

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

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

Year Ended June 30, 2018

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McMullen and Mancuso
Certified Public Accountants, L.L.C.

P. O. Box 202

Lisa F. McMullen, C.P.A.

3600 Maplewood Dr.

Telephone (337) 625-5054

Pamela C. Mancuso, C.P.A.

Sulphur, Louisiana 70663

Fax (337) 625-5849

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Southwest District Law Enforcement Planning Council, Inc. (a non-profit organization) which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

McWaters

American Institute of Certified Public Accountants
Louisiana Society of Certified Accountants

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of compensation, benefits, and other payments to agency head or chief executive officer is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 4, 2018, on our consideration 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Southwest District Law Enforcement Planning Council, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Southwest District Law Enforcement Planning Council, Inc.'s internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited the Southwest District Law Enforcement Planning Council, Inc.'s 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 17, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

McMullen and Mancuso, CPAs, LLC

McMullen and Mancuso CPAs, LLC

Sulphur, LA

September 4, 2018

Southwest District Law Enforcement Planning Council, Inc.

STATEMENTS OF FINANCIAL POSITION

June 30, 2018

with comparative totals for 2017

ASSETS

	2018	2017
CURRENT ASSETS		
Cash and cash equivalents	\$ 104,158	\$ 104,205
Investments	204,693	204,166
District dues receivable	104,900	103,845
Grants receivable	25,868	15,022
Total current assets	<u>439,619</u>	<u>427,238</u>
PROPERTY AND EQUIPMENT (Note A-5)		
Furniture, fixtures and equipment	8,719	8,719
Building and improvements	<u>76,150</u>	<u>76,150</u>
	84,869	84,869
Less accumulated depreciation	<u>(56,375)</u>	<u>(54,775)</u>
	28,494	30,094
OTHER ASSETS		
Deposits - utilities	<u>770</u>	<u>770</u>
Total Assets	<u>\$ 468,883</u>	<u>\$ 458,102</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 209	\$ 2,079
Grants payable	<u>21,000</u>	<u>11,200</u>
Total current liabilities	21,209	13,279
NET ASSETS		
Unrestricted	<u>447,674</u>	<u>444,823</u>
Total Liabilities and Net Assets	<u>\$ 468,883</u>	<u>\$ 458,102</u>

The accompanying notes are an integral part of these statements.

Southwest District Law Enforcement Planning Council, Inc.

STATEMENTS OF ACTIVITIES

**Year ended June 30, 2018
with comparative totals for 2017**

	<u>2018</u>			<u>2017</u>
	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>	<u>TOTAL</u>
PUBLIC SUPPORT AND REVENUES				
Government grants	\$ -	\$ 58,206	\$ 58,206	\$ 63,588
District dues	104,900	-	104,900	103,845
Interest income	606	-	606	409
Net assets released from restrictions:	58,206	(58,206)	-	-
Total public support and revenues	<u>163,712</u>	<u>-</u>	<u>163,712</u>	<u>167,842</u>
EXPENSES				
Program service	59,169	-	59,169	64,588
Management and general	102,592	-	102,592	105,116
Total expenses	<u>161,761</u>	<u>-</u>	<u>161,761</u>	<u>169,704</u>
CHANGE IN NET ASSETS	1,951	-	1,951	(1,862)
NET ASSETS AT BEGINNING OF YEAR AS ORIGINALLY REPORTED	<u>444,823</u>	<u>-</u>	<u>444,823</u>	<u>446,685</u>
PRIOR PERIOD ADJUSTMENT	<u>900</u>	<u>-</u>	<u>900</u>	<u>-</u>
NET ASSETS AT BEGINNING OF YEAR, AS RESTATED	<u>445,723</u>	<u>-</u>	<u>445,723</u>	<u>446,685</u>
NET ASSETS AT END OF YEAR	<u>\$ 447,674</u>	<u>\$ -</u>	<u>\$ 447,674</u>	<u>\$ 444,823</u>

The accompanying notes are an integral part of these statements.

Southwest District Law Enforcement Planning Council, Inc.

STATEMENTS OF FUNCTIONAL EXPENSES

**Year ended June 30, 2018
with comparative totals for 2017**

	Program Services	Supporting Services	Total Program and Supporting Service Expenses	
			2018	2017
Insurance	\$ 588	\$ 10,389	\$ 10,977	\$ 10,843
Legal and professional	-	5,700	5,700	5,700
Occupancy	-	9,221	9,221	10,346
Other costs	-	340	340	604
Payroll taxes	966	4,399	5,365	5,286
Postage and supplies	2,065	543	2,608	2,474
Repairs	-	621	621	1,550
Retirement	2,940	13,926	16,866	16,461
Salaries	11,760	55,704	67,464	65,844
Training programs	40,850	-	40,850	48,300
Travel	-	150	150	697
	59,169	100,993	160,162	168,105
Total before depreciation				
Depreciation	-	1,599	1,599	1,599
Total expenses	\$ 59,169	\$ 102,592	\$ 161,761	\$ 169,704

The accompanying notes are an integral part of these statements.

Southwest District Law Enforcement Planning Council, Inc.

STATEMENTS OF CASH FLOWS

**Year ended June 30, 2018
with comparative totals for 2017**

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,951	\$ (1,862)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,599	1,599
Net (increase) decrease in:		
District dues receivable	(1,055)	(3,846)
Grant receivable	(10,846)	(1,444)
Net increase (decrease) in:		
Accounts payable	(969)	1,839
Grants payable	9,800	1,450
Net cash provided (used) by operating activities	480	(2,264)
 CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend reinvestment	(527)	(327)
Net cash (used) by investing activities	(527)	(327)
Net decrease in cash and cash equivalents	(47)	(2,591)
Cash and cash equivalents, beginning of year	104,205	106,796
Cash and cash equivalents, end of year	\$ 104,158	\$ 104,205

The accompanying notes are an integral part of these statements.

Southwest District Law Enforcement Planning Council, Inc.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

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 various law enforcement agencies, judicial agencies, and non-profit organizations/associations 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 made available to the State of Louisiana, Louisiana Commission on Law Enforcement from programs housed in the U.S. Department of Justice, Office of Justice Programs: Edward Byrne Memorial Justice Assistance Grant Program; Office Juvenile Justice and Delinquency Prevention Program; Office of Victims of Crime Program; and the Office of Violence Against Women Program. In addition, the Council administers grants for local law enforcement agencies that provide law enforcement assistance programs such as Basic and Correctional Training received at local training academies and law enforcement assistance programs such as Act 562 Equipment Programs. The Council assists the Louisiana Commission on Law Enforcement with administrative support to the State funded D.A.R.E programs. State programs are funded through the collection of state revenues and administered by the Louisiana Commission on Law Enforcement through the Southwest District Law Enforcement Planning Council, Inc.

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 at 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: unrestricted 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.

Southwest District Law Enforcement Planning Council, Inc.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE A –SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Revenue Recognition

Membership Dues

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 to which the membership relates. These dues are assessed in arrears and are shown as receivable at June 30, 2018.

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 mean that the Council does not recognize revenue from them 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 satisfied, 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 \$1,599 for the year ended June 30, 2018. 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 renewals are capitalized. When property and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, 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 \$1,000.

6. Income Tax Status

The Council 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. 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.

Southwest District Law Enforcement Planning Council, Inc.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. Comparative Totals

The financial statements include certain prior-year summarized 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, 2017, from which the statements for the summarized information were 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.

9. Investments

Investment securities are stated at fair market value based on quoted prices in active markets (all level 1 measurements). Donated investments are reflected as contributions at their market values at date of receipt. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities.

10. Concentration of Revenue and Support

The Council receives \$104,900 (64%) of its revenue through district dues assessed to the law enforcement agencies which the Council serves. If the Council no longer received these dues, or there were significant reductions in the amounts received from the law enforcement agencies, the operations of the Council could be adversely impacted.

NOTE B – CASH AND CASH EQUIVALENTS

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

NOTE C – INVESTMENTS

The Council's investments at June 30, 2018 consisted of the following:

	<u>FMV</u>
Certificate of Deposit – Iberia Bank	\$ 76,768
Certificate of Deposit - Jeff Davis Bank	75,910
Certificate of Deposit - First Federal Savings and Loan	<u>52,015</u>
	\$ 204,693

Southwest District Law Enforcement Planning Council, Inc.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE D – ALLOWANCE FOR DOUBTFUL ACCOUNTS

The Council uses the allowance method to provide for uncollectible dues receivable. However, for the year ended June 30, 2018, there were no amounts that were deemed uncollectible by management.

NOTE E – CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Council to credit risk are primarily district dues receivable. District dues receivable represent amounts due for operating expenses of the Council from law enforcement agencies which the Council serves. Amounts are past due when not paid by the end of the following fiscal year. District dues receivable totaled \$104,900 at June 30, 2018.

NOTE F – GRANTS FROM GOVERNMENT AGENCIES

A summary of grants from governmental agencies during the year ended June 30, 2018 is as follows:

Federal Funds:		
CVA Administration Funds	07/01/17-06/30/18	17,356
		<u>17,356</u>
State Reimbursed Funds:		
Basic Training	07/01/17 - 06/30/18	35,250
Corrections Training	07/01/17 - 06/30/18	5,600
		<u>40,850</u>
Total		<u>\$ 58,206</u>

NOTE G – 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 H - RETIREMENT PLAN

The Southwest District Law Enforcement Planning Council, Inc. maintains a simplified employee pension plan (SEP) that covers all full-time personnel who have completed three years of continuous service. Contributions to the plan were based on twenty-five percent of gross wages. The total contributions amounted to \$16,866 for the year ended June 30, 2018.

Southwest District Law Enforcement Planning Council, Inc.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE I – FUNCTIONAL ALLOCATION OF EXPENSES

Expenses were allocated in the accompanying financial statements to program and support services functional expense groups. The methods of allocation were based on the Council's estimates of the relative proportion of various staff member's time and effort between program and support services as well as the Council's estimates of the amount of each expense utilized for program or support service functions.

NOTE J – SUBSEQUENT EVENTS

Subsequent events were evaluated through September 4, 2018, which is the date the financial statements were available to be issued.

NOTE K – PRIOR PERIOD ADJUSTMENT

The Council made an adjustment to correct the recording of a prior year payable. This resulted in an increase to unrestricted net assets at June 30, 2018.

Other Information

McMullen and Mancuso
Certified Public Accountants, L.L.C.

P. O. Box 202

Lisa F. McMullen, C.P.A.

3600 Maplewood Dr.

Telephone (337) 625-5054

Pamela C. Mancuso, C.P.A.

Sulphur, Louisiana 70663

Fax (337) 625-5849

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

To the Board of Directors
Southwest District Law Enforcement Planning Council, Inc.
Sulphur, Louisiana

We have audited, in accordance with the 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, the financial statements of Southwest District Law Enforcement Planning Council, Inc. (a nonprofit corporation) which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 4, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Southwest District Law Enforcement Planning Council, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Southwest District Law Enforcement Planning Council, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings that we consider to be material weaknesses. [2018-1 & 2018-2]

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Southwest District Law Enforcement Planning Council, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do

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not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Southwest District Law Enforcement Planning Council, Inc.'s Response to Findings

Southwest District Law Enforcement Planning Council, Inc.'s response to the findings identified in our audit is described in the accompanying schedule of findings. Southwest District Law Enforcement Planning Council, Inc.'s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McMullen and Mancuso, CPAs, LLC

McMullen and Mancuso CPAs, LLC

Sulphur, LA

September 4, 2018

Southwest District Law Enforcement Planning Council, Inc.

SCHEDULE OF FINDINGS

Year Ended June 30, 2018

We have audited the financial statements of Southwest District Law Enforcement Planning Council, Inc. as of and for the year ended June 30, 2018, and have issued our report thereon dated September 4, 2018. 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, 2018 resulted in an unmodified opinion.

Section I Summary of Auditor's Reports

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

Internal Control

Material Weaknesses Yes No Significant Deficiencies Yes No

Compliance

Compliance Material to Financial Statements Yes No

Management Letter

Yes No

Section II Financial Statement Findings

2018-1 Inadequate Segregation of Duties

Condition: The Organization has only one employee who is responsible for all accounting and reporting functions. Because of the small size of the Organization, and the limited number of personnel, it is not feasible to maintain a complete segregation of duties to achieve effective internal control.

Effect: Without proper segregation of duties, errors, irregularities, or misstatements may occur and not be detected within a timely period.

Cause: Limited number of employees due to small size of the Organization.

Recommendation: Duties should be segregated as much as possible, with involvement by the Board of Directors providing oversight and independent review functions.

2018-2 Inadequate Controls over Financial Reporting

Condition: The District does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the Organization's financial transactions or preparing the financial statements, including related notes.

Effect: Without proper controls over financial reporting, errors, irregularities, or misstatements may occur and not be detected.

Southwest District Law Enforcement Planning Council, Inc.

SCHEDULE OF FINDINGS

Year Ended June 30, 2018

2018-2 Inadequate Controls over Financial Reporting (continued)

Cause: Lack of qualified staff due to the size of the Organization and the cost.

Recommendation: None.

Section III Federal Awards Findings and Questioned Cost

N/A

Southwest District Law Enforcement Planning Council, Inc.

SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended June 30, 2018

<u>Ref No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>
Section I - Internal Control and Compliance Material to the Financial Statements:			
2017-1	Unknown	Because of the size of the Organization and the limited number of accounting personnel, it is not feasible to maintain a complete segregation of duties to achieve effective internal control.	Unresolved
2017-2	Unknown	The Organization does not have a staff person who has the qualifications and/or training to apply GAAP in recording transactions or preparing financial statements.	Unresolved

Section II - Management Letter:

There were no prior year management letter comments.

This schedule is prepared by management.

Southwest District Law Enforcement Planning Council, Inc.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Year Ended June 30, 2018

<u>Ref No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
2018-1:	Unknown	Because of the size of the Organization and the limited number of accounting personnel, it is not feasible to maintain a complete segregation of duties to achieve effective internal control.	No	Management is aware of the internal control problem and determined it is not cost effective to achieve complete segregation of duties in the accounting department. For the size of the Organization, it has segregated as many duties as possible.	Bonnie Vaughan	N/A
2018-2 :	Unknown	The Organization does not have a staff member with the qualifications and training to apply GAAP in recording transactions or preparing financial statements.	No	The Organization has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP and determined it is best to continue to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Bonnie Vaughan	N/A