

**METROPOLITAN LAW ENFORCEMENT
COUNCIL, INC.**

**FINANCIAL STATEMENTS
JUNE 30, 2012**

METROPOLITAN LAW ENFORCEMENT COUNCIL, INC.
FINANCIAL STATEMENTS
JUNE 30, 2012

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
Metropolitan Law Enforcement Council, Inc.

We have reviewed the accompanying statement of financial position of Metropolitan Law Enforcement Council, Inc. (the "Council") (a nonprofit organization) as of June 30, 2012, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Council 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 taken as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements, in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, except for the treatment of property and equipment discussed in Note 1, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.


KOUNDAKJIAN & COMPANY, P. C.

December 17, 2012

METROPOLITAN LAW ENFORCEMENT COUNCIL, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2012

ASSETS

Assets

Cash	\$ 92,993
Accounts receivable	55,584
Certificate of deposit	82,001
Property & equipment, net	<u>21,811</u>

TOTAL ASSETS \$ 252,389

LIABILITIES AND NET ASSETS

TOTAL LIABILITIES -0-

Net Assets

Unrestricted	<u>252,389</u>
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TOTAL NET ASSETS 252,389

TOTAL LIABILITIES AND NET ASSETS \$ 252,389

See accompanying notes and independent accountants' review report.

METROPOLITAN LAW ENFORCEMENT COUNCIL, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2012

Revenues	
Membership dues	\$ 141,000
Interest income	730
Support	
SRPEDD Homeland Security	<u>30,000</u>
Total Revenues and Support	<u>171,730</u>
Expenses	
Operational services	121,075
Management and general	<u>14,988</u>
Total Expenses	<u>136,063</u>
Increase in Net Assets	35,667
Net Assets, Beginning	<u>216,722</u>
Net Assets, Ending	<u>\$ 252,389</u>

See accompanying notes and independent accountants' review report.

METROPOLITAN LAW ENFORCEMENT COUNCIL, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Operational Services</u>	<u>Management and General</u>	<u>Total Expenses</u>
Computer Crime expenses	\$ 21,392	\$ -	\$ 21,392
Investigation Division expenses	2,161	-	2,161
Strategic management	23,200	-	23,200
Weapons and ammunition	725	-	725
Auto	10,678	-	10,678
Meetings	-	1,302	1,302
Depreciation	16,692	-	16,692
Miscellaneous	3,191	3,089	6,280
Legal and accounting	-	4,000	4,000
Repairs - equipment	328	-	328
Supplies	5,802	597	6,399
Uniforms	7,053	-	7,053
Training and seminars	29,853	-	29,853
Bad Debt	-	6,000	6,000
	<u> -</u>	<u> 6,000</u>	<u> 6,000</u>
Total Expenses	<u>\$ 121,075</u>	<u>\$ 14,988</u>	<u>\$ 136,063</u>

See accompanying notes and independent accountants' review report.

METROPOLITAN LAW ENFORCEMENT COUNCIL, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2012

<i>Cash Flows From Operating Activities:</i>	
Increase in net assets	\$ 35,667
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	16,692
Changes in assets and liabilities:	
Increase in accounts and grants receivable	(520)
Decrease in accrued expenses	<u>(1,915)</u>
<i>Net Cash Provided By Operating Activities</i>	<u>49,924</u>
<i>Cash Flows From Investing Activities :</i>	
Increase in certificate of deposit	(51,873)
Purchase of equipment	<u>(9,084)</u>
<i>Net Cash Used In Investing Activities</i>	<u>(60,957)</u>
<i>Net Decrease in Cash</i>	<u>(11,033)</u>
<i>Cash, Beginning of Period</i>	<u>104,026</u>
<i>Cash, End of Period</i>	<u>\$ 92,993</u>

See accompanying notes and independent accountants' review report.

METROPOLITAN LAW ENFORCEMENT COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The Metropolitan Law Enforcement Council, Inc. ("Metro-LEC" or the "Council") was organized in the Commonwealth of Massachusetts as a not-for-profit corporation.

The members of Metro-LEC are police departments from cities and towns that have made a mutual commitment to provide public safety aid to member police departments. This mutual aid commitment may arise from, but is not limited to, enemy action, natural disasters, fires, floods, storms, earthquakes, landslides, aircraft accidents, search and rescue operations, riots, mob action and civil unrest.

B. Basis of Presentation

The Council's financial statement presentation follows the recommendations of the FASB ASC 958-210-50-3 "Financial Statements of Not-for-Profit Organizations". Under FASB ASC 958-210-50-3, the Council is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

C. Use of 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.

D. Restricted and Unrestricted Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or when the purpose of the restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

E. Property and Equipment

Property and Equipment consists principally of vehicles and equipment and is stated at cost, less accumulated depreciation. Depreciation expense is computed using the Internal Revenue Service tax code modified accelerated cost recovery system (MACRS) over an estimated useful life. Under accounting principles generally accepted in the United States of America, these expenses would have been capitalized and depreciated over the remaining useful lives of the equipment. Repairs and maintenance are expensed as incurred, and betterments are capitalized.

METROPOLITAN LAW ENFORCEMENT COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

CONTINUED

E. Property and Equipment (Continued)

At June 30, 2012 the costs of such assets were as follows:

Motor vehicles	\$ 673,557
Portable radios	448,057
Computer equipment	17,093
Computer Software	13,377
Safety and security equipment	<u>85,756</u>
	1,237,840
Accumulated depreciation	<u>(1,216,029)</u>
	<u>\$ 21,811</u>

Depreciation expense for fiscal 2012 was \$16,692

F. Functional Expenses

The majority of the Council's expenditures are allocated to programs as direct costs. The remaining expenses are specifically allocated by function.

G. Accounts Receivable

The Council closely monitors outstanding accounts receivable. All accounts receivable balances that are determined to be uncollectible are charged to expense when deemed uncollectible. At June 30, 2012, the Council considered all remaining accounts receivable to be fully collectible. Accordingly, there was no allowance for doubtful accounts.

H. Advertising

The Council expenses the cost of advertising as the expense is incurred. For the year ended June 30, 2012, there was no advertising expense.

I. Subsequent Events

Subsequent events have been evaluated through December 17, 2012, which is the date the financial statements were issued.

2. INCOME TAXES

The Council is a nonprofit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on trade or business profits generated by activities related to the Council's exempt function. The Council may be subject to federal and state income taxes for profits generated from trade or business activities unrelated to the Council's exempt function.

METROPOLITAN LAW ENFORCEMENT COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

CONTINUED

2. INCOME TAXES (Continued)

The Council adopted ASC No. 740-10-25 (Prior Authoritative Guidance: FASB Interpretation No.48, "Accounting for Uncertainty in Income Taxes - An Interpretation of FASB Statement No. 109"), which clarifies the accounting for uncertainty in income taxes by prescribing the minimum recognition threshold and measurement requirements a tax position must meet before being recognized as a benefit in the financial statements. ASC 740-10-25 also provides guidance on derecognition, measurement, classification, interest and penalties, accounting for interim periods and disclosures for uncertain tax positions.

The Council's policy is to recognize interest and penalties accrued on any uncertain tax positions as a component of income tax expense, if any, in its statement of activities and changes in net assets. As of June 30, 2012, the Council has not accrued interest and penalties for uncertain tax positions, as management believes the Council has not generated any unrelated business taxable income.

The Council is subject to routine audits by taxing jurisdictions; however, there are currently no audits or any income tax examinations for any tax years in progress. The Council believes it is not subject to income tax examinations for the years prior to the fiscal year ended June 30, 2009, except for tax returns for unrelated business taxable income, for which it has never filed a return.

3. RELATED PARTY ISSUES

A majority of the expenses incurred by the Council, including primarily all of the contracted employment and program services shown in the statement of functional expenses relate to member police departments.

The board of directors is comprised of the Chiefs of Police of some of the member police departments.