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UNION PARISH DRUG TASK FORCE
FARMERVILLE, LOUISIANA

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

JUNE 30, 1998

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 OCT 28 1998

UNION PARISH DRUG TASK FORCE
JUNE 30, 1998
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INDEPENDENT AUDITOR'S REPORT

Union Parish Drug Task Force
Farmerville, Louisiana

We have audited the accompanying general-purpose financial statements of the Union Parish Drug Task Force, Farmerville, Louisiana, as of and for the year ended June 30, 1998, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Union Parish Drug Task Force's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Union Parish Drug Task Force, as of June 30, 1998, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated October 19, 1998, on our consideration of the Union Parish Drug Task Force's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Marcus, Robinson & Hassell

Marcus, Robinson and Hassell
Monroe, Louisiana
October 19, 1998

UNION PARISH DRUG TASK FORCE
BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1998

	<u>Governmental Fund Types- General Fund</u>	<u>Account Groups- General Fixed Assets</u>	<u>Totals (Memorandum Only)</u>	
			<u>1998</u>	<u>1997</u>
<u>ASSETS</u>				
Cash	22,375	0	22,375	21,569
Accounts Receivable	3,200	0	3,200	3,285
Fixed Assets	<u>0</u>	<u>23,066</u>	<u>23,066</u>	<u>22,307</u>
<u>TOTAL ASSETS</u>	<u>25,575</u>	<u>23,066</u>	<u>48,641</u>	<u>47,161</u>
<u>LIABILITIES AND FUND EQUITY</u>				
<u>Liabilities:</u>				
Accounts Payable	0	0	0	0
<u>Fund Equity:</u>				
Investment in General Fixed Assets	0	23,066	23,066	22,307
Fund Balance - Unreserved and Undesignated	<u>25,575</u>	<u>0</u>	<u>25,575</u>	<u>24,854</u>
<u>TOTAL FUND EQUITY</u>	<u>25,575</u>	<u>23,066</u>	<u>48,641</u>	<u>47,161</u>
<u>TOTAL LIABILITIES AND FUND EQUITY</u>	<u>25,575</u>	<u>23,066</u>	<u>48,641</u>	<u>47,161</u>

See Notes to Financial Statements

UNION PARISH DRUG TASK FORCE
GOVERNMENTAL FUND TYPE - GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 1998

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>REVENUES</u>			
Federal Grant	32,000	32,000	0
Local Funds	5,000	3,382	(1,618)
Forfeitures and Restitution	4,000	4,026	26
Miscellaneous	1,948	0	(1,948)
Interest	<u>400</u>	<u>444</u>	<u>44</u>
 <u>TOTAL REVENUE</u>	 43,348	 39,852	 (3,496)
<u>EXPENDITURES</u>			
Public Safety:			
Personal Services	37,200	21,000	16,200
Investigative Expense	1,948	5,536	(3,588)
Operating Services	4,200	11,836	(7,636)
Capital Expenditures	<u>0</u>	<u>759</u>	<u>(759)</u>
 <u>TOTAL EXPENDITURES</u>	 43,348	 39,131	 4,217
 <u>EXCESS REVENUES OVER EXPENDITURES</u>	 0	 721	 721
 <u>FUND BALANCE AT BEGINNING OF YEAR</u>	 24,854	 24,854	 <u>0</u>
 <u>FUND BALANCE AT END OF YEAR</u>	 <u>24,854</u>	 <u>25,575</u>	 <u>721</u>

See Notes to Financial Statements

UNION PARISH DRUG TASK FORCE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1998

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Union Parish Drug Task Force was created as a criminal justice governmental agency for narcotics control and its purpose is to effectively unite to combat drug use and trafficking in Union Parish. The Sheriff of Union Parish and the Chief of Police from each of the five policing agencies in Union Parish are the directing officers of the drug task force. The six directing officers govern the drug task force and have absolute control and authority over the task force.

A. REPORTING ENTITY

Those financial statements include all funds and account groups which are controlled by the Union Parish Drug Task Force.

B. FUND ACCOUNTING

The drug task force used funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fixed assets and general long-term debt) that are not recorded in the "funds" because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types." Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The drug task force's current operations require only the use of governmental funds (General Fund). Federal funds received from the Louisiana Commission on Law Enforcement and Administration of Criminal Justice, is accounted for in this fund. General operating expenditures are paid from this fund.

C. GENERAL FIXED ASSETS AND LONG-TERM DEBT

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in the General Fund. All fixed assets are based on actual historical costs. No depreciation has been provided on general fixed assets. The drug task force has no long-term debt at June 30, 1998.

UNION PARISH DRUG TASK FORCE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

D. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The modified accrual basis of accounting is used for all governmental fund types utilizing the following practices:

Revenues

Federal and local funds are recognized when the drug task force is entitled to the fund.

Forfeitures and restitution are recognized in the month collected by the various collecting agencies.

All other revenues are recognized when they become available to the drug task force.

Expenditures

Expenditures are generally recognized under the modified basis of accounting when the related liability is incurred.

E. BUDGET PRACTICES

The drug task force prepares and adopts, as a part of its application for a federal grant, a budget for their operations. The budget is established and controlled by the drug task force at the object level of expenditure. Appropriations lapse at year end and must be reappropriated for the following year to be expended. All changes in the budget must be approved by the drug task force. The drug task force presents necessary budget amendments for approval to the grantor agency during the year when, in its judgment, actual operations are differing materially from those anticipated in the original budget.

F. CASH

For the purpose of these financial statements, the Union Parish Drug Task Force considers cash and cash equivalents to be amounts held in demand deposits, interest bearing demand deposits, and time deposits.

Under state law, the drug task force may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The drug task force may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 1998, the drug task force has demand deposits (book balances) totaling \$22,375.

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. Deposit balances (bank balances) at June 30, 1998 total \$22,695, and are fully secured by federal deposit insurance.

UNION PARISH DRUG TASK FORCE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

G. TOTAL COLUMN ON THE BALANCE SHEET

The total column on the balance sheet is captioned Memorandum only to indicate that it is presented only to facilitate financial analysis (overview). Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

NOTE 2 - ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable at June 30, 1998:

Revenue - Federal Grant	\$ <u>3,200</u>
-------------------------	-----------------

NOTE 3 - CHANGES IN GENERAL FIXED ASSETS

The changes in general fixed assets for the year ending June 30, 1998 are as follows:

Balance at June 30, 1997	22,307
Additions	759
Deletions	<u>0</u>
Balance at June 30, 1998	<u>23,066</u>

NOTE 4 - COMPENSATION OF BOARD MEMBERS

There were no amounts paid to the governing board for compensation or per them for the year ended June 30, 1998.

NOTE 5 - LITIGATIONS AND CLAIMS

At June 30, 1998, the Union Parish Drug Task Force is not involved in any litigation nor are they aware of any unasserted claims.

NOTE 6 - FEDERAL FINANCIAL ASSISTANCE

During the year ended June 30, 1998, the Union Parish Drug Task Force participated in the following federal financial assistance program:

<u>Federal Grantor/Pass-Through Grantor Name</u> <u>Program Title</u>	<u>CFDA</u> <u>Number</u>	<u>Expenditures</u>
UNITED STATES DEPARTMENT OF JUSTICE Passed through Louisiana commission on Law Enforcement and Administration of Criminal Justice - Union Parish Drug Task Force	16.579	<u>\$32,000</u>

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Union Parish Drug Task Force
Farmerville, Louisiana

We have audited the financial statements of the Union Parish Drug Task Force as of and for the year ended June 30, 1998, and have issued our report thereon dated October 19, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Union Parish Drug Task Force's financial statements are free of material misstatement, we performed tests of its 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 statements 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 the Union Parish Drug Task Force'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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of management, state and federal grantor agencies and the Legislative Auditor of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Marcus, Robinson & Hassell

Marcus, Robinson and Hassell
October 19, 1998

UNION DRUG TASK FORCE
FARMERVILLE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1998

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 No. 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 was no major federal program for the year ended June 30, 1998.
- 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 Government Auditing Standards:

NONE