



Dave Yost • Auditor of State

**COLUMBIANA COUNTY DRUG TASK FORCE
COLUMBIANA COUNTY**

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Dave Yost • Auditor of State

Columbiana County Drug Task Force
Columbiana County
P.O. Box 68
Lisbon, Ohio 44432

To the Board of Control:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

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Dave Yost
Auditor of State

April 18, 2011

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Columbiana County Drug Task Force
Columbiana County
P.O. Box 68
Lisbon, Ohio 44432

To the Board of Control:

We have audited the accompanying financial statements of the Columbiana County Drug Task Force, Columbiana County, (the Task Force) as of and for the years ended December 31, 2010 and 2009. These financial statements are the responsibility of the Task Force's management. 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Task Force has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Task Force's larger (i.e. major) funds separately. While the Task Force does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Task Force's to reformat their statements. The Task Force has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2010 and 2009 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Task Force as of December 31, 2010 and 2009, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Columbiana County Drug Task Force, Columbiana County, as of December 31, 2010 and 2009, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Task Force has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 18, 2011, on our consideration of the Task Force's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Dave Yost
Auditor of State

April 18, 2011

**COLUMBIANA COUNTY DRUG TASK FORCE
COLUMBIANA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Governmental Fund Types						Totals (Memorandum Only)
	Law Enforcement Trust	Mandatory Drug Fines	Confidential Informant Funds	Restitution	Supplies and Equipment	Justice Department	
Cash Receipts:							
Confiscations, Forfeitures & Restitutions	\$13,348			\$12,099	\$147		\$25,594
Intergovernmental			\$5,000		15,171	\$3,810	23,981
Interest							0
Miscellaneous							0
Total Cash Receipts	<u>13,348</u>	<u>0</u>	<u>5,000</u>	<u>12,099</u>	<u>15,318</u>	<u>3,810</u>	<u>49,575</u>
Cash Disbursements:							
Current:							
Security of Person & Property	6,669		15,000	15,222	13,578	500	50,969
Matching Funds					7,000	6,000	13,000
Equipment							0
Miscellaneous		30					30
Total Cash Disbursements	<u>6,669</u>	<u>30</u>	<u>15,000</u>	<u>15,222</u>	<u>20,578</u>	<u>6,500</u>	<u>63,999</u>
Total Receipts Over / (Under) Disbursements	<u>6,679</u>	<u>(30)</u>	<u>(10,000)</u>	<u>(3,123)</u>	<u>(5,260)</u>	<u>(2,690)</u>	<u>(14,424)</u>
Excess of Cash Receipts and Other Financing Receipts Over / (Under) Cash Disbursements and Other Financing Disbursements	6,679	(30)	(10,000)	(3,123)	(5,260)	(2,690)	(14,424)
Fund Cash Balances, January 1	2,827	1,644	29,937	6,780	7,194	7,993	56,375
Fund Cash Balances, December 31	<u>\$9,506</u>	<u>\$1,614</u>	<u>\$19,937</u>	<u>\$3,657</u>	<u>\$1,934</u>	<u>\$5,303</u>	<u>\$41,951</u>

The notes to the financial statements are an integral part of this statement.

**COLUMBIANA COUNTY DRUG TASK FORCE
COLUMBIANA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Governmental Fund Types						Totals (Memorandum Only)
	Law Enforcement Trust	Mandatory Drug Fines	Confidential Informant Funds	Restitution	Supplies and Equipment	Justice Department	
Cash Receipts:							
Confiscations, Forfeitures & Restitutions	\$2,499	\$1,000	\$7,373	\$2,240	\$4,000		\$17,112
Intergovernmental	13,836		45,844		3,433	\$714	63,827
Interest						1	1
Miscellaneous					1,500		1,500
Total Cash Receipts	16,335	1,000	53,217	2,240	8,933	715	82,440
Cash Disbursements:							
Current:							
Security of Person and Property	12,939	168	31,348	2,653	23,262		70,370
Matching Funds	14,000						14,000
Equipment	14,245				13,131		27,376
Miscellaneous		120				45	165
Total Cash Disbursements	41,184	288	31,348	2,653	36,393	45	111,911
Total Receipts Over/(Under) Disbursements	(24,849)	712	21,869	(413)	(27,460)	670	(29,471)
Excess of Cash Receipts and Other Financing Receipts Over / (Under) Cash Disbursements and Other Financing Disbursements	(24,849)	712	21,869	(413)	(27,460)	670	(29,471)
Fund Cash Balances, January 1	27,676	932	8,068	7,193	34,654	7,323	85,846
Fund Cash Balances, December 31	\$2,827	\$1,644	\$29,937	\$6,780	\$7,194	\$7,993	\$56,375

The notes to the financial statements are an integral part of this statement.

**COLUMBIANA COUNTY DRUG TASK FORCE
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Columbiana County Drug Task Force, Columbiana County, (the Task Force) is a multi-jurisdictional drug task force for the sharing of police service and equipment to undertake joint operations to stop the trafficking of illegal drugs. The Task Force was created by the authority of Ohio Revised Code Sections 737.04 and 737.041. Member agencies included Columbiana County Sheriff, Columbiana County Prosecutor, Village of Lisbon and Village of Leetonia.

Member agencies provide their own personnel to operate the Task Force. The individual agencies pay for salaries and benefits from their respected budgets.

The Task Force's management believes these financial statements present all activities for which the Task Force is financially accountable.

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Task Force recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Deposits and Investments

The Task Force's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Task Force maintains six checking accounts and none are interest bearing.

D. Fund Accounting

The Task Force uses fund accounting to segregate cash and investments that are restricted as to use. The Task Force classifies its funds into the following types:

Special Revenue Funds

These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The Task Force had the following significant Special Revenue Funds:

Law Enforcement Trust Fund - This fund receives confiscated and forfeited money for the administration of the Task Force and future investigations.

Confidential Informant Fund - This fund receives federal grant money for the assistance in investigations by using confidential informants.

Supplies & Equipment Fund - This fund receives money from donations by the private sector for the purchase of equipment and supplies.

**COLUMBIANA COUNTY DRUG TASK FORCE
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

E. Property, Plant, and Equipment

The Task Force records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

2. EQUITY IN POOLED DEPOSITS AND INVESTMENTS

The Task Force maintains a separate bank account for each fund with the exception of the Confidential Informant Fund which is cash on hand. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

	<u>2010</u>	<u>2009</u>
Demand deposits	\$32,023	\$49,002
Cash on hand	9,928	7,373
Total deposits	<u>\$41,951</u>	<u>\$56,375</u>

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

3. RISK MANAGEMENT

The Task Force's vehicles and equipment are insured by Columbiana County. The County is a member of the County Risk Sharing Authority, Inc., (CORSA) which is a shared risk pool among thirty-nine counties in Ohio. CORSA was formed as an Ohio nonprofit corporation for the purpose of establishing the CORSA Insurance/Self Insurance Program, a group primary and excess participation in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by CORSA. The coverage's include comprehensive general liability, certain property insurance and public officers' errors and omissions liability insurance.



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Columbiana County Drug Task Force
Columbiana County
PO Box 68
Lisbon, Ohio 44432

To the Board of Control:

We have audited the financial statements of the Columbiana County Drug Task Force, Columbiana County, (the Task Force) as of and for the years ended December 31, 2010 and 2009 and have issued our report thereon dated April 18, 2011. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Task Force's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the Task Force's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Task Force's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Task Force's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

As part of reasonably assuring whether the Task Force's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Columbiana County Drug Task Force
Columbiana County
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

We did note certain matters not requiring inclusion in this report that we reported to the Task Force's management in a separate letter dated April 18, 2011.

We intend this report solely for the information and use of the Board of Control and management. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "Y" and "O".

Dave Yost
Auditor of State

April 18, 2011



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COLUMBIANA COUNTY DRUG TASK FORCE

COLUMBIANA COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
MAY 24, 2011