



OHIO AUDITOR OF STATE
KEITH FABER



**GREATER WARREN COUNTY DRUG TASK FORCE
WARREN COUNTY**

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INDEPENDENT AUDITOR'S REPORT

Greater Warren County Drug Task Force
Warren County
P.O. Box 868
Lebanon, Ohio 45036

To the Members of the Board:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Greater Warren County Drug Task Force, Warren County, Ohio (the Task Force) as of and for the years ended December 31, 2018 and 2017.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Task Force's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Task Force's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statements, the Task Force prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Task Force does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Task Force as of December 31, 2018 and 2017, and the respective changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of the Greater Warren County Drug Task Force, Warren County as of December 31, 2018 and 2017, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2019, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Task Force's internal control over financial reporting and compliance.



Keith Faber
Auditor of State

Columbus, Ohio

June 14, 2019

Greater Warren County Drug Task Force

Warren County

Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)

All Governmental Fund Types

For the Year Ended December 31, 2018

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Fines and Forfeitures	\$7,109	\$109,388	\$116,497
Intergovernmental		272,478	272,478
Gifts and Donations	432,681		432,681
Sales of Seizures	101	85,787	85,888
Reimbursements and Refunds	557	156,552	157,109
<i>Total Cash Receipts</i>	<u>440,448</u>	<u>624,205</u>	<u>1,064,653</u>
Cash Disbursements			
Current:			
Personal Services	452,893	220,224	673,117
Materials and Supplies	40,449	7,364	47,813
Furniture and Equipment	2,690		2,690
Contractual Services	44,041	187,698	231,739
Workers Compensation	1,177		1,177
Other	629	145,033	145,662
<i>Total Cash Disbursements</i>	<u>541,879</u>	<u>560,319</u>	<u>1,102,198</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(101,431)</u>	<u>63,886</u>	<u>(37,545)</u>
Other Financing Receipts (Disbursements)			
Refund of Prior Year Expenditures	33,871		33,871
<i>Total Other Financing Receipts (Disbursements)</i>	<u>33,871</u>	<u>0</u>	<u>33,871</u>
<i>Net Change in Fund Cash Balances</i>	<u>(67,560)</u>	<u>63,886</u>	<u>(3,674)</u>
<i>Fund Cash Balances, January 1</i>	<u>250,023</u>	<u>269,994</u>	<u>520,017</u>
Fund Cash Balances, December 31			
Nonspendable	0	0	0
Restricted	0	333,880	333,880
Committed	0	0	0
Assigned	0	0	0
Unassigned (Deficit)	182,463	0	182,463
<i>Fund Cash Balances, December 31</i>	<u>\$182,463</u>	<u>\$333,880</u>	<u>\$516,343</u>

See accompanying notes to the basic financial statements.

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The Greater Warren County Drug Task Force
Warren County

Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 1 – Reporting Entity

The Greater Warren County Drug Task Force, Warren County, Ohio (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 under Section 167.01 of the Ohio Revised Code which permits the establishment of regional councils of governments. Member agencies include the Warren County Sheriff's Office, Warren County Prosecutor's Office, Clinton County Prosecutor's Office, Ohio Bureau of Criminal Investigation, Cities of Franklin, Lebanon, Loveland, Mason, Monroe, Springboro, and Wilmington, Villages of Maineville and Waynesville, and Clearcreek and Hamilton Townships.

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

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The Task Force's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (cash basis) for all governmental fund types.

Fund Accounting

The Task Force uses fund accounting to segregate cash and investments that are restricted as to use. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Task Force classifies its funds into the following types:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Task Force had the following significant Special Revenue Funds:

Mandatory Fines: This fund receives mandatory drug fines for the administration of the Task Force and future investigations

State Forfeiture Funds: This fund received state forfeiture monies for the administration of the Task Force and future investigations

Federal Forfeiture Funds: This fund received federal forfeiture monies for the administration of the Task Force and future investigations

The Greater Warren County Drug Task Force
Warren County

Notes to the Financial Statements
For the Year Ended December 31, 2018

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. 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.

Deposits and Investments

The Warren County Auditor serves as the fiscal agent of the Task Force. The Warren County Treasurer is the custodian for the Task Force's deposits. Warren County's deposit and investment pool holds the Task Force's assets, valued at the Treasurer's reported carrying amount.

Capital Assets

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.

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the The Greater Warren County Drug Task Force Policy Board must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable: The Task Force classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

Restricted: Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed: Board members can *commit* amounts via formal action. The Task Force must adhere to these commitments unless the Board members amend the formal action. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned: Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned*

The Greater Warren County Drug Task Force
Warren County

Notes to the Financial Statements
For the Year Ended December 31, 2018

amounts represent intended uses established by Board members or a Task Force official delegated that authority by resolution, or by State Statute.

Unassigned: Unassigned fund balance is the residual classification for the General Fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Task Force applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Note 3 - Risk Management

The Task Force's vehicles and equipment are insured by Warren County. Warren 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 includes comprehensive general liability, certain property insurance and public officers' errors and omissions liability.

Commercial Insurance

The Task Force has obtained commercial insurance for the following risks:

- Comprehensive general liability/premise liability

Note 4 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

The Task Force's employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2018, OPERS members other than law enforcement contributed 10% of their gross salaries and the Task Force contributed an amount equaling 14% of participants' gross salaries. For 2018, law enforcement officers contributed 13% of their gross salaries and the Task Force contributed an amount equaling 18.1% of participants' gross salaries. The Task Force has paid all contributions required through December 31, 2018.

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Greater Warren County Drug Task Force
Warren County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2017

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Fines and Forfeitures	\$17,286	\$95,641	\$112,927
Intergovernmental		111,453	111,453
Gifts and Donations	392,545		392,545
Sales of Seizures		34,754	34,754
Reimbursements and Refunds	85,016	79,335	164,351
Other	4,280	99	4,379
<i>Total Cash Receipts</i>	<u>499,127</u>	<u>321,282</u>	<u>820,409</u>
Cash Disbursements			
Current:			
Personal Services	223,730	432,028	655,758
Materials and Supplies	24,952	18,248	43,200
Furniture and Equipment	1,183	611	1,794
Contractual Services	121,339	113,978	235,317
Workers Compensation	1,170		1,170
Other	1,426	12,607	14,033
<i>Total Cash Disbursements</i>	<u>373,800</u>	<u>577,472</u>	<u>951,272</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>125,327</u>	<u>(256,190)</u>	<u>(130,863)</u>
Other Financing Receipts (Disbursements)			
Refund of Prior Year Expenditures		57,622	57,622
<i>Total Other Financing Receipts (Disbursements)</i>	<u>0</u>	<u>57,622</u>	<u>57,622</u>
<i>Net Change in Fund Cash Balances</i>	125,327	(198,568)	(73,241)
<i>Fund Cash Balances, January 1</i>	<u>124,696</u>	<u>468,562</u>	<u>593,258</u>
Fund Cash Balances, December 31			
Nonspendable	0	0	0
Restricted	0	269,994	269,994
Committed	0	0	0
Assigned	0	0	0
Unassigned (Deficit)	250,023	0	250,023
<i>Fund Cash Balances, December 31</i>	<u>\$250,023</u>	<u>\$269,994</u>	<u>\$520,017</u>

See accompanying notes to the basic financial statements.

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The Greater Warren County Drug Task Force
Warren County

Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 1 – Reporting Entity

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The Greater Warren County Drug Task Force
Warren County

Notes to the Financial Statements
For the Year Ended December 31, 2017

Basis of Accounting

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The Greater Warren County Drug Task Force
Warren County

Notes to the Financial Statements
For the Year Ended December 31, 2017

amounts represent intended uses established by Board members or a Task Force official delegated that authority by resolution, or by State Statute.

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The Task Force applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Note 3 - Risk Management

The Task Force's vehicles and equipment are insured by Warren County. Warren 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 includes comprehensive general liability, certain property insurance and public officers' errors and omissions liability.

Commercial Insurance

The Task Force has obtained commercial insurance for the following risks:

- Comprehensive general liability/premise liability

Note 4 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

The Task Force's employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2017, OPERS members other than law enforcement contributed 10% of their gross salaries and the Task Force contributed an amount equaling 14% of participants' gross salaries. For 2017, law enforcement officers contributed 13% of their gross salaries and the Task Force contributed an amount equaling 18.1% of participants' gross salaries. The Task Force has paid all contributions required through December 31, 2017.

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OHIO AUDITOR OF STATE KEITH FABER



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

Greater Warren County Drug Task Force
Warren County
P.O. Box 898
Lebanon, Ohio 45036

To the Members of the Board:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of the Greater Warren County Drug Task Force, Warren County, (the Task Force) as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements and have issued our report thereon dated June 14, 2019 wherein we noted the Task Force followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Task Force's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Task Force's internal control. Accordingly, we have not opined on it.

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 a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Task Force's financial statements. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

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, opining 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*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Task Force's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Task Force's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State

Columbus, Ohio

June 14, 2019

OHIO AUDITOR OF STATE KEITH FABER



GREATER WARREN COUNTY DRUG TASK FORCE

WARREN 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
JULY 18, 2019