



Mary Taylor, CPA  
Auditor of State



**COLUMBIANA COUNTY DRUG TASK FORCE  
COLUMBIANA COUNTY**

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**Mary Taylor, CPA**  
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.

*Mary Taylor*

**Mary Taylor, CPA**  
Auditor of State

August 6, 2007

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# Mary Taylor, CPA

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 Columbiana County Drug Task Force, Columbiana County, (the Task Force) as of and for the years ended December 31, 2006 and 2005. 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 forces 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, 2006 and 2005 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, 2006 and 2005, 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 Columbiana County Drug Task Force, Columbiana County, as of December 31, 2006 and 2005, 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 August 6, 2007, 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.

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**Mary Taylor, CPA**  
Auditor of State

August 6, 2007

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, 2006

	Governmental Fund Types						Totals (Memorandum Only)
	Law Enforcement Trust	Mandatory Drug Fines	Confidential Informant Funds	Restitution	Supplies and Equipment	Justice Department	
<b>Cash Receipts:</b>							
Confiscations, Forfeitures and Restitutions	\$10,203	\$15,482	\$1,239	\$1,315			\$28,239
Intergovernmental Receipts					\$15,842	\$8,514	24,356
Interest						6	6
<b>Total Cash Receipts</b>	<b>10,203</b>	<b>15,482</b>	<b>1,239</b>	<b>1,315</b>	<b>15,842</b>	<b>8,520</b>	<b>52,601</b>
<b>Cash Disbursements:</b>							
Current:							
Security of Person and Property	3,223	2,456	12,756	8			18,443
Equipment	4,611	6,765		604			11,980
Miscellaneous	1,050	2,697		671		80	4,498
<b>Total Cash Disbursements</b>	<b>8,884</b>	<b>11,918</b>	<b>12,756</b>	<b>1,283</b>	<b>0</b>	<b>80</b>	<b>34,921</b>
Total Receipts Over/(Under) Disbursements	1,319	3,564	(11,517)	32	15,842	8,440	17,680
<b>Other Financing Receipts / (Disbursements):</b>							
Transfers-In			14,037				14,037
Transfers-Out					(14,037)		(14,037)
<b>Total Other Financing Receipts / (Disbursements)</b>	<b>0</b>	<b>0</b>	<b>14,037</b>	<b>0</b>	<b>(14,037)</b>	<b>0</b>	<b>0</b>
Excess of Cash Receipts and Other Financing Receipts Over / (Under) Cash Disbursements and Other Financing Disbursements	1,319	3,564	2,520	32	1,805	8,440	17,680
Fund Cash Balances, January 1	1,999	766	795	1,410	238	209	5,417
<b>Fund Cash Balances, December 31</b>	<b>\$3,318</b>	<b>\$4,330</b>	<b>\$3,315</b>	<b>\$1,442</b>	<b>\$2,043</b>	<b>\$8,649</b>	<b>\$23,097</b>

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, 2005**

	Governmental Fund Types						Totals (Memorandum Only)
	Law Enforcement Trust	Mandatory Drug Fines	Confidential Informant Funds	Restitution	Supplies and Equipment	Justice Department	
<b>Cash Receipts:</b>							
Confiscation, Forfeitures and Restitutions	\$7,269	\$2,313	\$555	\$6,053			\$16,190
Intergovernmental Receipts					\$14,468		14,468
Donations					12,100		12,100
Interest						\$2	2
Miscellaneous		450					450
<b>Total Cash Receipts</b>	<u>7,269</u>	<u>2,763</u>	<u>555</u>	<u>6,053</u>	<u>26,568</u>	<u>2</u>	<u>43,210</u>
<b>Cash Disbursements:</b>							
Current:							
Security of Persons and Property	750	2,838	17,205	3,438			24,231
Matching Funds	6,250						6,250
Equipment	2,069	681		1,672	12,125	2,251	18,798
Miscellaneous	313			273		60	646
<b>Total Cash Disbursements</b>	<u>9,382</u>	<u>3,519</u>	<u>17,205</u>	<u>5,383</u>	<u>12,125</u>	<u>2,311</u>	<u>49,925</u>
Total Receipts Over/(Under) Disbursements	<u>(2,113)</u>	<u>(756)</u>	<u>(16,650)</u>	<u>670</u>	<u>14,443</u>	<u>(2,309)</u>	<u>(6,715)</u>
<b>Other Financing Receipts / (Disbursements):</b>							
Transfers-In			14,243				14,243
Transfers-Out					(14,243)		(14,243)
<b>Total Other Financing Receipts / (Disbursements)</b>	<u>0</u>	<u>0</u>	<u>14,243</u>	<u>0</u>	<u>(14,243)</u>	<u>0</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over / (Under) Cash Disbursements and Other Financing Disbursements	<u>(2,113)</u>	<u>(756)</u>	<u>(2,407)</u>	<u>670</u>	<u>200</u>	<u>(2,309)</u>	<u>(6,715)</u>
Fund Cash Balances, January 1	<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>
<b>Fund Cash Balances, December 31</b>	<u><b>\$1,999</b></u>	<u><b>\$766</b></u>	<u><b>\$795</b></u>	<u><b>\$1,410</b></u>	<u><b>\$238</b></u>	<u><b>\$209</b></u>	<u><b>\$5,417</b></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, 2006 AND 2005**

**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. 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. Cash 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 five checking accounts for 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 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.

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, 2006 AND 2005  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (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.

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

**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:

	<u>2005</u>	<u>2006</u>
Demand deposits	\$4,622	\$19,782
Cash on hand	795	3,315
Total deposits	<u>5,417</u>	<u>23,097</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.



# Mary Taylor, CPA

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  
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, 2006 and 2005, and have issued our report thereon dated August 6, 2007, 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 as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine 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 control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Task Force's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Task Force's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Task Force's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be 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.

We noted certain matters that we reported to the Task Force's management in a separate letter dated August 6, 2007.

### **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*.

We did note a noncompliance matter that we reported to the Task Force's management in a separate letter dated August 6, 2007.

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 cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

August 6, 2007



**Mary Taylor, CPA**  
Auditor of State

**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  
DECEMBER 6, 2007**