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**NORTH DELTA
LAW ENFORCEMENT DISTRICT, INC.
Winnsboro, Louisiana**

**Financial Statements
With Independent Auditor's Report
As of and for the Years Ended
September 30, 2005 and 2004
With Supplemental Information Schedules**

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 4-26-06

NORTH DELTA LAW ENFORCEMENT DISTRICT, INC.
Winnsboro, Louisiana

Financial Statements
With Independent Auditor's Report
As of and for the Years Ended September 30, 2005 and 2004
With Supplemental Information Schedules

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Independent Auditor's Report

North Delta Law Enforcement District, Inc.
Winnsboro, Louisiana


We have audited the accompanying statement of financial position of North Delta Law Enforcement District, Inc., (a nonprofit organization) as of September 30, 2005 and 2004 and the related statements of activities, functional expenses, and cash flows for the years then ended, as listed in the table of contents. These financial statements are the responsibility of the management of North Delta Law Enforcement District, Inc. 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 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 North Delta Law Enforcement District, Inc., as of September 30, 2005 and 2004, and the changes in its net assets and its cash flows for the years 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 February 17, 2006, on our consideration of North Delta Law Enforcement District, Inc.'s internal control over financial reporting and our tests of the district's compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and are not a required part of the basic financial statements of North Delta Law Enforcement District, Inc. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



MARCUS, ROBINSON & HASSELL, CPAs

Winnsboro, Louisiana

February 17, 2006

FINANCIAL STATEMENTS

NORTH DELTA LAW ENFORCEMENT
DISTRICT, INC.
Winnsboro, Louisiana

Statement of Financial Position
September 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>
ASSETS		
Current Assets		
Cash	12,835	17,502
Due from grantor	<u>10,038</u>	<u>6,430</u>
Total current assets	22,873	23,932
Furniture and equipment (net of accumulated depreciation)	<u>-0-</u>	<u>9</u>
TOTAL ASSETS	<u>22,873</u>	<u>23,941</u>
 LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	142	-0-
Unrestricted net assets	<u>22,731</u>	<u>23,941</u>
TOTAL LIABILITIES AND NET ASSETS	<u>22,873</u>	<u>23,941</u>

See accompanying notes.

NORTH DELTA LAW ENFORCEMENT
DISTRICT, INC.
Winnsboro, Louisiana

Statement of Activities
For the Years Ended September 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>
UNRESTRICTED NET ASSETS		
Revenue:		
Federal grant reimbursements	28,635	24,660
State grant reimbursements	65,224	84,224
Membership dues	<u>5,844</u>	<u>6,131</u>
Total revenue	99,703	115,015
Expenses:		
Program services – assistance to law enforcement and other agencies	75,685	107,031
Support services – management and general	<u>25,228</u>	<u>7,103</u>
Total expenses	<u>100,913</u>	<u>114,134</u>
INCREASE (Decrease) IN NET ASSETS	(1,210)	881
NET ASSETS AT BEGINNING OF YEAR	<u>23,941</u>	<u>23,060</u>
NET ASSETS AT END OF YEAR	<u>22,731</u>	<u>23,941</u>

See accompanying notes.

NORTH DELTA LAW ENFORCEMENT
DISTRICT, INC.
Winnsboro, Louisiana

Statement of Functional Expenses
For the Year Ended September 30, 2005

	Program <u>Services</u>	Support <u>Services</u>	<u>Total</u>
Salaries and related benefits	23,860	7,953	31,813
Materials and supplies	2,624	875	3,499
Travel and other	275	92	367
Allocations to law enforcement and other agencies	48,918	16,306	65,224
Depreciation	<u>8</u>	<u>2</u>	<u>10</u>
Total	<u>75,685</u>	<u>25,228</u>	<u>100,913</u>

See accompanying notes.

NORTH DELTA LAW ENFORCEMENT
DISTRICT, INC.
Winnsboro, Louisiana

Statement of Functional Expenses
For the Year Ended September 30, 2004

	Program <u>Services</u>	Support <u>Services</u>	<u>Total</u>
Salaries and related benefits	16,955	5,652	22,607
Travel and other	4,262	1,421	5,683
Allocations to law enforcement and other agencies	85,724	-0-	85,724
Depreciation	<u>90</u>	<u>30</u>	<u>120</u>
Total	<u>107,031</u>	<u>7,103</u>	<u>114,134</u>

See accompanying notes.

NORTH DELTA LAW ENFORCEMENT
DISTRICT, INC.
Winnsboro, Louisiana

Statement of Cash Flows
For the Years Ended September 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	(1,210)	881
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Depreciation	10	120
(Increase) decrease in operating assets:		
Due from grantor	(3,609)	1,144
Increase (decrease) in operating liabilities:		
Accounts payable	<u>142</u>	<u>(112)</u>
Net cash provided (used) by operating activities	<u>(4,667)</u>	<u>2,033</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Purchase of fixed assets	<u>-0-</u>	<u>-0-</u>
NET INCREASE (DECREASE) IN CASH	(4,667)	2,033
CASH AT BEGINNING OF YEAR	<u>17,502</u>	<u>15,469</u>
CASH AT END OF YEAR	<u>12,835</u>	<u>17,502</u>

See accompanying notes.

NORTH DELTA LAW ENFORCEMENT
DISTRICT, INC.
Winnsboro, Louisiana

Notes to the Financial Statements
As of and for the Years Ended September 30, 2005 and 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

North Delta Law Enforcement District, Inc., a non-profit organization, encompasses all of Sub-state Law Enforcement Planning District II, which consists of the parishes of Caldwell, East Carroll, Franklin, Jackson, Madison, Morehouse, Ouachita, Richland, Tensas, Union and West Carroll, and the municipalities within these parishes. The district is governed by the North Delta Law Enforcement Advisory Council, as created by Louisiana Revised Statute 15:1210. The council is responsible for identifying problems and needs of the various law enforcement agencies within the district, assigning priorities to those needs, reviewing proposals and applications from local agencies for programs to be financed with the aid of funds from the state and federal government, and overseeing the direction, management and administration of the corporation.

A. BASIS OF ACCOUNTING

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

B. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

C. REVENUE

North Delta Law Enforcement District, Inc., receives approximately 94% of its revenue from the Louisiana Commission on Law Enforcement and Administration of Criminal Justice through the reimbursement of expenses under federal and state grant agreements. Revenue is recognized when the expenses have been incurred. In order to receive funding, the organization must comply with the terms of the grants.

NORTH DELTA LAW ENFORCEMENT
DISTRICT, INC.
Winnsboro, Louisiana

Notes to the Financial Statements
As of and for the Years Ended September 30, 2005 and 2004

D. CASH

Cash balances at September 30, 2005 consist of demand deposits. The district has cash (book balances) totaling \$12,835 and \$17,502 respectively, at September 30, 2005 and September 30, 2004, which are fully secured by FDIC insurance.

E. UNCOLLECTIBLE ALLOWANCE

The statements contain no provision for uncollectible accounts. The district is of the opinion that all receivables are fully collectible.

F. FIXED ASSETS

Fixed assets acquired by North Delta Law Enforcement District, Inc., are considered to be owned by the district. North Delta Law Enforcement District, Inc., follows the practice of capitalizing all expenses for property, furniture, fixtures and office equipment in excess of \$50. The fixed assets are recorded at cost. Depreciation is computed on a straight-line basis over the estimated useful life of 5 years for furniture and equipment.

G. FUNCTIONAL EXPENSES

Expenses are charged directly to program services or support services in general categories based on specific identification. Indirect expenses have been allocated based on salary expenses.

H. INCOME TAX STATUS

North Delta Law Enforcement District, Inc., is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in these financial statements.

I. PENSION COMMITMENTS

Employees of North Delta Law Enforcement District, Inc. are covered under Social Security. No other pension plans are maintained.

NORTH DELTA LAW ENFORCEMENT
DISTRICT, INC.
Winnsboro, Louisiana

Notes to the Financial Statements
As of and for the Years Ended September 30, 2005 and 2004

2. CASH FLOW INFORMATION

Supplemental disclosures of cash flow information:

	<u>2005</u>	<u>2004</u>
Cash paid during the year for:		
Interest	-0-	-0-
Income Taxes	-0-	-0-

Supplemental Schedule of Noncash Investing and Financing Activities:

There were no noncash investing and financing activities for the year.

Disclosure of Accounting Policy:

For the purposes of the statement of cash flows, the company considers cash in checking accounts, savings accounts, and certificates of deposit to be cash and cash equivalents.

3. DUE FROM GRANTOR

Due from grantor at September 30, 2005 and September 30, 2004, in the amounts of \$10,038 and \$6,430 respectively, consists of reimbursements for expenses incurred prior to year end under grant agreements.

4. FIXED ASSETS

Fixed assets consist of the following at September 30, 2005 and September 30, 2004:

	<u>2005</u>	<u>2004</u>
Furniture and equipment	2,802	2,802
Less: Accumulated Depreciation	<u>(2,802)</u>	<u>(2,793)</u>
Total	<u>-0-</u>	<u>9</u>

Depreciation expense for the years ended September 30, 2005 and September 30, 2004 was \$10 and \$120 respectively.

NORTH DELTA LAW ENFORCEMENT
DISTRICT, INC.
Winnsboro, Louisiana

Notes to the Financial Statements
As of and for the Years Ended September 30, 2005 and 2004

5. LITIGATION AND CLAIMS

At September 30, 2005, the district is not involved in any litigation nor is it aware of any unasserted claims.

6. LEASES

The North Delta Law Enforcement District, Inc. records assets acquired through capital leases as an asset and records the lease as an obligation. The company has no capital leases outstanding as of September 30, 2005.

SUPPLEMENTAL INFORMATION SCHEDULES

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**Independent Auditor's Report on Compliance and on
Internal Control Over Financial Reporting
Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

NORTH DELTA LAW ENFORCEMENT DISTRICT, INC.
Winnsboro, Louisiana

We have audited the financial statements of North Delta Law Enforcement District, Inc. (a nonprofit organization) as of September 30, 2005 and 2004 and for each of the years then ended, and have issued our report thereon dated February 17, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

Compliance

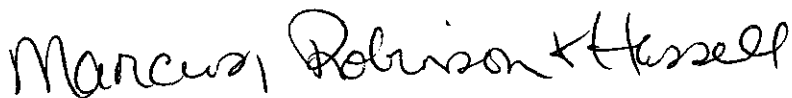
As part of obtaining reasonable assurance about whether North Delta Law Enforcement District, Inc.'s financial statements are free of material misstatement, we performed tests of the district's compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered North Delta Law Enforcement District, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect North Delta Law Enforcement District, Inc.'s ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 2005-01.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not consider the reportable condition described above to be a material weakness.

This report is intended solely for the information of the board of directors and management of North Delta Law Enforcement District, Inc., and other interested state and federal agencies and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is to be distributed by the Legislative Auditor as a public document.



MARCUS, ROBINSON & HASSELL, CPAs

Winnsboro, Louisiana

February 17, 2006

NORTH DELTA LAW ENFORCEMENT DISTRICT, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED SEPTEMBER 30, 2005 AND 2004

<u>Pass Through Grantor</u> <u>Program Title</u>	<u>CFDA</u> <u>Number</u>	<u>Expenditures</u>	
		<u>10/1/04-</u> <u>9/30/05</u>	<u>10/1/03-</u> <u>9/30/04</u>
<u>NON-MAJOR PROGRAMS</u>			
Administrative Funds	16.579	<u>14,011</u>	<u>14,713</u>
Administrative Funds	16.575	<u>9,236</u>	<u>9,947</u>
Law Enforcement Terrorism Prevention Program	97.038	<u>5,388</u>	<u>-0-</u>

See accompanying notes.

NORTH DELTA LAW ENFORCEMENT DISTRICT, INC.
WINNSBORO, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2005

PART I – SUMMARY OF THE AUDITOR’S RESULTS

Financial Statement Audit

- i. The type of audit report issued was unqualified.
- ii. There were no reportable conditions required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States.
- iii. There were no instances of noncompliance considered material, as defined by the Government Auditing Standards, to the financial statement.

Audit of Federal Awards

- iv. There were no reportable conditions required to be disclosed by OMB Circular A-133.
- v. The audit disclosed no audit findings which the auditor is required to report under OMB Circular No. A-133, Section 510 (a).
- vi. There were no major federal programs for the year ended September 30, 2005.
- vii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular No. A-133, Section 520(b) was \$300,000.

PART II – Finding(s) relating to the financial statements which are required to be reported in accordance with Generally Accepted Auditing Standards:

2005-01 INADEQUATE SEGREGATION OF ACCOUNTING DUTIES

Condition: All accounting functions of the district, i.e., depositing and posting receipts and preparing, posting, and issuing checks are performed by one individual.

Criteria: Incompatible functions should be performed by separate individuals.

Effect: Errors or irregularities may not be detected within a timely period.

Cause: *It is not economically feasible to correct this deficiency based on the size of the district and its limited revenues.*

Recommendations: None

Management’s Response: It is not economically feasible to correct this deficiency based on the size of the district and its limited revenues.

NORTH DELTA LAW
ENFORCEMENT DISTRICT, INC.
Winnsboro, Louisiana

Summary Schedule of Prior Audit Findings
For the Two Years Ended September 30, 2005

<u>Reference Number</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>
2003-01	2000	All accounting functions of the district, i.e., depositing and posting receipts and preparing, posting and issuing checks are performed by one individual.	None