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**METRO NARCOTICS UNIT OF OUACHITA PARISH**

*Financial Statements  
For the Year Ended September 30, 2009*

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 2/3/10



METRO NARCOTICS UNIT OF OUACHITA PARISH  
FOR THE YEAR ENDED SEPTEMBER 30, 2009

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report -----	1-2
Required Supplemental Information (Part A)	
Management's Discussion and Analysis -----	3-6
Government-Wide Financial Statements	
Statement of Net Assets -----	7
Statement of Activities -----	8
Fund Financial Statements	
Governmental Funds:	
Balance Sheet -----	9
Reconciliation of the Governmental Fund Balance to the Government-Wide Statement of Net Assets -----	9
Statement of Revenues, Expenditures and Changes in Fund Balance -----	10
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities -----	10
Notes to Financial Statements -----	11-15
Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> -----	16-17
Schedule of Findings and Questioned Costs -----	18-19
Schedule of Expenditures of Federal Awards -----	20
Notes to Schedule of Expenditures of Federal Awards -----	20
Schedule of Prior Year Findings -----	21

# CAMERON, HINES & HARTT

(A Professional Accounting Corporation)

*Certified Public Accountants*

104 Regency Place

West Monroe, Louisiana 71291

Phone (318) 323-1717

Fax (318) 322-5121

Mailing Address:

P. O. Box 2474

West Monroe, LA 71294-2474

## INDEPENDENT AUDITORS' REPORT

*Board of Directors*

Metro Narcotics Unit of Ouachita Parish

We have audited the accompanying financial statements of the governmental activities of Metro Narcotics Unit of Ouachita Parish (Metro), as of and for the year ended September 30, 2009, which comprise the basic financial statements of Metro as listed in the table of contents. These financial statements are the responsibility of Metro'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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of Metro as of September 30, 2009, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2010, on our consideration of Metro's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

The management's discussion and analysis information on pages 3 through 6 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Metro's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements of Metro Narcotics Unit of Ouachita Parish. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Cameron, Aline E. Hartt (APAC)*

West Monroe, Louisiana  
January 8, 2010

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Metro Narcotics Unit of Ouachita Parish provides an overview of Metro's activities for the year ended September 30, 2009. Please read it in conjunction with Metro's financial statements.

### USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of Metro as a whole.

#### Reporting Metro as a Whole

#### The Statement of Net Assets and the Statement of Activities

The Statement of Net Assets includes all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report Metro's net assets and changes in them. Metro's net assets -- the difference between assets and liabilities -- measure Metro's financial position. The increases or decreases in Metro's net assets are an indicator of whether its financial position is improving or deteriorating.

### METRO AS A WHOLE

For the years ended September 30, 2009 and 2008:

	FYE 2009	FYE 2008
Beginning net assets	\$ 560,681	\$ 452,243
Increase in net assets	<u>10,171</u>	<u>108,438</u>
Ending net assets	<u>\$ 570,852</u>	<u>\$ 560,681</u>

The following schedule presents a summary of revenues and expenses for the fiscal year ended September 30, 2009, and the amount and percentage of increases and decreases in relation to the prior year.

## METRO'S FUNDS

	FYE 2009	Percent	Increase (Decrease) from FYE 2008	Percent (Decrease)
Revenues:	Amount	of Total		
Grants	\$ 289,024	84%	\$ (2,669)	(1%)
Forfeitures	52,834	15%	(111,984)	(68%)
Restitutions	350	-	(515)	(60%)
Miscellaneous	<u>4,000</u>	1%	<u>(8,430)</u>	(68%)
Total Revenues	<u>\$ 346,208</u>	100%	<u>\$ (123,598)</u>	(26%)

Revenues for Metro decreased substantially for the FYE 2009 mainly due to the decrease in forfeitures collected in 2009. Starting in 2009 forfeitures are collected by an outside agency and Metro does not receive a share of the forfeiture's as they have in the past.

	FYE 2008	Percent	Increase (Decrease) from FYE 2007	Percent Increase (Decrease)
Revenues:	Amount	of Total		
Grants	\$ 291,693	62%	\$ 109,662	60%
Forfeitures	164,818	35%	(20,616)	(11%)
Restitutions	865	-	(385)	(31%)
Miscellaneous	<u>12,430</u>	3%	<u>(5,816)</u>	(32%)
Total Revenues	<u>\$ 469,806</u>	100%	<u>\$ 82,845</u>	21%

Revenues for Metro increased substantially for the FYE 2008 mainly due to a significant increase in LCLE grant funds received during the year. LCLE grant B07-2-007 had an increased time period and budget from which Metro had to reimburse expenditures.

	FYE 2009	Percent	(Decrease) from FYE 2008	Percent Increase (Decrease)
Expenses:	Amount	of Total		
Total	\$ 337,651	100%	\$ (23,717)	(7%)

Metro's expenses decreased slightly for the FYE 2009.

**METRO'S FUNDS (continued)**

Expenses:	FYE 2008 Amount	Percent of Total	Increase from FYE 2007	Percent Increase (Decrease)
Total	\$ 361,368	100%	\$ 109,732	44%

Metro's expenses increased for the FYE 2008 due to an increase in HIDTA and LCLE expenses.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of September 30, 2009 and 2008, Metro had \$189,966 and \$179,714 invested in capital assets including buildings and improvements, furniture and fixtures, equipment, and vehicles.

	FYE 2009	FYE 2008
Buildings and improvements	\$ 65,425	\$ 65,425
Furniture and equipment	<u>124,541</u>	<u>114,289</u>
Totals	<u>\$ 189,966</u>	<u>\$ 179,714</u>

This year's additions include the purchase of new video surveillance and digital cameras.

**ECONOMIC FACTORS AND NEXT YEAR'S REVENUES**

Metro's revenues are derived mainly from four sources: the United States Department of Justice, Louisiana Commission on Law Enforcement (LCLE) grant, which is awarded to the City of West Monroe, which in turn "passes through" the funds to Metro; the Office of National Drug Policy, High Intensity Drug Trafficking Area (HIDTA) grant; Forfeitures revenue; and Sales and Seizures revenue. LCLE grant funds vary with each grant award and are largely dependent upon the availability of funds. Management of Metro is aware that LCLE funds could be cut, altogether, at any time and hopes that the funds received from the HIDTA grant will offset any potential loss of LCLE funds.

## **CONTACTING METRO'S FINANCIAL MANAGEMENT**

The financial report is designed to provide our citizens and taxpayers with a general overview of Metro's finances and to show Metro's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Metro Narcotics Unit of Ouachita Parish, 500 Natchitoches Street, West Monroe, LA 71291.

Evelyn Robinson  
Financial Investigator



METRO NARCOTICS UNIT OF OUACHITA PARISH  
STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2009

	<u>Governmental Activities</u>
<b><u>ASSETS</u></b>	
Cash and Cash Equivalents	\$ 528,816
Accounts Receivable	2,831
Grant Funds Receivable	118,527
Depreciable Capital Assets	<u>55,105</u>
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 705,279</u></b>
 <b><u>LIABILITIES</u></b>	
Accounts Payable	\$ 458
Due to Other Agencies	<u>133,969</u>
<b><u>TOTAL LIABILITIES</u></b>	<b>134,427</b>
 <b><u>NET ASSETS</u></b>	
Invested in Capital Assets, Net of Related Debt	55,105
Unrestricted	<u>515,747</u>
<b>Total Net Assets</b>	<b><u>570,852</u></b>
<b><u>TOTAL LIABILITIES AND NET ASSETS</u></b>	<b><u>\$ 705,279</u></b>

The accompanying notes are an integral part of this financial statement.

METRO NARCOTICS UNIT OF OUACHITA PARISH  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2009

<b>Function/Program Activities</b>	<u>Expenses</u>	<u>Operating Grants and Contributions</u>	<u>Net (Expense) Revenue Changes in Net Assets Governmental Activities</u>
<b><u>Primary Government:</u></b>			
<b>Government Activities:</b>			
Public Safety	\$ 336,037	\$ 289,024	\$ (47,013)
<b>Total Governmental Activities</b>	336,037	289,024	(47,013)
 <b>General Revenues:</b>			
Forfeitures			\$ 52,834
Restitutions			350
Miscellaneous			1,457
Interest Earned			2,543
Total General Revenues			57,184
Changes in Net Assets			10,171
<b><u>Net Assets - Beginning</u></b>			560,681
<b><u>Net Assets - Ending</u></b>			\$ 570,852

The accompanying notes are an integral part of this financial statement.

METRO NARCOTICS UNIT OF OUACHITA PARISH  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2009

	<u>Total Governmental Funds</u>
<u>ASSETS</u>	
Cash and Cash Equivalents	\$ 528,816
Accrued Interest on Certificates of Deposit	431
Agent Cash Advances	2,400
Grant Funds Receivable	<u>118,527</u>
<u>TOTAL ASSETS</u>	<u>\$ 650,174</u>
<u>LIABILITIES AND FUND BALANCE</u>	
<u>LIABILITIES</u>	
Accounts Payable	\$ 458
Due to Other Agencies	<u>133,969</u>
Total Liabilities	<u>134,427</u>
<u>FUND BALANCE</u>	
Fund Balance	515,747
Total Fund Balance	<u>515,747</u>
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>\$ 650,174</u>

The accompanying notes are an integral part of this financial statement.

METRO NARCOTICS UNIT OF OUACHITA PARISH  
RECONCILIATION OF GOVERNMENTAL  
FUND BALANCE TO NET ASSETS OF  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2009

Governmental Fund Balance \$ 515,747

*Amounts reported for governmental activities in the statement of net assets are different because:*

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 55,105

Net Assets of Governmental Activities \$ 570,852

METRO NARCOTICS UNIT OF OUACHITA PARISH  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>Total Governmental Funds</u>
<u>REVENUES</u>	
Grants	\$ 289,024
Forfeitures	52,834
Restitutions	350
Interest Income	2,543
Miscellaneous	1,457
Total Revenues	<u>346,208</u>
<u>EXPENDITURES</u>	
Public Safety	<u>337,651</u>
Total Expenditures	<u>337,651</u>
<u>EXCESS OF REVENUES</u>	
<u>OVER EXPENDITURES</u>	8,557
<u>FUND BALANCE AT BEGINNING</u>	
<u>OF YEAR</u>	<u>507,190</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u><u>\$ 515,747</u></u>

The accompanying notes are an integral part of this financial statement.

METRO NARCOTICS UNIT OF OUACHITA PARISH  
RECONCILIATION OF THE STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2009

Net Change in Fund Balance - Governmental Fund	\$	8,557
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*Amounts reported for governmental activities  
in the statement of activities are different  
because:*

Governmental funds report capital outlays as  
expenditures while governmental activities  
report depreciation expense to allocate those  
expenditures over the life of the assets:

Capital asset purchases capitalized		10,252
Depreciation expense		<u>(8,638)</u>
		<u>1,614</u>

Change in Net Assets in Governmental Activities	\$	<u>10,171</u>
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METRO NARCOTICS UNIT OF  
OUACHITA PARISH  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009

INTRODUCTION

Metro Narcotics Unit of Ouachita Parish (Metro) consists of the following agencies: Ouachita Parish Sheriff's Department, West Monroe and Monroe Police Departments and the Fourth Judicial District Attorney. Metro was formed because of the enormity of the problems, legal and social, caused by the use, abuse and distribution of drugs within the parish; and, further realizing that by working together in a coordinated manner, much can be accomplished toward reducing illicit drug usage and trafficking.

Metro is not a component unit of another primary government nor does it have any component units that are related to it. Therefore, Metro has presented its financial statements as a separate special purpose government.

Note 1 - Summary of Significant Accounting Policies

A. Reporting Entity

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate accounting principles generally accepted in the United States of America and reporting standards with respect to activities and transactions of state and local government entities. In November of 1984, the GASB issued a codification of governmental accounting and financial reporting standards. This codification and subsequent GASB pronouncements are recognized as accounting principles generally accepted in the United States of America for state and local governments.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (the statement of net assets and the statement of activities) report information of all of the activities of the government.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or component unit are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function, segment or component unit. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function, segment or component unit. Resources that are dedicated internally are reported as general revenues rather than as program revenues. Metro does not allocate general government (indirect) expenses to other functions.

Net assets are restricted when constraints placed on them are either externally imposed or imposed by constitutional provisions or enabling legislation. Internally imposed designations of resources are not presented as restricted net assets. When both restricted and unrestricted resources are available for use, generally it is Metro's policy to use restricted resources first, then unrestricted resources as they are needed.

METRO NARCOTICS UNIT OF  
OUACHITA PARISH  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009

Note 1 - Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

*Government-Wide Financial Statements* – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

*Governmental Fund Financial Statements* – The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, Metro considers revenues to be available if they are collected within 60 days of the end of the current fiscal year end. Principal revenue sources considered susceptible to accrual include federal grants. Other revenues are considered to be measurable and available only when cash is received by Metro. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

D. Fund Accounting

Metro uses governmental funds to report 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 functions or activities.

The operations of the fund are accounted for with a set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. Governmental funds are used to account for all of Metro's general activities, including the collection and disbursement of specific or legally restricted monies and the acquisition of fixed assets. The governmental fund is described as follows:

General Fund

The General Fund is the general operating fund of Metro. It is used to account for all financial resources. These discretionary funds are accounted for and reported according to the source (federal, state or local) from which they are derived.



METRO NARCOTICS UNIT OF  
OUACHITA PARISH  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009

Note 1 - Summary of Significant Accounting Policies (continued)

E. Presentation of Statements

The accompanying financial statements conform to accounting principles generally accepted in the United States of America for state and local governments. These statements have also incorporated any applicable requirements set forth by *Audits of State and Local Governmental Units*, the industry audit guide issued by the American Institute of Certified Public Accountants and the *Louisiana Governmental Audit Guide*.

F. 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.

Note 2 - Cash and Certificates of Deposit

*Custodial Credit Risk - Deposits.* The custodial credit risk is the risk that in the event of a bank failure, Metro's deposits may not be returned to it. Metro's policy to ensure there is no exposure to this risk is to require each financial institution to pledge its own securities to cover any amount in excess of Federal Depository Insurance Coverage. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledges securities within 10 days of being notified by Metro that the fiscal agent bank has failed to pay deposited funds upon demand. Accordingly, Metro had no custodial credit risk related to its deposits at September 30, 2009.

At September 30, 2009, Metro has cash and cash equivalents, totaling \$528,816 as follows:

Cash on Hand	\$ 1,602
Demand Deposits	393,796
Certificates of Deposit	<u>133,418</u>
Total	<u>\$ 528,816</u>

These deposits are stated at cost, which approximates market. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances other than these backed by the U.S. government) at September 30, 2009, are secured, as follows:

Bank Balances	<u>\$ 527,867</u>
Federal Deposit Insurance	\$ 500,000
Pledged Securities (Uncollateralized)	<u>226,853</u>
Total	<u>\$ 726,853</u>

METRO NARCOTICS UNIT OF  
OUACHITA PARISH  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009

Note 2 - Cash and Certificates of Deposit (continued)

Because the pledged securities are held by the custodial bank in the name of the fiscal agent bank rather than in the name of Metro, they are considered uncollateralized (Category 3) under the provision of GASB Codification C20.106; however, Louisiana Revised Statute 39.1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by Metro that the fiscal agent bank has failed to pay deposited funds upon demand. One financial institution maintains a certificate of deposit that is recorded at market value of \$133,418 and is considered cash equivalent because it has an original maturity date within three months of the fiscal year end.

Note 3 - Receivables

At September 30, 2009, Metro has grant funds receivable totaling \$118,527 as follows:

Louisiana Commission Law Enforcement Grant	\$ 73,179
High Intensity Drug Trafficking Area Grant	<u>45,348</u>
Total	<u>\$ 118,527</u>

Note 4 - Fixed Assets

A summary of changes in fixed assets follows:

	September 30, 2008			September 30, 2009
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
Government Activities:				
Depreciable Assets:				
Buildings & Improvements	\$ 65,425	\$ -	\$ -	\$ 65,425
Equipment	<u>114,289</u>	<u>10,252</u>	-	<u>124,541</u>
Total at Historical Cost	179,714	10,252	-	189,966
Less Accumulated Depreciation for:				
Buildings & Improvements	( 22,490)	( 3,213)	-	( 25,703)
Equipment	<u>(103,733)</u>	<u>( 5,425)</u>	-	<u>(109,158)</u>
Total Accumulated Depreciation	<u>(126,223)</u>	<u>( 8,638)</u>	-	<u>(134,861)</u>
<u>Government Activities</u>				
<u>Capital Assets, Net</u>	\$ 53,491	\$ 1,614	\$ -	\$ 55,105

METRO NARCOTICS UNIT OF  
OUACHITA PARISH  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009

Note 4 - Fixed Assets (continued)

Depreciation expense for the year ended September 30, 2009 was charged to governmental activities as follows:

Governmental Activities:	
Public Safety	\$ 8,638
Total Depreciation Expense	
Governmental Activities	\$ 8,638

Note 5 - Federal Award Programs

Metro receives revenues from the Louisiana Commission Law Enforcement federal grant and the Gulf Coast High Intensity Drug Trafficking Area Grant which are subject to final review and approval as to the allowability of expenditures by the grantor agency. These programs are audited in accordance with the *Single Audit Act Amendment of 1996*. Any settlements or expenses arising out of a final review are recognized in the period agreed upon by the agency and Metro. Also, it is management's opinion that any audits by the grantor agency would not produce disallowed program costs and liabilities to such an extent that they would materially affect Metro's financial position.

Note 6 - Economic Dependency

Metro receives the majority of its revenue from funds provided through the grants mentioned in Note 5. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of the funds Metro receives could be reduced significantly and have an adverse impact on its operations.

Note 7 - Risk Management

Metro is exposed to various risks of loss related to torts, errors and omissions, and destruction of assets. Metro has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. No settlements were made during the year that exceeded Metro's insurance coverage. There was no litigation pending against Metro at September 30, 2009, nor is Metro aware of any unasserted claims.

# CAMERON, HINES & HARTT

(A Professional Accounting Corporation)

*Certified Public Accountants*

104 Regency Place

West Monroe, Louisiana 71291

Phone (318) 323-1717

Fax (318) 322-5121

Mailing Address:

P. O. Box 2474

West Monroe, LA 71294-2474

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Board of Directors  
Metro Narcotics Unit of Ouachita Parish

We have audited the financial statements of the governmental activities of Metro Narcotics Unit of Ouachita Parish (Metro) as of and for the year ended September 30, 2009, which collectively comprise Metro's basic financial statements and have issued our report thereon dated January 8, 2010. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Metro's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Metro's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Metro'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 the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects Metro's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Metro's financial statements that is more than inconsequential will not be prevented or detected by Metro's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Metro's internal control.

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 deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Metro's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Legislative Auditor, Metro Narcotics Unit of Ouachita Parish and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Cameron, Hines & Hunt (APAC)*

West Monroe, Louisiana  
January 8, 2010

METRO NARCOTICS UNIT OF  
OUACHITA PARISH  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009

To the Board of Directors  
Metro Narcotics Unit of Ouachita Parish

We have audited the financial statements of the Metro Narcotics Unit of Ouachita Parish as of and for the year ended September 30, 2009, and have issued our report thereon dated January 8, 2010. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of September 30, 2009, resulted in an unqualified opinion.

**Section I- Summary of Auditors' Results**

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weakness \_\_\_ yes X no  
Significant Deficiencies not considered to be  
Material Weaknesses \_\_\_ yes X no

Compliance

Compliance Material to Financial Statements \_\_\_ yes X no

B. Federal Awards

Material Weakness Identified \_\_\_ yes X no  
Significant Deficiencies not considered to be  
Material Weaknesses \_\_\_ yes X no

Type of Opinion on Compliance For Major Programs (No Major Programs)

Unqualified \_\_\_\_\_ Qualified \_\_\_\_\_  
Disclaimer \_\_\_\_\_ Adverse \_\_\_\_\_

Are their findings required to be reported in accordance with Circular A-133, Section .510 (a)? N/A

C. Identification of Major Programs: N/A

Name of Federal Program (or cluster)  
CFDA Number(s)

Dollar threshold used to distinguish between Type A and Type B Programs. N/A

Is the auditee a "low-risk" auditee, as defined by OMB Circular A-133? N/A

METRO NARCOTICS UNIT OF  
QUACHITA PARISH  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009 (continued)

**Section II- Financial Statement Findings**

No matters were reported.

**Section III- Federal Award Findings and Question Costs**

No matters were reported.

METRO NARCOTICS UNIT OF  
OUACHITA PARISH  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009

<u>Federal Grants/Pass-Through</u> <u>Grantor/Program Title</u>	<u>CFDA</u> <u>Number</u>	<u>Agency or</u> <u>Pass-Through</u> <u>Number</u>	<u>Expenditures</u>
<b>Department of Justice</b>			
Bureau of Justice Assistance			
LA Commission on Law			
Enforcement	16.579	B05-2-012	\$ 8,333
	16.579	B08-2-007	<u>44,492</u>
			52,825
 <b>Executive Office of the President</b>			
Office of National Drug Control Policy			
HIDTA	None	I8PGCP502Z	161,049
HIDTA	None	I9PGCP502Z	<u>75,150</u>
			<u>236,199</u>
			 <u>\$ 289,024</u>

1. General

The Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of Metro Narcotics Unit of Ouachita Parish. Metro's reporting entity is defined in Note 1 of Metro's financial statements. This federal award program is received as pass through funds from the City of West Monroe, Louisiana.

2. Basis of Accounting

The Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to Metro's financial statements. The information in this schedule is presented in accordance with requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.



METRO NARCOTICS UNIT OF  
QUACHITA PARISH  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009

**Section I - Internal Control and Compliance Material to the Financial Statements**

This section is not applicable for this entity.

**Section II - Internal Control and Compliance Material to Federal Awards**

This section is not applicable for this entity.

**Section III - Management Letter**

This section is not applicable for this entity.