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UNION PARISH DRUG TASK FORCE
FARMERVILLE, LOUISIANA
ANNUAL FINANCIAL REPORT
AS OF AND FOR THE YEAR ENDED JUNE 30, 2008

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 1/14/09

UNION PARISH DRUG TASK FORCE

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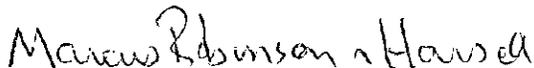
ACCOUNTANT'S REPORT

Board Members
Union Parish Drug Task Force
Farmerville, Louisiana

We have compiled the accompanying financial statements of the governmental activities of the Union Parish Drug Task Force, as of and for the year ended June 30, 2008, which collectively comprise the Task Force's basic financial statements as listed in the table of contents, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has not presented the management's discussion and analysis information that the Governmental Accounting Standards Board has determined is required to supplement, although not required to be a part of, the basic financial statements. We have compiled the supplementary information from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.



MARCUS, ROBINSON AND HASSELL
Monroe, Louisiana
December 14, 2008

BASIC FINANCIAL STATEMENTS
GOVERNMENT - WIDE
FINANCIAL STATEMENTS (GWFS)

UNION PARISH DRUG TASK FORCE
FARMERVILLE, LOUISIANA
STATEMENT OF NET ASSETS
JUNE 30, 2008

ASSETS

Cash & Cash Equivalents	\$12,067
Accounts Receivable	4,841
Capital Assets (net of accumulated depreciation)	<u>869</u>

TOTAL ASSETS \$17,777

LIABILITIES

\$ 0

NET ASSETS

Investment in Capital Assets	869
Unrestricted	<u>16,908</u>

TOTAL NET ASSETS \$17,777

See Accountant's Report and Notes to Financial Statements

UNION PARISH DRUG TASK FORCE
FARMERVILLE, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008

<u>Functions/Programs:</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expenses)</u> <u>Revenues and</u> <u>Changes in</u> <u>Net Assets</u>
		<u>Operating</u> <u>Grants</u>	<u>Capital</u> <u>Grants</u>	
Governmental Activities				
Public Safety				
Personal Services	\$ 5,500	\$12,364	\$0	\$ 6,864
Investigative Expense	7,640	7,000	0	(640)
Operating Services	921	0	0	(921)
Depreciation	<u>635</u>	<u>0</u>	<u>0</u>	<u>(635)</u>
<u>Total Program Expenses</u>	<u>\$14,696</u>	<u>\$19,364</u>	<u>\$0</u>	<u>4,668</u>
<u>General Revenues</u>				
Interest				<u>45</u>
<u>Total General Revenues</u>				<u>45</u>
<u>Change in Net Assets</u>				4,713
<u>Net Assets at Beginning of Year</u>				<u>13,064</u>
<u>Net Assets at End of Year</u>				<u>\$17,777</u>

See Accountant's Report and Notes to Financial Statements

BASIC FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENTS (FFS)

UNION PARISH DRUG TASK FORCE
FARMERVILLE, LOUISIANA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2008

	<u>General</u> <u>Fund</u>
<u>Assets</u>	
Cash and Cash Equivalents	\$12,067
Accounts Receivable	<u>4,841</u>
<u>Total Assets</u>	<u>\$16,908</u>
<u>Liabilities and Fund Balance</u>	
Liabilities:	\$ 0
Fund Balance:	
Unreserved and Undesignated	<u>16,908</u>
<u>Total Fund Balance</u>	<u>16,908</u>
<u>Total Liabilities and Fund Balance</u>	<u>\$16,908</u>

See Accountant's Report and Notes to Financial Statements

UNION PARISH DRUG TASK FORCE
FARMERVILLE, LOUISIANA
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
JUNE 30, 2008

Total Fund Balance - Governmental Funds	\$16,908
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The cost of capital assets purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Assets includes those capital assets among the assets of the Task Force as a whole. The cost of those capital assets is allocated over their useful lives (as depreciation expense) as governmental activities in the Statement of Activities. Because depreciation expenses does not affect financial resources, it is not reported in governmental funds.

Cost of Capital Assets at June 30, 2008	18,313	
Less: Accumulated Depreciation at June 30, 2008	<u>17,444</u>	<u>869</u>
Net Assets at June 30, 2008		<u>\$17,777</u>

See Accountant's Report and Notes to Financial Statements

UNION PARISH DRUG TASK FORCE
FARMERVILLE, LOUISIANA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	<u>General Fund</u>
<u>Revenues</u>	
Federal Grant	\$19,364
Interest	<u>45</u>
<u>Total Revenues</u>	19,409
<u>Expenditures</u>	
Public Safety	
Personal Services	5,500
Investigative Expense	7,640
Operating Services	<u>921</u>
<u>Total Expenditures</u>	14,061
<u>Net Change in Fund Balance</u>	5,348
<u>Fund Balance at Beginning of Year</u>	<u>11,560</u>
<u>Fund Balance at End of Year</u>	<u>\$16,908</u>

See Accountant's Report and Notes to Financial Statements

UNION PARISH DRUG TASK FORCE
FARMERVILLE, LOUISIANA
RECONCILIATION OF GOVERNMENTAL FUNDS
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN
FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008

Net Change in Fund Balance - Governmental Funds	\$5,348
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Amounts reported for governmental activities in statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense.

Less: Current Year Depreciation Expense	<u>\$ 635</u>
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Change in Net Assets of Governmental Activities	<u>\$4,713</u>
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See Accountant's Report and Notes to Financial Statements

UNION PARISH DRUG TASK FORCE
FARMERVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

INTRODUCTION

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Boards (GASB) is the accepted standard setting body for establishing governmental accounting principles and reporting standards.

B. REPORTING ENTITY

Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification 2100, these financial statements include all funds and account groups which are controlled by the Union Parish Drug Task Force.

C. FUND ACCOUNTING

The Task Force uses 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 relating to certain governmental functions or activities.

The General Fund of the Task Force is classified as a governmental fund and is the general operating fund of the Task Force and accounts for all financial resources. Revenues are accounted for in this fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. General operating expenditures are paid from this fund.

D. MEASUREMENT FOCUS; BASIS OF ACCOUNTING

The government-wide statements are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of governmental-type activities are included in the statement of Net Assets. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred in the Statement of Activities. In these statements, capital assets are reported and depreciated.

Governmental funds are reported using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements represent increases and decreases in net current assets. Expenditures for capital assets are reported as current expenses, and such assets are not depreciated.

UNION PARISH DRUG TASK FORCE
FARMERVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

E. BUDGET PRACTICES

The 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 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 Task Force. The 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 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, 2008, the Task Force has demand deposits (book balances) totaling \$12,067.

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, 2008 total \$14,567, and are fully secured by federal deposit insurance.

G. USE OF ESTIMATES

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

H. CAPITAL ASSETS

Capital assets are reported in the governmental activities in the government-wide financial statements. Capital assets are capitalized at historical cost. The capitalization threshold is \$1,000. Capital assets are depreciated using the straight-line method over the following useful lives:

Equipment	5-7 Years
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I. COMPENSATED ABSENCES, POSTRETIREMENT BENEFITS, AND PENSION PLAN

The Task Force has no employees; therefore, the Task Force has not established leave policies, does not pay postretirement benefits, and does not contribute to a pension plan.

UNION PARISH DRUG TASK FORCE
FARMERVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 2 - ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable at June 30, 2008:

Revenue - Federal Grant \$ 4,841

NOTE 3 - CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2008 are as follows:

Governmental Activities:

Equipment	\$18,313
Beginning Balance	0
Additions	0
Retirements	<u>0</u>
Totals at Historical Cost	18,313
Less: Accumulated Depreciation	<u>17,444</u>
Capital Assets, Net	<u>\$ 869</u>

Depreciation expense of \$635 is reported as a separate line item in the statement of activities.

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, 2008.

NOTE 5 - LITIGATIONS AND CLAIMS

At June 30, 2008, 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, 2008, 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>Pass Through</u> <u>Entity ID 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	B-02-2-008	<u>\$19,364</u>

**REQUIRED SUPPLEMENTAL INFORMATION
PART II**

UNION PARISH DRUG TASK FORCE
FARMERVILLE, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GOVERNMENTAL FUND - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u> <u>Budgetary</u> <u>Basic</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
<u>Revenues</u>				
Federal Grant	\$19,364	\$19,364	\$19,364	\$ 0
Interest	<u>0</u>	<u>0</u>	<u>45</u>	<u>45</u>
<u>Total Revenues</u>	19,364	19,364	19,409	45
<u>Expenditures</u>				
Public Safety				
Personal Services	12,364	12,364	5,500	6,864
Investigative Expense	7,000	7,000	7,640	(640)
Operating Services	<u>0</u>	<u>0</u>	<u>921</u>	<u>(921)</u>
<u>Total Expenditures</u>	<u>19,364</u>	<u>19,364</u>	<u>14,061</u>	<u>5,303</u>
<u>Excess Expenditures Over Revenues</u>	0	0	5,348	5,348
<u>Fund Balance at Beginning of Year</u>	<u>11,560</u>	<u>11,560</u>	<u>11,560</u>	<u>0</u>
<u>Fund Balance at End of Year</u>	<u>\$11,560</u>	<u>\$11,560</u>	<u>\$16,908</u>	<u>\$5,348</u>

OTHER SUPPLEMENTAL SCHEDULE

UNION PARISH DRUG TASK FORCE
CURRENT YEAR FINDINGS AND CORRECTIVE ACTION PLAN
JUNE 30, 2008

08-01-Inadequate Segregation of Duties

Due to the number of employees, the Task Force did not have adequate segregation of functions within the accounting system. Based upon the cost-benefit of additional personnel, it is not feasible to achieve complete segregation of duties.

Corrective Action Plan

No response is considered necessary.

Contact Person

Minor Patton

Anticipated Completion Date

NA

08-02-Inadequate Controls Over Financial Statement Preparation

The Task Force does not have personnel with qualifications and training to apply generally accepted accounting principles in preparing its financial statements, including the related notes.

Corrective Action Plan

Based on the cost-benefit it has been determined that it is in the best interest of the Task Force to outsource this task to its independent CPA's and to review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

Contact Person

Minor Patton

Anticipated Completion Date

NA

Compliance

No findings required to be reported.

Management Letter

No management letter issued.