southwest District Law Enforcement Planning Council, Inc. (the Council) is a non-profit corporation formed under the laws of the State of Louisiana for the purpose of providing local planning activities to the various law enforcement agencies within Calcasieu, Beauregard, Allen, Cameron, and Jefferson Davis Parishes. The Council identifies the problems and needs of these numerous agencies and develops a long-range master plan to implement improvements through the use of resources available under the provisions of the Crimeless Cities Control, Safe Streets Act of 1968 and Violence Against Women's Act. In addition, the Council administers grants for these subscriptions that provide for law-enforcement sensitive programs such as basic training received at local training academies.

2. **Basis of Accounting**

The financial statements have been prepared using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded as the time liabilities are incurred.

3. **Financial Statement Presentation**

The financial statement presentation follows the recommendation 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, Southwest District Law Enforcement Planning Council, Inc. is required to report information regarding its financial position and activities according to three classes of net assets: restricted net assets, which represent the expendable resources that are available for operations at management's discretion; temporarily restricted net assets, which represent resources restricted by donor's as to purpose or by the passage of time; and permanently restricted net assets, which represent resources whose use by the organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Council. The Council did not have any permanently restricted net assets this year.

4. **Revenue Recognition**

**Membership Fees**

Membership dues are determined at the completion of the fiscal year and are based on actual expenses incurred that were not reimbursed by the grants received from the Louisiana Commission on Law Enforcement. Membership dues are recognized as revenues on a pro rata basis over the period in which the membership relates. These dues are assessed in arrears and are shown as receivable at June 30, 2004.

**Government Grants**

The Council receives its grant support from the Louisiana Commission on Law Enforcement. All of the Council's grants are cost reimbursement type grants, which means that the Council does not recognize revenue from these until it has incurred allowable expenses under the terms of the grants. Further, each grant has restrictions on how the Council may use its funds, thereby creating a temporarily restricted net asset until the restrictions are satisfied. When the restrictions are



Southwest District Law Enforcement Planning Council, Inc.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2004

NOTE 4 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Revenue Recognition (Continued)

retailed, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

5. Property and Equipment

Equipment is stated at cost at the date of the acquisition and any donated fixed assets are recorded as support at their estimated fair value at the date of donation. Depreciation is provided over the estimated useful lives of the assets using the straight-line method. Depreciation amounted to \$1,734 for the year ended June 30, 2004. The useful lives of equipment for purposes of computing depreciation are:

Furniture, fixtures, and equipment	5 - 10 Years
Buildings	39 Years
Improvements	15 Years

Maintenance and repairs are charged to operations when incurred. Betterments and materials are capitalized. When property and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are retired, and any gain or loss is included in operations. The Council follows the practice of capitalizing all expenditures for all property and equipment in excess of \$100.

6. Exempt Tax Status

The Council qualifies as a tax-exempt organization under Section 501 (c)(6) of the Internal Revenue Code and, therefore, has no provision for federal income taxes. 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.

7. Fair Value Information

The financial statements include certain prior-year comparative comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Council's financial statements for the year ended June 30, 2003, from which the statements for the summarized information was derived.

8. Use of Estimates

The preparation of financial statements 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. Actual results could differ from those estimates.

Southwest District Law Enforcement Planning Council, Inc.

**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2004

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**5. Investments**

Investments in marketable equity securities with readily determinable fair values are stated at fair market value. Dividend investments are reflected as contributions at their market values at time of receipt. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities.

**NOTE B - ALLOWANCE FOR DOUBTFUL ACCOUNTS**

The Council uses the allowance method to provide for uncollectible dues receivable. However, for the year ended June 30, 2004, there were no accounts that were deemed uncollectible by management.

**NOTE C - GRANTS FROM GOVERNMENT AGENCIES**

A summary of grants from governmental agencies during the year ended June 30, 2004 is as follows:

<b>Federal Funds:</b>		
Drug Administration Funds	11/01/01 - 03/31/03	\$ 14,712
Drug Administration Funds	04/01/04 - 03/31/04	8,391
Juvenile Administration Funds	05/01/01 - 05/31/03	412
Juvenile Administration Funds	05/01/03 - 04/30/04	1,200
CFA Administration Funds	02/01/03 - 01/31/04	1,829
CFA Administration Funds	02/01/04 - 01/31/05	<u>4,170</u>
		31,624
<b>State Reimbursed Funds:</b>		
Basic Training	07/01/00 - 06/30/04	36,000
Continuing Training	07/01/00 - 06/30/04	<u>1,300</u>
		37,300
<b>Total</b>		<b><u>\$ 68,924</u></b>

**NOTE D - STATEMENTS OF CASH FLOWS**

For purposes of the Statement of Cash Flows, the Council considered all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Southwest District Law Enforcement Planning Council, Inc.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2004

NOTE E - INVESTMENTS

The Council's investments at December 31, 2003 consisted of the following:

	EMC
Certificates of Deposit - 1st Davis Bank	\$ 61,366
Certificates of Deposit - First Federal Savings and Loan	45,333
	\$ 106,699

NOTE F - COMPENSATED ABSENCES

Employees of the Council are entitled to paid vacation, paid sick days, and personal days off depending on job classification, length of service and other factors. In addition, members of management have contracts or agreements with the Council that provide for compensated absences. The value of these compensated absences was not recorded due to their immateriality. The Council's policy is to recognize the costs of compensated absences when actually paid to employees.

NOTE G - RETIREMENT PLAN

The Southwest District Law Enforcement Planning Council, Inc. maintains a simplified employee pension plan (SEPP) that covers all full-time personnel who have completed three years of continuous service. Contributions to the plan were based on fifteen percent of gross wages through March 31, 2003. The Board of Directors on March 3, 2004, voted to amend its retirement plan and increase the contribution rate to twenty-five percent of gross wages. The total contributions amounted to \$1,430 for the year ended June 30, 2004.

*McKeehan and Hancock*  
*Certified Public Accountants, PLLC*  
P.O. Box 102

*Ann B. McKeehan, CPA*  
*Frank C. Hancock, CPA*

2002 Maplewood Drive  
Bogalusa, Louisiana 70003

Telephone (504) 332-5224  
Fax (504) 332-5224

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

**Board of Directors**  
**The Southeast District Law Enforcement Planning Council, Inc.**  
Planning Council, Inc.  
Lake Charles, Louisiana

We have audited the financial statements of Southeast District Law Enforcement Planning Council, Inc. (a nonprofit corporation) as of and for the year ended June 30, 2004, and have issued our report thereon dated September 7, 2004. 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 Government Auditing Standards, issued by the Comptroller General of the United States.

**Conditions**

As part of obtaining reasonable assurance about whether Southeast District Law Enforcement Planning Council, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these 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 non-compliance that are required to be reported under Government Auditing Standards.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Southeast District Law Enforcement Planning Council, Inc.'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 Southeast District Law Enforcement Planning Council, Inc.'s ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. During the audit, we noted the following reportable condition. The Council has only one employee who is responsible for all accounting and reporting functions. Therefore, it is not possible to have segregation of duties consistent with appropriate internal control objectives over all phases of accounting.

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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 to be material weaknesses. However, we consider the reportable condition described above to be a material weakness.

This report is intended solely for the information and use of the board of directors, management, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

McMillan and Marcus, CPAs

*McMillan and Marcus, CPAs*

September 7, 2004

Southwest District Law Enforcement Planning Council, Inc.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2004

We have audited the financial statements of The Southwest District Law Enforcement Planning Council, Inc. as of and for the year ended June 30, 2004, and have issued our report thereon dated September 7, 2004. 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 Government Auditing Standards issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2004 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

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

Internal Control

Material Weakness  Yes  No Other Conditions  Yes  No

Compliance

Compliance Material to Financial Statements  Yes  No

Section II Financial Statement Findings

- 2004-1 We consider the following matter to be a material weakness. The Council has only one employee who is responsible for all accounting and reporting functions. The size of the Council's accounting staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties. This situation creates the need for the Board of Directors remain involved in the financial affairs of the Council to provide oversight and independent review functions.

Southwest District Law Enforcement Planning Council, Inc.

SCHEDULE OF PRIOR YEAR FINDINGS

Year Ended June 30, 2004

SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS	
2003-4 The Council has only one employee who is responsible for all accounting and reporting functions. Therefore, it is not possible to have segregation of duties consistent with appropriate internal control objectives over all phases of accounting.	Unresolved. See current year finding 2004-1.
SECTION II - MANAGEMENT LETTER	
2004-1 The Council does not currently prepare a formal budget, therefore no comparison is made with budget information and actual results of operations.	Resolved.

THIS SCHEDULE IS UNAUDITED AND PREPARED BY MANAGEMENT

Southwest Louisiana Legal Services Society, Inc.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Year Ended June 30, 2004

<b>SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS</b>	
<b>2004-1</b> The Council has only one employee who is responsible for all accounting and reporting functions. Therefore, it is not possible to have segregation of duties consistent with appropriate internal control objectives over all phases of accounting.	Management is aware of the internal control problems and the Board takes an active oversight of financial matters to mitigate the control weaknesses. However, due to the small size of the Council it is not possible to have appropriate segregation of duties.

THIS SCHEDULE HAS BEEN PREPARED BY MANAGEMENT