

**Baton Rouge Crime Stoppers, Inc.**

**Baton Rouge, Louisiana**

**December 31, 2017**

**L.A. CHAMPAGNE**  **& Co.  
LLP**

Certified Public Accountants

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## Independent Accountant's Review Report

To the Board of Directors  
Baton Rouge Crime Stoppers, Inc.  
Baton Rouge, Louisiana

We have reviewed the accompanying financial statements of Baton Rouge Crime Stoppers, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

### Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### Accountant's Conclusion

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 accordance with accounting principles generally accepted in the United States of America.

**Report on Agreed-Upon Procedures**

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report, dated June 30, 2018, on the results of our agreed-upon procedures.

*L. A. Champagne & Co., LLP*

*Baton Rouge, Louisiana  
June 30, 2018*

**BATON ROUGE CRIME STOPPERS, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
DECEMBER 31, 2017  
(See Independent Accountant's Review Report)

**ASSETS**

**CURRENT ASSETS**

Cash	\$ 355,273
Fines receivable	<u>11,816</u>
Total assets	<u><u>\$ 367,089</u></u>

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable	<u>\$ 11,770</u>
Total liabilities	<u>11,770</u>

**NET ASSETS**

Unrestricted	94,297
Temporarily restricted	<u>261,022</u>
Total net assets	<u>355,319</u>
Total liabilities and net assets	<u><u>\$ 367,089</u></u>

*See accompanying notes to financial statements*

**BATON ROUGE CRIME STOPPERS, INC.**  
**STATEMENT OF ACTIVITIES**

For the Year Ended December 31, 2017  
(See Independent Accountant's Review Report)

	Unrestricted	Temporarily Restricted	Total
<b>SUPPORT AND REVENUE</b>			
Donations and grants	\$ 163,467	\$ -	\$ 163,467
Cooperative endeavor programs	14,000	-	14,000
Court fines	-	104,967	104,967
Interest income	505	115	620
Net assets released from restriction	140,546	(140,546)	-
	<u>318,518</u>	<u>(35,464)</u>	<u>283,054</u>
<b>EXPENSES</b>			
Functional:			
Program services	207,702	-	207,702
Management and general	23,227	-	23,227
Fundraising	50,682	-	50,682
	<u>281,611</u>	<u>-</u>	<u>281,611</u>
Change in net assets	36,907	(35,464)	1,443
Net assets - beginning of year	<u>57,390</u>	<u>296,486</u>	<u>353,876</u>
Net assets - end of year	<u>\$ 94,297</u>	<u>\$ 261,022</u>	<u>\$ 355,319</u>

*See accompanying notes to financial statements*

**BATON ROUGE CRIME STOPPERS, INC.**  
**STATEMENT OF CASH FLOWS**  
Year Ended December 31, 2017  
(See Independent Accountant's Review Report)

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in net assets	\$ 1,443
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Decrease in accounts payable	(1,425)
Decrease in fines receivable	163
Net cash provided by operating activities	<u>181</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	 <u>-</u>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	 <u>-</u>
 <b>NET INCREASE IN CASH</b>	 181
Cash - beginning of year	355,092
Cash - end of year	<u><u>\$ 355,273</u></u>

*See accompanying notes to financial statements*

**BATON ROUGE CRIME STOPPERS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended December 31, 2017

(See Independent Accountant's Review Report)

	Program Services	Management and General	Fundraising	Total
Compensation - executive director	\$ 64,000	\$ 8,000	\$ 8,000	\$ 80,000
Cash rewards	56,530	-	-	56,530
Crime Prevention Initiatives	51,175	-	-	51,175
Advertising and other public relations	20,771	-	-	20,771
Dues	1,810	-	-	1,810
Telephone and website	8,219	-	-	8,219
Travel	3,563	-	-	3,563
Printing and supplies	-	224	-	224
Accounting	-	3,600	-	3,600
Meeting expense	-	6,329	-	6,329
Awards banquet	-	-	27,111	27,111
Golf tournament	-	-	13,398	13,398
Insurance	767	768	768	2,303
Computer equipment	867	109	108	1,084
Other	-	4,197	1,297	5,494
Total expenses	<u>\$ 207,702</u>	<u>\$ 23,227</u>	<u>\$ 50,682</u>	<u>\$ 281,611</u>

*See accompanying notes to financial statements*

**BATON ROUGE CRIME STOPPERS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
*December 31, 2017*

**A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Nature of activities*

Baton Rouge Crime Stoppers, Inc. (Crime Stoppers) was incorporated in Louisiana on May 12, 1983. Crime Stoppers is a community-involvement program to help stop crime. Crime Stoppers gathers clues to assist law enforcement agencies in solving major crime by offering cash rewards and providing a phone number to call with information relating to crimes or criminal activity. Crime Stoppers encourages citizens to provide tips and clues that can be vital in the successful solution of crime.

*Basis of accounting*

Crime Stoppers prepares its financial statements on the accrual basis of accounting; accordingly, all significant receivables and payables are recorded.

*Basis of presentation*

Financial statement presentation follows the guidance of the Financial Accounting Standards Board, Accounting Standards Codification (FASB ASC). Under those standards, Crime Stoppers is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. Unrestricted net assets are comprised of resources that are free of donor-imposed or time restrictions and are available at the direction of the governing board. Temporarily restricted net assets are resources that are limited by donor-imposed stipulations that either expire by passage of time or that can be fulfilled and removed by actions of Crime Stoppers pursuant to those stipulations. Permanently restricted net assets are those resources whose use by Crime Stoppers is limited to donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of Crime Stoppers. Crime Stoppers does not have any permanently restricted net assets as of December 31, 2017.

*Contributions and expenses*

Contributions, grants and fine revenue received, and unconditional promises to give are measured at their estimated fair values and are reported as an increase in net assets.

Grants and contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets or if they are designated as support for future periods. When donor restrictions expire, that is, when the stipulated time restriction ends or if the purpose of the 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. Donor restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

Expenses, including advertising, are recorded when incurred.

**A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Use of estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that may 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.

*Donated services*

Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by Crime Stoppers. Such services are usually acquired from providers on a fee basis. Many individuals volunteer their time and perform a variety of tasks that assist Crime Stoppers in the performance of its projects and various committee activities; however, these services are not recognized as contributions in the financial statements since the recognition criteria was not met.

*Cash*

For the purpose of the statement of cash flows, Crime Stoppers considers all unrestricted cash and short-term savings to be cash.

*Functional expenses*

Certain expenses are charged directly to functional classifications. Other expenses are allocated between program, fundraising, and management and general based upon estimates of staff time spent on each function or other appropriate allocation bases.

*Income tax status*

Crime Stoppers is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the financial statements.

Crime Stoppers accounts for income taxes in accordance with the income tax accounting guidance included in the FASB ASC. Under this guidance, Crime Stoppers may recognize the tax effects from an uncertain tax position only if it is more likely than not that the tax position will be sustained upon examination by tax authorities. Crime Stoppers has evaluated its position regarding the accounting for uncertain tax positions and does not believe that it has any material uncertain tax positions.

**B: ACT 50 FUND**

The Louisiana legislature approved a bill on June 25, 2002, that set a two dollar fee to be levied by the courts on offenders convicted of criminal and traffic violations, and these funds are payable to the certified crime stopper organization of that area. The crime stopper organization must deposit these funds into a separate bank account to be used solely for expenditures directly related to obtaining information on criminal activities.

**B: ACT 50 FUND (continued)**

There is currently a pending class action lawsuit against the State of Louisiana challenging the constitutionality of the Act 50 court fines. Any changes to the Act 50 fund could have a significant impact on Crime Stoppers. During 2017, approximately 37% of Crime Stoppers revenue was attributed to Act 50 court fines.

**C: RELATED PARTY TRANSACTIONS**

The immediate past president and continuing advisory director of Crime Stoppers is also the owner of the company that provides communication and media services to Crime Stoppers. The charges for such services amounted to \$35,895 in 2017.

**D: COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO THE AGENCY HEAD**

The following is a summary of compensation, benefits, and other payments to the agency head:

Agency Head: Sid Newman, Executive Director

<u>Purpose</u>	<u>Amount</u>
Compensation	\$ 80,000
Mileage	3,563
Reimbursement: Civic club dues and meals	1,510
Reimbursement: Conferences, travel, and meals	1,195
Reimbursement: Office expenses	3,397

**E: CONCENTRATION OF CREDIT RISK**

From time to time, the cash balance maintained in a certain financial institution may exceed the \$250,000 deposit insurance coverage provided by the FDIC. The uninsured portion amounted to \$74,579 as of December 31, 2017.

**F: SUBSEQUENT EVENTS**

Subsequent events were evaluated through June 30, 2018, which is the date the financial statements were available to be issued.

LOUISIANA ATTESTATION QUESTIONNAIRE (For Attestation Engagements of Quasi-public Agencies)

\_\_\_\_\_ (Date Transmitted)

L.A. Champagne & Co., L.L.P. 4911  
Bennington Avenue Baton Rouge, La  
70808

\_\_\_\_\_ (Auditors)

In connection with your review of our financial statements as of \_\_\_\_\_ and for the period then ended, and as required by Louisiana

December 31, 2017

Revised Statute (R.S.) 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representation).

**Federal, State, and Local Awards**

We have detailed for you the amount of federal, state, and local award expenditures for the fiscal year, by grant and grant year.

Yes  No

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and grantor officials.

Yes  No

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes  No

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes  No

**Open Meetings**

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law). **Note: Please refer to Attorney General Opinion No. 130043 and the guidance in the publication "Open Meeting FAQs," available on the Legislative Auditor's website at <http://app1.la.state.la.us/llala.nsf>, to determine whether a non-profit agency is subject to the open meetings law.**

Yes  No

**Budget**

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes  No

**Reporting**

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes [] No []

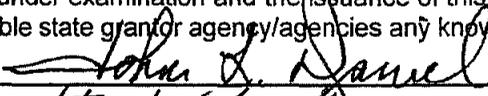
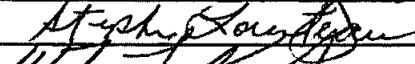
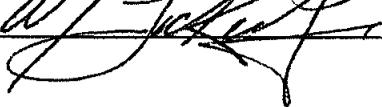
**Prior-Year Comments**

We have resolved all prior-year recommendations and/or comments.

Yes [] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose to you, the Legislative Auditor, and the applicable state grant or agency/agencies any known noncompliance that may occur up to the date of your report.

	Secretary	4-24-18	Date
	Treasurer	4-24-18	Date
	President	4-24-18	Date

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## Independent Accountant's Report on Applying Agreed upon Procedures

To the Board of Directors  
Baton Rouge Crime Stoppers, Inc.  
Baton Rouge, Louisiana

We have performed the procedures enumerated below, which were agreed to by the management of Baton Rouge Crime Stoppers, Inc. and the Legislative Auditor (the specified parties), on the Organization's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2017, as required by Louisiana Revised Statute 24:513 and *the Louisiana Governmental Audit Guide*. The Management of Baton Rouge Crime Stoppers, Inc. is responsible for its financial records and compliance with applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

### Federal, State, and Local Awards

1. Obtain the list of federal, state, and local government grant award expenditures for the fiscal year, by grant and grant year, from the Agency's management.

*The Organization did not expend any federal, state, or local governmental grants during the fiscal periods.*

2. For each federal, state, and local grant award, randomly select six disbursements from each grant administered during the fiscal year, provided that no more than 30 disbursements are selected.

*The Organization did not expend any federal, state, or local governmental grants during the fiscal periods.*

3. Obtain documentation for the disbursements selected in Procedure 2. Compare the selected disbursements to supporting documentation, and report whether the disbursements agree to the amount and payee in the supporting documentation.

*The Organization did not expend any federal, state, or local governmental grants during the fiscal periods.*

4. Report whether the selected disbursements were coded to the correct fund and general ledger account.

*The Organization did not expend any federal, state, or local governmental grants during the fiscal periods.*

5. Report whether the selected disbursements were approved in accordance with the Agency's policies and procedures.

*The Organization did not expend any federal, state, or local governmental grants during the fiscal periods.*

6. For each selected disbursement made for federal grant awards, obtain the *Compliance Supplement* for the applicable federal program. For each disbursement made for a state or local grant award, or for a federal program not included in the *Compliance Supplement*, obtain the grant agreement. Compare the documentation for each disbursement to the program compliance requirements or the requirements of the grant agreement relating to activities allowed or unallowed, eligibility, and reporting; and report whether the disbursements comply with these requirements.

*The Organization did not expend any federal, state, or local governmental grants during the fiscal periods.*

7. Obtain the close-out reports, if required, for any program selected in Procedure 2 that was closed out during the fiscal year. Compare the close-out reports, if applicable, with the Organization's financial records; and report whether the amounts in the close-out reports agree with the Organization's financial records.

*The Organization did not expend any federal, state, or local governmental grants during the fiscal periods.*

### **Open Meetings**

8. Obtain evidence from management that agendas for meetings recorded in the minute book were posted as required by Louisiana Revised Statute 42:11 through 42:28 (the open meetings law), and report whether there were any exceptions. Note: Please refer to the Attorney General Opinion No. 13-0043 and the guidance in the publication "Open Meeting FAQs," available on the Legislative Auditor's website at <http://appl.la.state.la.us/llala.nsf>, to determine whether a non-profit agency is subject to the open meetings law.

*Management provided evidence indicating that agendas were posted outside the meeting room for an open meeting as required by LA R.S. 42:11 through 42:28.*

## **Budget**

9. For each grant exceeding five thousand dollars, obtain the comprehensive grant budgets that the Organization provided to the applicable federal, state or local grantor agency. Report whether the budgets for federal, state or local grants included the purpose and duration of the grants; and whether the budgets for state grants also included specific goals, objectives, and measures of performance.

*The Organization did not expend any federal, state, or local governmental grants during the fiscal periods.*

## **State Audit Law**

10. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

*The Organization's report was submitted to the Legislative Auditor before the statutory due date of June 30, 2018.*

11. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

*The Organization's management represented that the Organization did not enter into any contracts during the fiscal year that were subject to the public bid law.*

## **Prior Comments**

12. Obtain and report management's representation as to whether any prior year suggestions, exceptions, recommendations, and/or comments have been resolved.

*There were no prior year suggestions, recommendations, and/or comments for the year ended December 31, 2016.*

This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Organization's compliance with the foregoing matters. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on the Organization's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

*J. A. Champagne & Co., LLP*  
*Baton Rouge, Louisiana*  
*June 30, 2018*