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METRO NARCOTICS UNIT OF OUACHITA PARISH

Financial Statements
For the Year Ended September 30, 2004

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 3/23/05



METRO NARCOTICS UNIT OF OUACHITA PARISH
FOR THE YEAR ENDED SEPTEMBER 30, 2004

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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, 2004, 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 respective financial position of the governmental activities for Metro as of September 30, 2004, and the respective changes in financial position and cash flows, where applicable, 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 6, 2005, 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 should be considered in assessing the results of our audit.

As described in Note 1, Metro has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as of September 30, 2004.

Management's discussion and analysis on pages 3 through 5 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.

Cameron, Hines & Hartt (APAC)

West Monroe, Louisiana
January 6, 2005

REQUIRED SUPPLEMENTAL INFORMATION (PART A)

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2004. 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

These statements include 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 year ended September 30, 2004:

	FYE 2004
Beginning net assets	\$ 342,972
Decrease in net assets	\$ (46,756)
Ending net assets	\$ 296,216

In future years, a comparative analysis of beginning and ending net assets will be presented.

The following schedule presents a summary of revenues and expenses for the fiscal year ended September 30, 2004, and the amount and percentage of increases and decreases in relation to the prior year.

	FYE 2004 Amount	Percent of Total	Increase (Decrease) from FYE 2003	Percent Increase (Decrease)
Revenues:				
Grants	\$ 139,557	52%	\$ 10,703	8%
Forfeitures	58,933	22%	(16,418)	(28%)
Auction Sales	57,790	21%	57,790	100%
Miscellaneous	13,637	5%	8,664	63%
Total Revenues	\$ 269,917	100%	\$ 60,739	23%

Revenues for Metro increased substantially for the FYE 2004 mainly due to the auction held in 2004.

	FYE 2004 Amount	Percent of Total	Increase from FYE 2003	Percent Increase (Decrease)
Expenses:				
Total	\$ 310,208	100%	\$ 5,196	2%

Metro's expenses increased moderately this year. The increase in Metro's expenses was due to additional cases added in 2004.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of September 30, 2004 and 2003, Metro had \$163,295 and \$148,648 invested in capital assets including buildings and improvements, furniture and fixtures, equipment, and vehicles (see table next page).

	FYE 2004	FYE 2003
Buildings and improvements	\$ 65,425	\$ 65,425
Furniture and equipment	\$ 97,870	\$ 83,223
Totals	\$ 163,295	\$ 148,648

This year's major additions included the purchase of new radio equipment for vehicles, two computers and a router.

Metro's revenues are derived mainly from three sources, the United States Department of Justice, Louisiana Commission on Law Enforcement grant awarded to the City of West Monroe, which in turn "passes through" the funds to Metro, Forfeitures revenue and Sales and Seizures revenue. Metro does not anticipate any major increases or decreases in the revenues for the coming year.

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.

J. Bill Tubre
Financial Investigator

GOVERNMENT-WIDE FINANCIAL STATEMENTS

METRO NARCOTICS UNIT OF OUACHITA PARISH
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2004

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash and Cash Equivalents	\$ 150,135
Accounts Receivable	4,000
Grant Funds Receivable	36,239
Depreciable Capital Assets	<u>107,216</u>
 <u>TOTAL ASSETS</u>	 <u>\$ 297,590</u>
 <u>LIABILITIES</u>	
Accounts Payable	<u>\$ 1,374</u>
 <u>TOTAL LIABILITIES</u>	 1,374
 <u>NET ASSETS</u>	
Invested in Capital Assets, Net of Related Debt	107,216
Unrestricted	<u>189,000</u>
Total Net Assets	<u>296,216</u>
 <u>TOTAL LIABILITIES AND NET ASSETS</u>	 <u>\$ 297,590</u>

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, 2004

	<u>Expenses</u>	<u>Operating Grants and Contributions</u>	<u>Net (Expense) Revenue Changes in Net Assets</u> <u>Governmental Activities</u>
Function/Program Activities			
<u>Primary Government:</u>			
Government Activities:			
Public Safety	\$ 316,673	\$ 139,557	\$ (177,116)
Total Governmental Activities	<u>316,673</u>	<u>139,557</u>	<u>(177,116)</u>
General Revenues:			
Forfeitures			\$ 58,933
Restitutions			384
Auction Sales			57,790
Miscellaneous			13,052
Interest Earned			201
Total General Revenues			<u>130,360</u>
Changes in Net Assets			(46,756)
<u>Net Assets - Beginning</u>			<u>342,972</u>
<u>Net Assets - Ending</u>			<u>\$ 296,216</u>

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

FUND FINANCIAL STATEMENTS

METRO NARCOTICS UNIT OF OUACHITA PARISH
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2004

	<u>Total Governmental Funds</u>
<u>ASSETS</u>	
Cash and Cash Equivalents	\$ 150,135
Accounts Recievable - Agent Cash Advances	4,000
Grant Funds Recievable	<u>36,239</u>
<u>TOTAL ASSETS</u>	<u>\$ 190,374</u>
<u>LIABILITIES AND FUND BALANCE</u>	
<u>LIABILITIES</u>	
Accounts Payable	<u>\$ 1,374</u>
Total Liabilities	<u>1,374</u>
<u>FUND BALANCE</u>	
Fund Balance	189,000
Total Fund Balance	<u>189,000</u>
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>\$ 190,374</u>

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

METRO NARCOTICS UNIT OF OUACHITA PARISH
RECONCILIATION OF TOTAL GOVERNMENTAL
FUND BALANCE TO NET ASSETS OF
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2004

Total Governmental Fund Balances	\$ 189,000
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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.	<u>107,216</u>
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Net Assets of Governmental Activities	<u><u>\$ 296,216</u></u>
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METRO NARCOTICS UNIT OF OUACHITA PARISH
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	<u>Total Governmental Funds</u>
<u>REVENUES</u>	
Grants	\$ 139,557
Forfeitures	58,933
Miscellaneous	71,427
Total Revenues	<u>269,917</u>
<u>EXPENDITURES</u>	
Public Safety	<u>310,208</u>
Total Expenditures	<u>310,208</u>
DEFICIENCY OF REVENUES <u>OVER EXPENDITURES</u>	(40,291)
<u>FUND BALANCE AT BEGINNING OF YEAR</u>	<u>229,291</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 189,000</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, 2004

Net Change in Fund Balances - Total Governmental Funds	\$ (40,291)
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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	14,647
Depreciation expense	(21,112)
	(6,465)

Change in Net Assets in Governmental Activities	\$ <u>(46,756)</u>
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METRO NARCOTICS UNIT OF
OUACHITA PARISH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

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

The accompanying financial statements of Metro have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). In June 1999, the GASB issued *Statement 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* and *Statement 35 Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*. These Statements establish new financial reporting requirements for state and local governments and public colleges and universities throughout the United States. They require new information and restructure much of the information that the government should have presented in the past. Comparability with reports issued in years prior to 2004 is affected.

Other GASB Statements are required to be implemented in conjunction with GASB Statements 34 and 35. Therefore, Metro has implemented the following GASB Statements: *Statement 37 – Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments: Omnibus*, and *Statement 38 – Certain Financial Statement Note Disclosures*.

The accompanying financial statements present the financial position of Metro and the results of the operations of Metro. The financial statements are presented as of September 30, 2004 and for the year then ended.

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.

METRO NARCOTICS UNIT OF
OUACHITA PARISH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

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.

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.

METRO NARCOTICS UNIT OF
OUACHITA PARISH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

Note 1 - Summary of Significant Accounting Policies

D. Fund Accounting (continued)

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 the source (federal, state or local) from which they are derived.

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

At September 30, 2004, the book balance of Metro's bank deposits was \$150,135.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. 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) at September 30, 2004 are secured as follows:

Bank Balances	<u>\$ 147,478</u>
Federal Deposit Insurance	\$ 200,000
Pledged Securities	<u>305,303</u>
Total	<u>\$ 505,303</u>

METRO NARCOTICS UNIT OF
OUACHITA PARISH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

Note 2 - Cash and Certificates of Deposit (continued)

The bank statement balances exceeded the general ledger balances due to in-transit items such as outstanding checks.

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 \$113,638 and is considered cash equivalent because it matures within one month of the fiscal year end.

Note 3 - Receivables

Accounts receivable at September 30, 2004, consisting of reimbursements for expenditures incurred under the Louisiana Commission Law Enforcement Grant was \$36,239.

Note 4 - Fixed Assets

A summary of changes in fixed assets follows:

	September 30, 2003			September 30, 2004
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
Government Activities:				
Depreciable Assets:				
Buildings & Improvements	\$ 65,425	\$ -	\$ -	\$ 65,425
Equipment	<u>83,223</u>	<u>14,647</u>	<u>-</u>	<u>97,870</u>
Total at Historical Cost	148,648	14,647	-	163,295
Less Accumulated Depreciation for:				
Buildings & Improvements	(6,425)	(3,213)	-	(9,638)
Equipment	<u>(28,542)</u>	<u>(17,899)</u>	<u>-</u>	<u>(46,441)</u>
Total Accumulated Depreciation	<u>(34,967)</u>	<u>(21,112)</u>	<u>-</u>	<u>(56,079)</u>
<u>Government Activities</u>				
<u>Capital Assets, Net</u>	<u>\$ 113,681</u>	<u>\$ (6,465)</u>	<u>\$ -</u>	<u>\$ 107,216</u>

METRO NARCOTICS UNIT OF
OUACHITA PARISH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

Note 4 - Fixed Assets (continued)

Depreciation expense for the year ended September 30, 2004 was charged to governmental activities as follows:

Governmental Activities:	
Public Safety	\$ 21,112
Total Depreciation Expense	
Governmental Activities	<u>\$ 21,112</u>

Note 5 - Federal Award Programs

Metro receives revenues from the Louisiana Commission Law Enforcement federal grant program that is subject to final review and approval as to the allowability of expenditures by the grantor agency. This program is 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 grant 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. Management is not aware of any actions that will adversely affect the amount of funds Metro will receive in the next fiscal year.

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, 2004, nor is Metro aware of any unasserted claims.

Note 8 - Subsequent Events

On October 20, 2004, Metro received \$89,723 in forfeiture money from the District Attorney's office. This amount is not considered receivable at year end due to the nature of forfeiture revenue and Metro's accounting policy regarding forfeitures. As mentioned in Note 1C., *Measurement Focus, Basis of Accounting and Financial Statement Presentation*, Metro will recognize these funds in the next reporting period as the monies will cover expenses incurred in that period.

OTHER SUPPLEMENTAL INFORMATION –
GRANT ACTIVITY

CAMERON, HINES & HARTT

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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 AUDIT 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, as of and for the year ended September 30, 2004, which comprise Metro's basic financial statements and have issued our report thereon dated January 6, 2005. 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 in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

A material weakness is a 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 that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

Board of Directors
Metro Narcotics Unit of Ouachita Parish
Page Two

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 test disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of management, the Louisiana Legislative Auditor, 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 24:516, this report is distributed by the Legislative Auditor as a public document.

Cameron, Hines & Hartt (APAC)

West Monroe, Louisiana
January 6, 2005

**METRO NARCOTICS UNIT OF
OUACHITA PARISH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2004**

We have audited the financial statements of Metro Narcotics Unit of Ouachita Parish as of and for the year ended September 30, 2004, and have issued our report thereon dated January 6, 2005. 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, 2004, resulted in an unqualified opinion.

Section I - Summary of Auditors' Report

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

Internal Control

Material Weaknesses ___ yes X no Reportable Conditions ___ yes X no

Compliance

Compliance material to financial statements ___ yes X no

B. Federal Awards

Internal Control

Material Weaknesses ___ yes ___ no Reportable Conditions ___ yes ___ no

Type of Opinion on Compliance

For Major Programs	Unqualified _____ Qualified _____
	Disclaimer _____ Adverse _____

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

C. Identification of Major Programs: N/A

CFDA Number(s)	Name of Federal Program (or Cluster)
----------------	--------------------------------------

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?

___ yes ___ no N/A

Section II – Financial Statement Findings

No matters were reported.

Section III – Federal Award Findings and Questioned 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, 2004

<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>
Department of Justice			
Bureau of Justice Assistance			
LA Commission on Law Enforcement	16.579	99-B2-B.02-0H19	\$ 138,337

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
OUACHITA PARISH
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

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

No findings were reported under this section.

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.