

**METROPOLITAN LAW ENFORCEMENT
COUNCIL, INC.**

**FINANCIAL STATEMENTS
JUNE 30, 2013**

METROPOLITAN LAW ENFORCEMENT COUNCIL, INC.
FINANCIAL STATEMENTS
JUNE 30, 2013

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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, 2013, 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, 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.

September 24, 2013

METROPOLITAN LAW ENFORCEMENT COUNCIL, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2013

ASSETS

Assets

Cash	\$ 80,024
Accounts receivable	30,584
Certificate of deposit	82,118
Property & equipment, net	<u>57,970</u>

TOTAL ASSETS **\$ 250,696**

LIABILITIES AND NET ASSETS

TOTAL LIABILITIES -0-

Net Assets

Unrestricted	<u>250,696</u>
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TOTAL NET ASSETS **250,696**

TOTAL LIABILITIES AND NET ASSETS **\$ 250,696**

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, 2013

Revenues	
Membership dues	\$ 104,500
Interest income	118
Support	
SRPEDD Homeland Security	6,043
Other Grant/Project	<u>1,195</u>
Total Revenues and Support	<u>111,856</u>
Expenses	
Operational services	105,675
Management and general	<u>7,874</u>
Total Expenses	<u>113,549</u>
Decrease in Net Assets	(1,693)
Net Assets, Beginning	<u>252,389</u>
Net Assets, Ending	<u>\$ 250,696</u>

See accompanying notes and independent accountants' review report.

METROPOLITAN LAW ENFORCEMENT COUNCIL, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Operational Services</u>	<u>Management and General</u>	<u>Total Expenses</u>
Computer Crime expenses	\$ 3,237	\$ -	\$ 3,237
Investigation Division expenses	1,326	-	1,326
Strategic management	23,269	-	23,269
Weapons and ammunition	934	-	934
Metro-Pop grant expenses	5,885	-	5,885
Auto	17,099	-	17,099
Meetings	-	2,008	2,008
Depreciation	14,051	-	14,051
Miscellaneous	-	561	561
Legal and accounting	-	4,085	4,085
Repairs - equipment	844	-	844
Supplies	5,683	320	6,003
Uniforms	2,361	-	2,361
Training and seminars	30,986	-	30,986
Office and postage	-	900	900
	<hr/>	<hr/>	<hr/>
Total Expenses	\$ 105,675	\$ 7,874	\$ 113,549

See accompanying notes and independent accountants' review report.

METROPOLITAN LAW ENFORCEMENT COUNCIL, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2013

<i>Cash Flows From Operating Activities:</i>	
Decrease in net assets	\$ (1,693)
Adjustments to reconcile decrease in net assets to net cash used in operating activities:	
Depreciation	14,051
Changes in assets and liabilities:	
Decrease in accounts and grants receivable	<u>25,000</u>
<i>Net Cash Provided By Operating Activities</i>	<u>37,358</u>
 <i>Cash Flows From Investing Activities :</i>	
Increase in certificate of deposit	(117)
Purchase of equipment	<u>(50,210)</u>
<i>Net Cash Used In Investing Activities</i>	<u>(50,327)</u>
<i>Net Decrease in Cash</i>	<u>(12,969)</u>
<i>Cash, Beginning of Period</i>	<u>92,993</u>
<i>Cash, End of Period</i>	<u>\$ 80,024</u>

See accompanying notes and independent accountants' review report.

METROPOLITAN LAW ENFORCEMENT COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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, Plant and Equipment are recorded at cost or at estimated fair market value at date of gift, if donated. Depreciation is computed on a straight line basis over the estimated useful lives of the assets. Maintenance and repairs are charged to expense as incurred and major renewals and betterments are capitalized.

METROPOLITAN LAW ENFORCEMENT COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

CONTINUED

E. Property and Equipment (Continued)

At June 30, 2013 the costs of such assets were as follows:

Motor vehicles	\$ 699,683
Portable radios	448,057
Computer equipment	35,222
Computer Software	19,332
Safety and security equipment	<u>85,756</u>
	1,288,050
Accumulated depreciation	<u>(1,230,080)</u>
	<u>\$ 57,970</u>

Depreciation expense for fiscal 2013 was \$14,051.

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, 2013, 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, 2013, there was no advertising expense.

I. Subsequent Events

Subsequent events have been evaluated through September 24, 2013, 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, 2013

CONTINUED

2. **INCOME TAXES** (Continued)

The Council adopted ASC No. 740-10-25, 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, 2013, 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, 2010, 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.