

Baton Rouge Crime Stoppers, Inc.

Baton Rouge, Louisiana

December 31, 2018

L.A. CHAMPAGNE 
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, 2018, 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, 2019, on the results of our agreed-upon procedures.

L.A. Champagne & Co, LLP

Baton Rouge, Louisiana

June 30, 2019

BATON ROUGE CRIME STOPPERS, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018
(See Independent Accountant's Review Report)

ASSETS

CURRENT ASSETS

Cash	\$ 368,881
Fines receivable	6,940
Prepaid expense	1,919
	<u>377,740</u>

PROPERTY AND EQUIPMENT, NET

19,199

Total assets

\$ 396,939

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	<u>\$ 11,352</u>
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Total liabilities

11,352

NET ASSETS

Without donor restrictions	159,449
With donor restrictions	<u>226,138</u>

Total net assets

385,587

Total liabilities and net assets

\$ 396,939

See accompanying notes to financial statements

BATON ROUGE CRIME STOPPERS, INC.
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2018
(See Independent Accountant's Review Report)

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Donations and grants	\$ 181,134	\$ -	\$ 181,134
Cooperative endeavor programs	14,000	-	14,000
Court fines	-	106,375	106,375
Interest income	1,077	69	1,146
Net assets released from restriction	141,328	(141,328)	-
	337,539	(34,884)	302,655
EXPENSES			
Functional:			
Program services	208,697	-	208,697
Management and general	15,286	-	15,286
Fundraising	48,404	-	48,404
	272,387	-	272,387
Change in net assets	65,152	(34,884)	30,268
Net assets - beginning of year	94,297	261,022	355,319
Net assets - end of year	\$ 159,449	\$ 226,138	\$ 385,587

See accompanying notes to financial statements

BATON ROUGE CRIME STOPPERS, INC.
STATEMENT OF CASH FLOWS
Year Ended December 31, 2018
(See Independent Accountant's Review Report)

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$	30,268
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation		1,371
Decrease in accounts payable		(418)
Decrease in fines receivable		4,876
Increase in prepaid expenses		(1,919)
Net cash provided by operating activities		34,178

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of equipment		(20,570)
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CASH FLOWS FROM FINANCING ACTIVITIES

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NET INCREASE IN CASH

13,608

Cash - beginning of year

355,273

Cash - end of year

\$ 368,881

See accompanying notes to financial statements

BATON ROUGE CRIME STOPPERS, INC.
STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2018

(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	88,800	-	-	88,800
Crime prevention initiatives	18,880	-	-	18,880
Advertising and other public relations	19,764	-	-	19,764
Dues	1,289	-	-	1,289
Depreciation	1,371	-	-	1,371
Telephone and website	9,612	-	-	9,612
Travel	4,214	-	-	4,214
Printing and supplies	-	32	-	32
Legal & accounting	-	3,849	-	3,849
Meeting expense	-	1,378	-	1,378
Awards banquet	-	-	26,925	26,925
Golf tournament	-	-	12,172	12,172
Insurance	767	768	768	2,303
Other	-	1,259	539	1,798
Total expenses	\$ 208,697	\$ 15,286	\$ 48,404	\$ 272,387

See accompanying notes to financial statements

BATON ROUGE CRIME STOPPERS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

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 recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Baton Rouge Crime Stoppers reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of Baton Rouge Crime Stoppers, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

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.

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Grants and contributions of cash and other assets are reported as donor 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, with donor restrictions net assets are reclassified to without donor restrictions net assets and reported in the statement of activities as net assets released from restrictions. With donor restrictions contributions whose restrictions are met in the same reporting period are reported as without donor restrictions support.

Expenses, including advertising, are recorded when incurred.

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 without donor restrictions cash and short-term savings to be cash.

Prepaid expenses

Services which extend benefits over more than one accounting period have been recorded as prepaid expenses.

Property and equipment

Acquisitions of property and equipment in excess of \$2,500 are capitalized. Property and equipment is stated at cost less accumulated depreciation with depreciation being calculated on the straight-line basis over the estimated useful life of the assets as follows:

Furniture and equipment	5-7 years
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A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

When property is retired or otherwise disposed of, the accounts are relieved of the applicable cost and accumulated depreciation, and any resulting gain or loss is reflected in operations.

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.

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 2018, approximately 35% 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 \$2,133 in 2018.

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	4,141
Reimbursement: Civic club, dues, and meals	1,748
Reimbursement: Conferences, travel, and meals	625
Reimbursement: Office expenses	3,468
Reimbursement: Event expenses	546

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 \$111,850 as of December 31, 2018.

F: LIQUIDITY

The following reflects the Organization's financial assets as of December 31, 2018, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

Cash	\$ 368,881
Less contractual imposed restrictions	<u>(226,138)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 142,743</u>

As part of the Organization's liquidity management, it invests cash in excess of daily requirements in short-term investments.

G: SUBSEQUENT EVENTS

Subsequent events were evaluated through June 30, 2019, 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

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of December 31, 2018 and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

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 local 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. 13-0043 and the guidance in the publication "Open Meeting FAQs," available on the Legislative Auditor's website 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 had our financial statements reviewed in accordance with R.S. 24:513.

Yes [] No []

We did not enter 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).

Yes [] No []

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 []

General

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes [] No []

We have evaluated our compliance with these laws and regulations prior to making these representations.

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.

Yes [] No []

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes [] No []

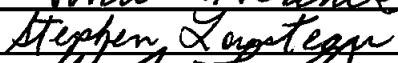
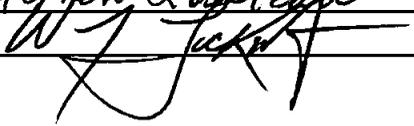
We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

Yes [] No []

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes [] No []

The previous responses have been made to the best of our belief and knowledge.

	Secretary	<u>4/24/19</u>	Date
	Treasurer	<u>4/24/19</u>	Date
	President	<u>5/9/19</u>	Date

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, 2018, 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.

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, 2017.

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.

L.A. Champagne & Co, LLP

*Baton Rouge, Louisiana
June 30, 2019*