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RED RIVER DELTA LAW ENFORCEMENT PLANNING COUNCIL, INC.

Pineville, Louisiana

Annual Financial Report

For the Year Ended September 30, 1997

(With Audit Report Thereon)

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 4-15-98

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

For the Year Ended September 30, 1997

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TOM MILHOAN
Certified Public Accountant

Member
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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, 1997, 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, 1997, 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 9, 1998, 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 9, 1998

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

Statement of Financial Position
September 30, 1997

ASSETS

Current Assets:		
Cash and Cash Equivalents		\$ 96,255
Federal and State Grants Receivable		8,891
Prepaid Expenses		<u>4,722</u>
Total current assets		109,868
Property and Equipment:		
Land and Building	\$118,315	
Furniture and Equipment	<u>165,741</u>	
	284,056	
Less: accumulated depreciation	<u>129,324</u>	<u>154,732</u>
TOTAL ASSETS		<u><u>\$264,600</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts Payable		\$ 94,479
Note Payable - Current		18,575
Program Income		807
Accrued Expenses		4,920
Deferred Revenue		21,686
Current Portion of Mortgage Payable		<u>454</u>
Total Current Liabilities		140,921
Mortgage payable, less current portion		43,865
Accrued Annual Leave		<u>17,741</u>
Total Liabilities		202,527
Net Assets - Unrestricted		<u>62,073</u>
TOTAL LIABILITIES AND NET ASSETS		<u><u>\$264,600</u></u>

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, 1997
(With Comparative Totals for September 30, 1996)

	Operating Funds <u>Unrestricted</u>	Grant Funds <u>Restricted</u>	Total <u>All Funds</u>	September 30. 1996 <u>Total</u>
SUPPORT AND REVENUE				
Membership Dues	\$ 55,000	\$ -	\$ 55,000	\$ 55,000
Administrative Fee - Northwest Contract	30,000	-	30,000	30,000
Interest Income	534	-	534	3,525
Other Income	1,033	-	1,033	4,297
Rent Income	11,775	-	11,775	8,948
Federal and State Grants.				
Jail Removal Specialist	-	72,550	72,550	54,155
Law Enforcement Training	-	17,551	17,551	-
D A R E Program	-	59,208	59,208	37,717
Drug Grant Administration	-	35,280	35,280	36,197
Drug Free	-	-	-	25,329
State Training Center	-	184,601	184,601	179,121
Block Training	-	19,855	19,855	21,080
JJDP Planning Funds	-	5,892	5,892	6,056
Basic and Correctional Officer Training	-	40,300	40,300	44,300
TOTAL SUPPORT AND REVENUE	<u>98,342</u>	<u>435,237</u>	<u>533,579</u>	<u>505,725</u>
EXPENSES				
Salaries	45,119	119,825	164,944	160,483
Employee Insurance and Taxes	8,962	10,658	19,620	24,264
Retirement Plan	15,059	-	15,059	6,615
Office Supplies and Expense	9,822	26,184	36,006	31,538
Rent	-	11,775	11,775	8,948
Interest	7,606	-	7,606	6,222
Automobile Operating Cost	4,770	8,752	13,522	13,345
Depreciation	26,103	-	26,103	24,321
Professional Fees	3,453	102,157	105,610	84,968
Maintenance	786	1,242	2,028	3,133
Meeting and Other Expenses	1,991	100	2,091	9,557
Indirect Cost Allocation	-	-	-	(7,225)
Travel	5,557	60,290	65,847	53,883
Reimburse Specialized Training	-	60,155	60,155	65,380
Consultant Services - Training	-	-	-	13,898
Supplies and Other Training Expenses	-	10,971	10,971	7,602
TOTAL EXPENSES	<u>129,228</u>	<u>412,109</u>	<u>541,337</u>	<u>506,932</u>
Excess of Support and Revenue Over (Under)				
Expenses Before Capital Additions	<u>(30,886)</u>	<u>23,128</u>	<u>(7,758)</u>	<u>(1,207)</u>
Capital Additions	<u>-</u>	<u>(23,128)</u>	<u>(23,128)</u>	<u>(16,397)</u>
Excess of Support and Revenue Over (Under)				
Expenses After Capital Additions	(30,886)	-	(30,886)	(17,604)
Net Assets, Beginning of Year	69,831	-	69,831	71,038
Cost of Capital Additions Transferred	<u>23,128</u>	<u>-</u>	<u>23,128</u>	<u>16,397</u>
Net Assets, End of Year	<u>\$ 62,073</u>	<u>\$ -</u>	<u>\$ 62,073</u>	<u>\$ 69,831</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, 1997

	Operating Funds <u>Unrestricted</u>	Grant Funds <u>Restricted</u>	Total <u>All Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess of Support and Revenue Over (Under) Expenses	\$ (7,758)	\$ -	\$ (7,758)
Adjustments to reconcile net income to net cash provided (used) by operating activities:			
Depreciation	26,103	-	26,103
(Increase)/Decrease in:			
Due from Unrestricted Operating Funds	-	(33,591)	(33,591)
Accounts Receivable	7,500	(6,535)	965
Prepaid Expenses	(665)	-	(665)
Increase/(decrease) in:			
Due to Restricted Grant Funds	33,591	-	33,591
Accounts Payable	-	38,726	38,726
Accrued Liabilities	2,266	(600)	1,666
Deferred Revenue	903	2,000	2,903
Program Income	<u>-</u>	<u>-</u>	<u>-</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	61,940	-	61,940
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Equipment	<u>(24,178)</u>	<u>-</u>	<u>(24,178)</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(24,178)</u>	<u>-</u>	<u>(24,178)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Debt Reduction	<u>(3,983)</u>	<u>-</u>	<u>(3,983)</u>
NET CASH USED BY FINANCING ACTIVITIES	<u>(3,983)</u>	<u>-</u>	<u>(3,983)</u>
NET INCREASE/(DECREASE) IN CASH	33,779	-	33,779
CASH AT BEGINNING OF YEAR	<u>62,476</u>	<u>-</u>	<u>62,476</u>
CASH AT END OF YEAR	<u>\$ 96,255</u>	<u>\$ -</u>	<u>\$ 96,255</u>

SUPPLEMENTAL DISCLOSURES

Operating activities reflect interest paid of \$7,606

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, 1997

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. In addition, Red River Delta is required to present a statement of cash flows. As permitted by this new statement, Red River Delta has discontinued its use of fund accounting and has, accordingly, reclassified its financial statements to present the classes of net assets required. This reclassification had no effect on total net assets at September 30, 1997.

Net assets of the restricted class is created only 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.

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 source 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 contract is written annually, and the current agreement extends through June 30, 1998. 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, 1997

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 deposit 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, 1997 the organization's bank balances 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, 1996, 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	42,651
Passbook savings account	6,820
Certificates of deposit	<u>46,384</u>
	<u>\$ 96,255</u>

(continued)

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

Notes to the Financial Statements
For the Year Ended September 30, 1997

C - ACCOUNTS RECEIVABLE

This amount represents money spent for budgeted program costs that will be reimbursed by LCLE. To date, program expenditures have been incurred by the following programs:

Drug Block Training	96-B3-B.02-0099	\$ 4,975
Prosecution Training	M95-3-002	1,560
D.A.R.E. Program	94-B3-B.01-0047	149
D.A.R.E. Program	93-B3-B.01-0032	<u>2,207</u>
Total		<u>\$ 8,891</u>

D- ACCOUNTS PAYABLE

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

Jail Removal Specialist	95-J8-J.3-0245	\$ 57
D.A.R.E. Program	93-B3-B.1-0032	4,503
D.A.R.E. Program	92-B3-B.1-0335	64
Basic Training	P97-3-BAS	12,500
Prosecution Training	M95-3-002	6,240
D.A.R.E. State Training Center	R97-8-001	18,599
D.A.R.E. State Training Center	R98-8-001	8,711
D.A.R.E. State Training Center	E98-3-012	<u>43,805</u>
Total		<u>\$ 94,479</u>

E - DEFERRED REVENUES

Restricted grant funds, deferred revenues consist of advances from LCLE for the following program:

D.A.R.E. Program	92-B8-B.1-0308	\$ 1,670
Basic Training	P98-3-BAS	<u>2,000</u>
Total		<u>\$ 3,670</u>

Unrestricted grant funds, deferred revenues consist of payments received prior to year end as follows:

Northwest Contractual Agreement	\$ 11,250
Membership Dues	<u>6,766</u>
Total	<u>\$ 18,016</u>

(continued)

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

Notes to the Financial Statements
For the Year Ended September 30, 1997

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 was received and applied as follows for the year ended September 30, 1997:

	Drug Block 90-B3-B.2-0010	D.A.R.E. Program 92-B.3-B.1-0335	D.A.R.E. Program 94-B3-B.1-0046
Balance, September 30, 1996	\$609	\$ 13	\$ 185
Program Income Used	-	-	-
Program Income Received	<u>-</u>	<u>-</u>	<u>-</u>
 Balance, September 30, 1997	 <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

Furniture and equipment purchased with grant funds is to be used for specific purposes. Any other use or disposition requires the approval of LCLE.

H - SHORT-TERM NOTE PAYABLE

Note payable to bank, due February 9, 1993 bearing interest at 4.60% and renewed until February 9, 1998, bearing interest at 7.00%, secured by a certificate of deposit in the amount of \$24,271 . Amount due as of September 30, 1997:	September, 30 <u>1997</u> <u>\$18,575</u>
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(continued)

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

Notes to the Financial Statements
For the Year Ended September 30, 1997

I - LONG-TERM LIABILITIES

Note payable to a financial institution in monthly installments through March 1, 2017 of \$409, 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, 1997, was 9.125 percent.	September 30, <u>1997</u>
	\$ 44,319
Current Portion	<u>454</u>
Long-Term Notes Payable	<u>\$ 43,865</u>

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

1998	\$ 454
1999	942
2000	1,032
2001	1,130
2002	1,237
Thereafter	39,524

J - OTHER INCOME

Other income consists primarily of tuition charged for state D.A.R.E. training programs. The amounts collected 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, 1997

K - 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, 1997								
	Grant	Matching Contributions	Total	Revenue			Expenditures		
				Prior Years	Current Year	Total To Date	Prior Years	Current Year	Total To Date
FEDERAL									
Jail Removal Specialist									
#95-J8-J 3-0245	\$ 72,550	\$ -	\$ 72,550	\$ -	\$ 72,550	\$ 72,550	\$ -	\$ 72,550	\$ 72,550
JJDP RPU Planning									
#96-J8-J 1-0214	2,946	2,946	5,892	-	5,892	5,892	-	5,892	5,892
Drug Administration Grant									
#96-B3-B 99-0052	35,280	-	35,280	-	35,280	35,280	-	35,280	35,280
Drug Block Training									
#96-B3-B 02-0099	4,975	-	4,975	-	4,975	4,975	-	4,975	4,975
Law Enforcement Training									
#95-M3-M 01-0431	11,311	-	11,311	-	11,311	11,311	-	11,311	11,311
Prosecution Training									
#M95-3-002	6,240	-	6,240	-	6,240	6,240	-	6,240	6,240
Total Federal Grants				\$ -	\$136,248	\$136,248	\$ -	\$136,248	\$136,248
STATE									
D.A.R.E State Training Center									
#R97-8-001	60,000	-	60,000	14,957	45,043	60,000	14,957	45,043	60,000
D.A.R.E State Training Center									
#E97-3-009	142,316	-	142,316	22,230	120,086	142,316	22,230	120,086	142,316
D.A.R.E.									
#R98-3-012	185,258	-	185,258	-	64,515	64,515	-	64,515	64,515
D.A.R.E.									
#R98-8-001	60,000	-	60,000	-	14,165	14,165	-	14,165	14,165
Basic Training									
#P97-3-BAS	28,000	-	28,000	-	28,000	28,000	-	28,000	28,000
Correctional Officer Training									
#P97-3-CORR	12,300	-	12,300	-	12,300	12,300	-	12,300	12,300
Block Training - Act 562									
#T97-3-001	14,880	-	14,880	-	14,880	14,880	-	14,880	14,880
Total State Grants				37,187	28,237	65,424	37,187	28,237	65,424
Total Grants				\$ 37,187	\$435,237	\$472,424	\$ 37,187	\$435,237	\$472,424

(continued)

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

Notes to the Financial Statements
For the Year Ended September 30, 1997

L - 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, 1997, was \$17,741.

M - 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, 1997 amounted to \$15,059.

N - 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, 1997, and have issued my report thereon dated March 9, 1998. 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 9, 1998