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CRIMESTOPPERS, INC.

Financial Statements with Supplemental Information

December 31, 2008

(With Independent Auditors' Report Thereon)

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/29/09

CRIMESTOPPERS, INC.

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements:	
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
Notes to Financial Statements	5 – 8
Supplemental Information:	
Schedule of Functional Expenses	9
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	10 – 11
Schedule of Findings and Questioned Costs	12

Independent Auditors' Report

**To the Board of Directors
Crimestoppers, Inc.
Metairie, Louisiana**

We have audited the accompanying statement of financial position of Crimestoppers, Inc. (a non-profit corporation) as of December 31, 2008, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Crimestoppers, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Crimestoppers, Inc. as of December 31, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated May 15, 2009, on our consideration of Crimestoppers, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information included in the report (shown on page 9) is presented for the purpose of additional analysis and is not a required part of the financial statements of Crimestoppers, Inc. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Griffin & Company, LLC

May 15, 2009

CRIMESTOPPERS, INC.

Statement of Financial Position

December 31, 2008

Assets

Cash & cash equivalents:			
Restricted for rewards & related costs	\$	60,252	
Unrestricted		<u>299,023</u>	
Total cash & cash equivalents			359,275
Certificates of deposit:			
Restricted for rewards & related costs		783,862	
Unrestricted		<u>721,760</u>	
Total certificates of deposit			1,505,622
Court fee receivable			33,821
Grants receivable			47,316
State appropriations receivable			74,242
Accrued interest			6,180
Property & equipment, net			<u>8,143</u>
Total assets			\$ <u>2,034,599</u>

Liabilities & Net Assets

Liabilities:			
Accounts payable	\$	5,480	
Payroll liabilities & withholdings		9,174	
Deferred revenue		<u>18,000</u>	
Total liabilities			32,654
Net Assets:			
Unrestricted		1,058,506	
Temporarily restricted		<u>943,439</u>	
Total net assets			<u>2,001,945</u>
Total liabilities & net assets			\$ <u>2,034,599</u>

See accompanying notes to the financial statements.

CRIMESTOPPERS, INC.

Statement of Activities

For the Year ended December 31, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support & Revenues:			
Contributions	\$ 163,313	44,600	207,913
Special events revenue (less related costs of \$58,969)	265,588	-	265,588
Court fees	332,555	-	332,555
Grants	64,113	-	64,113
State appropriations	74,242	-	74,242
Interest	17,539	23,746	41,285
Net assets released from restrictions	<u>86,384</u>	<u>(86,384)</u>	<u>-</u>
Total support & revenues	<u>1,003,734</u>	<u>(18,038)</u>	<u>985,696</u>
Expenses			
Program services	401,376	-	401,376
Support services	<u>227,243</u>	<u>-</u>	<u>227,243</u>
Total expenses	<u>628,619</u>	<u>-</u>	<u>628,619</u>
Change in net assets	375,115	(18,038)	357,077
Net assets - beginning of year	<u>683,391</u>	<u>961,477</u>	<u>1,644,868</u>
Net assets - end of year	\$ <u>1,058,506</u>	<u>943,439</u>	<u>2,001,945</u>

See accompanying notes to the financial statements.

CRIMESTOPPERS, INC.

Statement of Cash Flows

For the Year Ended December 31, 2008

Cash flows from operating activities:		
Change in net assets	\$	357,077
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation		1,589
(Increases) decreases in assets:		
Court fee receivable		993
Grants receivable		(1,132)
Grants receivable		(74,242)
Other receivable		1,814
Accrued interest		910
Increases (decreases) in liabilities:		
Accounts payable		(4,520)
Payroll liabilities & withholdings		5,454
Deferred revenue		18,000
Net cash provided by operating activities		<u>305,943</u>
Cash flows from investing activities:		
Purchase of certificates of deposit		(586,369)
Proceeds from certificates of deposit		104,712
Purchase of property & equipment		(5,687)
Net cash used in investing activities		<u>(487,344)</u>
Net decrease in cash & cash equivalents		(181,401)
Cash & cash equivalents, beginning of year		<u>540,676</u>
Cash & cash equivalents, end of year	\$	<u><u>359,275</u></u>

See accompanying notes to the financial statements.

CRIMESTOPPERS, INC.

Notes to Financial Statements

December 31, 2008

(1) Nature of Business

The Crimestoppers, Inc. (the Organization) program is a cooperative effort among the police, the media, and the community. Crimestoppers, Inc. is a private, non-profit (501)(c)(3) corporation formed locally in 1982, by small businesses and concerned citizens, to provide a means for the police to get critical information on crime from anonymous sources, and to provide a cash reward incentive for providing the information. The organization serves an eight (8) parish area, including: Jefferson, Orleans, Plaquemines, St. Bernard, St. Charles, St. James, St. John the Baptist and St. Tammany.

(2) Summary of Significant Accounting Policies

(a) Financial Statement Presentation

The Organization has adopted the financial reporting standards requirements as set forth in the Statement of Financial Accounting Standards No. 117, "Financial Statements of Not-for-Profit Organization". Accordingly, the net assets of the Organization are classified as both unrestricted and temporarily restricted.

(b) Unrestricted Net Assets

Net assets that are not subject to donor-imposed stipulations.

(c) Temporarily Restricted Net Assets

Temporarily restricted net assets are contributions subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are classified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Net assets for which the restriction is met in the year received are shown as unrestricted support in the year of receipt.

(d) Permanently Restricted Net Assets

Permanently restricted net assets are contributions which are required by the donor-imposed restriction to be invested in perpetuity and only the income be made available for program operations in accordance with the donor restrictions. Such income is reflected in temporarily net assets until utilized for donor-imposed restrictions. At December 31, 2008, the Organization did not have any permanently restricted net assets.

(e) Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

CRIMESTOPPERS, INC.

Notes to Financial Statements, Continued

December 31, 2008

(2) Summary of Significant Accounting Policies, Continued

(f) Cash & Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all investments purchased with a maturity of three months or less to be cash equivalents.

(g) Economic Dependency

The primary sources of revenue for the Organization are private contributions, court fees and fundraising activities. The continued success of the Organization is dependent upon the continued receipt of private contributions, court fees and monies from fundraising activities.

(h) Revenue Recognition & Receivables

The Organization recognizes all contributed support as income in the period received. The Organization recognizes all grants and court fees as revenue when earned. Contributed support is reported as unrestricted or temporarily restricted depending on the existence of donors' stipulations that limit the use of the support. Due to the nature of the grant and court fee receivables, there was no allowance for uncollectible amounts recorded at December 31, 2008.

(i) Property & Equipment

Property and equipment are recorded at cost (or fair market value for donated assets) and depreciated using the straight-line method over the estimated useful lives of the related assets.

(j) Estimates

The preparation of financial statements in conformity with generally accepted accounting principals requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

(k) Fair Values of Financial Institutions

Generally accepted accounting principles require disclosure of fair value information about financial instruments for which it is practicable to estimate fair value, whether or not recognized in the statement of financial position. Cash and cash equivalents carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments.

(l) Advertising & Marketing Costs

Advertising & marketing costs are expensed as incurred. Advertising and marketing expense for the year totaled \$234,486.

CRIMESTOPPERS, INC.

Notes to Financial Statements, Continued

December 31, 2008

(2) Summary of Significant Accounting Policies, Continued

(m) Concentrations

The Organization generally maintains cash and cash equivalents on deposit at financial institutions in excess of the federally insured limits. Accordingly, at times the deposits are uninsured and uncollateralized. The organization has not experienced any losses in such accounts and believes its cash is not exposed to any significant credit risk.

(3) Property & Equipment

Property & equipment is summarized as follows

Furniture, fixtures and equipment	\$ 24,043
Less accumulated depreciation	<u>(15,900)</u>
	<u>\$ 8,143</u>

Depreciation and amortization expense amounted to \$1,589 in 2008.

(4) Net Assets Released from Restrictions

Temporarily restricted net assets represents donations made to the reward funds of individual unsolved cases and court fees. The donations are restricted for a period of two years and are released when the reward is paid or the time restriction lapses. The court fees are released when these funds are expended for their restricted purpose (rewards, marketing, & other direct program costs).

Net assets released from restrictions during 2008 are as follows:

Expiration of time restriction (donations)	\$ 43,844
Expended for restricted purpose	<u>42,540</u>
	<u>\$ 86,384</u>

During 2008, the Organization received net assets (court fees) totaling \$332,555 that were recorded as unrestricted support. These funds represent temporarily restricted net assets for which the restriction was met during 2008.

(5) Income Taxes

The Organization is a tax exempt corporation under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provisions for federal or state income taxes have been recorded in the accompanying financial statements.

CRIMESTOPPERS, INC.

Notes to Financial Statements, Continued

December 31, 2008

(6) Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalent accounts in financial institutions. At certain times, portions of the deposits are uninsured and uncollateralized. The organization has not experienced any losses in such accounts and believes its cash is not exposed to any significant credit risk.

(7) In-Kind Donations

The Jefferson Parish Sheriff's office provides office space, meeting space, utilities, and telephone at no cost to the Organization.

The value of these benefits has not been recorded in the financial statements since the related amounts have not been determined.

(8) Court Fees

Pursuant to Act 50 House Bill No. 33, when a criminal defendant of any criminal offense or any traffic offense in any court, and a crimestoppers organization exist within the territorial jurisdiction of the court, the court shall assess a \$2.00 fee for each offense for which the defendant is convicted, and shall be in addition to all other fines, penalties, and fees imposed by the court. The court shall not suspend the payment of this fee. The fees collected will be transferred to the organization at least annually.

For the year ended December 31, 2008, the Organization earned \$332,555 from the Act 50 House Bill No. 33.

(9) Pension Plan

The Organization has sponsored a simple IRA that covers the Executive Director of the Organization. The plan provides for a matching contribution equal to 3% of gross payroll up to certain limits as prescribed by the Internal Revenue Code. Contributions to the plan for the year ended December 31, 2008 amounted to \$4,037.

CRIMESTOPPERS, INC.

Schedule of Functional Expenses

For the Year ended December 31, 2008

	Program Services			Support Services					Total
	Court Fund	Safe School Hotline	Total Program Services	Court Fund	Safe School Hotline	Other General & Admin	Total Support Services		
Reward payments	\$ 119,920	1,375	121,295	-	-	-	-	121,295	
Salaries	-	43,446	43,446	-	-	148,725	148,725	192,171	
Payroll taxes & employee benefits	-	4,845	4,845	-	-	17,064	17,064	21,909	
Advertising & marketing	231,790	-	231,790	-	-	2,696	2,696	234,486	
Depreciation	-	-	-	-	-	1,589	1,589	1,589	
Insurance	-	-	-	-	-	2,060	2,060	2,060	
Miscellaneous	-	-	-	29	1,020	10,532	11,581	11,581	
Office supplies	-	-	-	5,577	3,056	2,551	11,184	11,184	
Postage	-	-	-	-	-	348	348	348	
Meetings	-	-	-	-	-	2,789	2,789	2,789	
Telephone	-	-	-	12,808	-	689	13,497	13,497	
Printing	-	-	-	-	-	1,735	1,735	1,735	
Computer expense	-	-	-	971	-	-	971	971	
Travel	-	-	-	-	1,246	3,923	5,169	5,169	
Bank charges	-	-	-	-	-	929	929	929	
Professional fees	-	-	-	4,000	-	1,000	5,000	5,000	
Taxes	-	-	-	-	-	5	5	5	
Repairs	-	-	-	-	-	-	-	-	
Storage	-	-	-	-	-	220	220	220	
Contract Labor	-	-	-	-	89	477	566	566	
Memberships	-	-	-	-	-	1,115	1,115	1,115	
Total expenses	\$ 351,710	49,666	401,376	23,385	5,411	198,447	227,243	628,619	

See accompanying notes to the financial statements.

**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
Crimestoppers, Inc.
New Orleans, Louisiana**

We have audited the financial statements of Crimestoppers, Inc. (a non-profit corporation) as of and for the year ended December 31, 2008, and have issued our report thereon dated May 15, 2009. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Crimestoppers, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Crimestoppers, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Crimestoppers, Inc.'s financial statements are free of 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 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.*

We noted certain matters that we reported to management of Crimestoppers, Inc. in a separate letter dated May 15, 2009.

This report is intended solely for the information and use of management, the audit committee, Board of Trustees, and the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.

Griffin & Company, LLC

May 15, 2009

CRIMESTOPPERS, INC.

Schedule of Findings & Questioned Costs

Year Ended December 31, 2008

Section I – Summary of Auditors’ Results

Financial Statements:

- a. Type of auditors’ report issued - unqualified
- b. Internal Control Over Financial Reporting
 - Material weaknesses identified – None
 - Significant deficiencies identified that are not considered material weaknesses – None
- c. Non-Compliance Material to Financial Statements - None

Federal Awards

Not applicable.

Section II – Financial Statement Findings

No matters reported.

Section III – Federal Award Findings and Questioned Costs

Not applicable.

— GRIFFIN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Stephen M. Griffin, CPA
Robert J. Furman, CPA

To the Audit Committee and Board of Directors of
Crimestoppers, Inc.
Metairie, Louisiana

In planning and performing our audit of the financial statements of Crimestoppers, Inc. for the year ended December 31, 2008, in accordance with auditing standards generally accepted in the United States of America, we considered Crimestoppers, Inc.'s internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Credit Union's internal control.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. This letter does not affect our report dated May 15, 2009 on the financial statements of Crimestoppers, Inc.

Matters Also Communicated in Prior Year

Certificates of Deposit

During our review of certificates of deposit, it was noted that accrued interest on several certificates of deposit was recorded as part of the certificate balance although the interest had not yet been paid. In the prior years, accrued interest had not been recorded at all. We recommend the Organization record and track accrued interest on its certificates in a separate account and only adjust the principal balance of its certificates of deposit upon maturity.

Grants Receivable

During our review of grants, it was noted that income relating to several grants had not been accrued at year end and was recorded as income in 2009. We recommend the Organization monitor grant activity and make the necessary adjustments to record grant revenue and the related expenses in the same periods.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various Organization personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Sincerely,

Griffin & Company, LLC

May 15, 2009