



**Auditor of State
Betty Montgomery**

**COLUMBIANA COUNTY DRUG TASK FORCE
COLUMBIANA COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Cover Letter	1
Independent Accountants' Report.....	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2004	5
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2003.....	6
Notes to the Financial Statements	7
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	11

This page intentionally left blank.



**Auditor of State
Betty Montgomery**

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 a February 2, 2005 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 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.

A handwritten signature in cursive script that reads "Betty Montgomery".

Betty Montgomery
Auditor of State

December 15, 2005

This page intentionally left blank.



Auditor of State Betty Montgomery

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 Columbiana County Drug Task Force, Columbiana County, (the Task Force) as of and for the years ended December 31, 2004 and 2003. 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.

Revisions to GAAP would require the Task Force to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2004. Instead of the combined funds the accompanying financial statements present for 2004 (and 2003), the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2004. 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 the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Task Force has elected not to reformat its statements. Since this Task Force does not use GAAP to measure financial statement amounts, 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 year ended December 31, 2004 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, 2004, or its changes in financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Columbiana County Drug Task Force, Columbiana County, as of December 31, 2004 and 2003, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Task Force to include Management's Discussion and Analysis for the year ended December 31, 2004. 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 December 15, 2005, 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.



Betty Montgomery
Auditor of State

December 15, 2005

COLUMBIANA COUNTY DRUG TASK FORCE
COLUMBIANA COUNTY

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2004**

	Law Enforcement Trust	Mandatory Drug Fines	Confidential Informant Funds	Restitution	Supplies and Equipment	Justice Department	Totals (Memorandum Only)
Cash Receipts:							
Confiscations, Forfeitures and Restitutions	\$6,277	\$4,276	\$0	\$1,007	\$0	\$0	\$11,560
Intergovernmental Receipts			4,000				4,000
Donations					6,510		6,510
Interest						3	3
Miscellaneous			2,500		500		3,000
Total Cash Receipts	<u>6,277</u>	<u>4,276</u>	<u>6,500</u>	<u>1,007</u>	<u>7,010</u>	<u>3</u>	<u>25,073</u>
Cash Disbursements:							
Current:							
Security of Persons and Property	3,949	329	11,015				15,293
Miscellaneous		8,768		431	6,541		15,740
Equipment		121			533		654
Matching Funds	6,250						6,250
Total Cash Disbursements	<u>10,199</u>	<u>9,218</u>	<u>11,015</u>	<u>431</u>	<u>7,074</u>	<u>0</u>	<u>37,937</u>
Total Receipts Over/(Under) Disbursements	<u>(3,922)</u>	<u>(4,942)</u>	<u>(4,515)</u>	<u>576</u>	<u>(64)</u>	<u>3</u>	<u>(12,864)</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(3,922)	(4,942)	(4,515)	576	(64)	3	(12,864)
Fund Cash Balances, January 1	8,034	6,464	7,717	164	102	2,515	24,996
Fund Cash Balances, December 31	<u>\$4,112</u>	<u>\$1,522</u>	<u>\$3,202</u>	<u>\$740</u>	<u>\$38</u>	<u>\$2,518</u>	<u>\$12,132</u>

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

COLUMBIANA COUNTY DRUG TASK FORCE
COLUMBIANA COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003

	Law Enforcement Trust	Mandatory Drug Fines	Confidential Informant Funds	Restitution	Supplies and Equipment	Justice Department	Totals (Memorandum Only)
Cash Receipts:							
Confiscations, Forfeitures and Restitutions	\$0	\$1,500	\$800	\$2,059	\$0	\$0	\$4,359
Intergovernmental Receipts			8,000				8,000
Donations		8,000					8,000
Interest						4	4
Miscellaneous					50		50
Total Cash Receipts	0	9,500	8,800	2,059	50	4	20,413
Cash Disbursements:							
Current:							
Security of Persons and Property	400	607	12,093	284			13,384
Miscellaneous	10,685	4,197		2,508			17,390
Equipment	2,977	721		602			4,300
Matching Funds	12,947	14,250					27,197
Total Cash Disbursements	27,009	19,775	12,093	3,394	0	0	62,271
Total Receipts Over/(Under) Disbursements	(27,009)	(10,275)	(3,293)	(1,335)	50	4	(41,858)
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(27,009)	(10,275)	(3,293)	(1,335)	50	4	(41,858)
Fund Cash Balances, January 1	35,043	16,739	11,010	1,499	52	2,511	66,854
Fund Cash Balances, December 31	<u>\$8,034</u>	<u>\$6,464</u>	<u>\$7,717</u>	<u>\$164</u>	<u>\$102</u>	<u>\$2,515</u>	<u>\$24,996</u>

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, 2004 AND 2003
(Continued)**

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, City of East Palestine, City of Salem, City of East Liverpool, Village of Wellsville, City of Columbiana, Liverpool Township, Village of Lisbon and Village of Salineville.

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. Basis of Accounting

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. This basis recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements adequately disclose material matters the Auditor of State prescribes or permits.

C. Cash and Investments

The Task Force maintains five checking accounts four of which are non interest-bearing accounts.

D. Fund Accounting

The Task Force uses fund accounting to segregate cash that is 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 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.

Mandatory Drug Fines Fund - This fund receives mandatory drug fine money assessed by the common pleas court for the administration of the Task Force and future investigations.

**COLUMBIANA COUNTY DRUG TASK FORCE
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

Special Revenue Funds (Continued)

Confidential Informant Fund – This fund receives federal grant money from the Trumbull County Drug Task Force for the assistance in investigations by using confidential informants.

Restitution Fines Fund – This fund receives money for the reimbursement of the costs of investigations from the County Adult Probation Department for the administration of the Task Force and future investigations.

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

Justice Department Trust Fund – This fund receives federal money from the U.S. Department of Justice for participation in the federal equitable sharing program.

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 CASH 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 cash and investments at December 31 was as follows:

	2004	2003
Demand deposits	<u>\$8,930</u>	<u>\$17,278</u>
Cash on hand	3,202	7,717
Total deposits	<u>12,132</u>	<u>24,995</u>

Deposits: Deposits are insured by the Federal Depository Insurance Corporation. Cash on hand is not collateralized.

**COLUMBIANA COUNTY DRUG TASK FORCE
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

3. RISK MANAGEMENT

The Task Force 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. These coverages include comprehensive general liability, certain property insurance and public officers' errors and omissions liability insurance.

This page intentionally left blank.



Auditor of State Betty Montgomery

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
P.O. 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, 2004 and 2003, and have issued our report thereon dated December 15, 2005, wherein we noted the Task Force followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses.

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*.

Voinovich Government Center / 242 Federal Plaza W. / Suite 302 / Youngstown, OH 44503
Telephone: (330) 797-9900 (800) 443-9271 Fax: (330) 797-9949
www.auditor.state.oh.us

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 intend this report solely for the information and use of the audit committee, management, and Board of Control. It is not intended for anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

December 15, 2005



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

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
JANUARY 12, 2006**