

**ANNUAL FINANCIAL REPORT**  
**DISTRICT ATTORNEY GENERAL**  
**AND DRUG TASK FORCE**  
**THIRTIETH JUDICIAL DISTRICT**



**FOR THE YEAR ENDED JUNE 30, 2004**

**COMPTROLLER OF THE TREASURY**  
**DEPARTMENT OF AUDIT**  
**DIVISION OF COUNTY AUDIT**  
**NASHVILLE, TENNESSEE**

**ANNUAL FINANCIAL REPORT  
DISTRICT ATTORNEY GENERAL  
AND DRUG TASK FORCE  
THIRTIETH JUDICIAL DISTRICT  
FOR THE YEAR ENDED JUNE 30, 2004**

***DEPARTMENT OF AUDIT:  
JOHN G. MORGAN  
Comptroller of the Treasury***

***DIVISION OF COUNTY AUDIT:  
RICHARD V. NORMENT  
Assistant to the Comptroller***

***ARTHUR L. ALEXANDER  
Director***

***NORM R. NORMENT, CGFM  
Audit Manager***

***JERRY D. GALLEMORE, CGFM  
Auditor 4***

***HORACE WISEMAN, CGFM  
B. KEITH RICE, CGFM  
MARVIN E. BOND, CGFM  
PHILIP LATHAM, CFE  
State Auditors***

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# ***Audit Highlights***

Annual Financial Report  
District Attorney General  
And Drug Task Force  
Thirtieth Judicial District  
For the Year Ended June 30, 2004

## ***Scope***

We have audited the financial statements of the Office of District Attorney General of the Thirtieth Judicial District as of and for the year ended June 30, 2004.

## ***Results***

Our report on the financial statements of the District Attorney General was unqualified, and our audit resulted in no findings.

*State of Tennessee  
Comptroller of the Treasury  
Department of Audit  
Division of County Audit*

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# INTRODUCTORY SECTION

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Officials of the District Attorney General's Office  
And Drug Task Force Board  
June 30, 2004

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Officials:

William L. Gibbons, District Attorney General  
Priscilla C. Campbell, Chief Administrative Officer  
J. Robert Carter, Jr., Drug Task Force Director

Members of the West Tennessee Judicial Violent Crime and Drug Task Force  
Board of Directors:

Elizabeth Thompson Rice, District Attorney General – 25<sup>th</sup> Judicial District  
(Chairperson)  
Garry Brown, District Attorney General – 28<sup>th</sup> Judicial District  
C. Phillip Bivens, District Attorney General – 29<sup>th</sup> Judicial District  
William L. Gibbons, District Attorney General – 30<sup>th</sup> Judicial District

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# FINANCIAL SECTION

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**STATE OF TENNESSEE  
COMPTROLLER OF THE TREASURY  
DEPARTMENT OF AUDIT  
DIVISION OF COUNTY AUDIT  
SUITE 1500  
JAMES K. POLK STATE OFFICE BUILDING  
NASHVILLE, TENNESSEE 37243-0269  
PHONE (615) 401-7841**

**INDEPENDENT AUDITOR'S REPORT**

May 25, 2005

District Attorney General for the Thirtieth Judicial District and  
Board of Directors of the Drug Task Force  
Shelby County, Tennessee

To the District Attorney General and Board of Directors:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District Attorney General and Drug Task Force, as of and for the year ended June 30, 2004, which collectively comprise the District Attorney General's and the Drug Task Force's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District Attorney General's office. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with the auditing 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District Attorney General and Drug Task Force, as of June 30, 2004, and the changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board; however, management has chosen to exclude a management's discussion and analysis.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District Attorney General's and Drug Task Force's basic financial statements. The introductory section, combining nonmajor fund financial statements, and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining nonmajor fund financial statements and the miscellaneous schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on it.

As described in Note I, the District Attorney General's office and Drug Task Force have 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 June 30, 2004.

In accordance with Government Auditing Standards, we have also issued our report dated May 25, 2005, on our consideration of the District Attorney General's and Drug Task Force's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Very truly yours,



John G. Morgan  
Comptroller of the Treasury

JGM/yu

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# BASIC FINANCIAL STATEMENTS

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Exhibit A

District Attorney General  
And Drug Task Force  
Thirtieth Judicial District  
Statement of Net Assets  
June 30, 2004

	<u>Primary</u> <u>Government</u> <u>Governmental</u> <u>Activities</u>
 <u>ASSETS</u>	
Cash	\$ 25,088
Equity in Pooled Cash and Investments	2,597,881
Due from Other Governments	60,619
Assets Net of Accumulated Depreciation:	
Other Capital Assets	<u>115,211</u>
Total Assets	<u>\$ 2,798,799</u>
 <u>LIABILITIES</u>	
Accounts Payable	\$ 7,213
Other Current Liabilities	<u>2,181,794</u>
Total Liabilities	<u>\$ 2,189,007</u>
 <u>NET ASSETS</u>	
Invested in Capital Assets	\$ 115,211
Restricted for:	
Other Purposes	<u>494,581</u>
Total Net Assets	<u><u>\$ 609,792</u></u>

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

Exhibit B

District Attorney General  
And Drug Task Force  
Thirtieth Judicial District  
Statement of Activities  
For the Year Ended June 30, 2004

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	
				Primary Government
				Total Governmental Activities
Primary Government:				
Governmental Activities:				
Administration of Justice	\$ 72,855	\$ 205,479	\$ 504	\$ 133,128
Public Safety	1,568,735	287,545	639,627	(641,563)
<b>Total Primary Government</b>	<b>\$ 1,641,590</b>	<b>\$ 493,024</b>	<b>\$ 640,131</b>	<b>\$ (508,435)</b>
General Revenues:				
Miscellaneous				\$ 395
<b>Total General Revenues</b>				<b>\$ 395</b>
Change in net assets				\$ (508,040)
Net assets, July 1, 2003				1,209,889
Prior Period Adjustment				(92,057)
<b>Net assets, June 30, 2004</b>				<b>\$ 609,792</b>

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

Exhibit C-1

District Attorney General  
And Drug Task Force  
Thirtieth Judicial District  
Balance Sheet  
Governmental Funds  
June 30, 2004

	Major Funds		Nonmajor Funds	Total
	Drug Task Force	Safe Neighborhood Grant	Other Govern- mental Funds	Govern- mental Funds
<u>ASSETS</u>				
Cash	\$ 25,045	\$ 0	\$ 43	\$ 25,088
Equity in Pooled Cash and Investments	2,379,406	96	218,379	2,597,881
Due from Other Governments	60,619	0	0	60,619
<b>Total Assets</b>	<b>\$ 2,465,070</b>	<b>\$ 96</b>	<b>\$ 218,422</b>	<b>\$ 2,683,588</b>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 7,213	\$ 0	\$ 0	\$ 7,213
Other Current Liabilities	2,181,794	0	0	2,181,794
<b>Total Liabilities</b>	<b>\$ 2,189,007</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 2,189,007</b>
<u>Fund Balances</u>				
Unreserved, Reported In:				
Special Revenue Funds	\$ 276,063	\$ 96	\$ 218,422	\$ 494,581
<b>Total Fund Balances</b>	<b>\$ 276,063</b>	<b>\$ 96</b>	<b>\$ 218,422</b>	<b>\$ 494,581</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,465,070</b>	<b>\$ 96</b>	<b>\$ 218,422</b>	<b>\$ 2,683,588</b>

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

District Attorney General  
And Drug Task Force  
Thirtieth Judicial District  
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets  
June 30, 2004

Amounts reported for governmental activities in the statement of net assets  
(Exhibit A) are different because:

Total fund balances - balance sheet - governmental funds (Exhibit C-1)	\$ 494,581
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	<u>115,211</u>
Net assets of governmental funds (Exhibit A)	<u><u>\$ 609,792</u></u>

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

Exhibit D-1

District Attorney General  
And Drug Task Force  
Thirtieth Judicial District  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2004

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>Drug</u>	<u>Safe</u>	<u>Other</u>	
	<u>Task</u>	<u>Neighborhood</u>	<u>Govern-</u>	<u>Governmental</u>
	<u>Force</u>	<u>Grant</u>	<u>mental</u>	<u>Funds</u>
			<u>Funds</u>	<u>Funds</u>
<u>Revenues</u>				
Fines, Forfeitures and Penalties	\$ 326,677	\$ 0	\$ 99,927	\$ 426,604
Other Local Revenues	7,237	96	2,943	10,276
State of Tennessee	380,000	0	0	380,000
Federal Government	0	250,000	66,420	316,420
Other Governments and Citizens Groups	250	0	0	250
<b>Total Revenues</b>	<b>\$ 714,164</b>	<b>\$ 250,096</b>	<b>\$ 169,290</b>	<b>\$ 1,133,550</b>
<u>Expenditures</u>				
Current:				
Administration of Justice	\$ 0	\$ 0	\$ 72,855	\$ 72,855
Public Safety	1,253,356	250,000	89,855	1,593,211
<b>Total Expenditures</b>	<b>\$ 1,253,356</b>	<b>\$ 250,000</b>	<b>\$ 162,710</b>	<b>\$ 1,666,066</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ (539,192)	\$ 96	\$ 6,580	\$ (532,516)
Net Change in Fund Balances	\$ (539,192)	\$ 96	\$ 6,580	\$ (532,516)
Fund Balance, July 1, 2003	907,312	0	211,842	1,119,154
Prior Period Adjustment	(92,057)	0	0	(92,057)
<b>Fund Balance, June 30, 2004</b>	<b>\$ 276,063</b>	<b>\$ 96</b>	<b>\$ 218,422</b>	<b>\$ 494,581</b>

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

Exhibit D-2

District Attorney General  
And Drug Task Force  
Thirtieth Judicial District  
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2004

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because:

Net change in fund balances - total governmental funds (Exhibit D-1) \$ (532,516)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which capital outlays exceeded depreciation is itemized as follows:

Capital outlays in the current period	\$ 87,350	
Current year depreciation	<u>(62,874)</u>	24,476

Change in net assets of governmental activities (Exhibit B) \$ (508,040)

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

**DISTRICT ATTORNEY GENERAL AND DRUG TASK FORCE  
THIRTIETH JUDICIAL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2004**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Office of District Attorney General and the West Tennessee Judicial Violent Crime and Drug Task Force (Drug Task Force) of the Thirtieth Judicial District are presented in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments. In June 1999, the GASB unanimously approved Statement No. 34, Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments. Some of the significant changes in the statement include the following:

- A Management’s Discussion and Analysis (MD&A) section providing an analysis of a government’s overall financial position and results of operations.
- Government-wide financial statements prepared using full accrual accounting for all of a government’s activities.
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements). The Office of District Attorney General and Drug Task Force have elected to implement the general provisions of the statement in the current year; however, management has decided not to include a management’s discussion and analysis.

**A. Reporting Entity**

The District Attorney General of the Thirtieth Judicial District is elected by the qualified voters of the district. As required by GAAP, these financial statements present funds administered by the Office of District Attorney General and the Drug Task Force. The Drug Task Force was formed through a joint cooperation and mutual aid agreement between the district attorney generals of the Twenty-Fifth, Twenty-Eighth, Twenty-Ninth, and Thirtieth Judicial Districts. The purpose of the Drug Task Force is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the Drug Task Force come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the Drug Task Force. The Drug Task Force is overseen by a director and governed by a board of directors comprised of the district attorneys general of the above noted districts.

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the Office of District Attorney General and Drug Task Force. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Other items not properly included among program revenues are reported instead as general revenues.

Major individual governmental funds are reported as separate columns in the fund financial statements.

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

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.

Fund financial statements of the Office of District Attorney General and the Drug Task Force are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental categories. The Office of District Attorney General and the Drug Task Force have no proprietary or fiduciary funds to report. Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All other governmental funds are aggregated into a single column on the fund financial statements.

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 become 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, the Office of District Attorney General and the Drug Task Force consider revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. They also consider grant and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Interest is considered to be susceptible to accrual and has been recognized as revenues of the current period. Applicable fines, forfeitures, and penalties are not susceptible to accrual since they are not measurable (reasonably estimable). All other revenue items are considered to be measurable and available only when cash is received.

The following funds are reported as major governmental funds in the financial statements of this report:

**Drug Task Force Fund** – This fund is used to account for the financial activities of the West Tennessee Judicial Violent Crime and Drug Task Force. Drug Task Force Funds are deposited with the Shelby County Trustee and are administered by the Drug Task Force Director through the Shelby County Finance Department.

**Safe Neighborhood Grant Fund** – This fund accounts for federal grant proceeds used in a marketing campaign to reduce community gun violence. These grant funds were deposited with the Shelby County Trustee and were administered by the District Attorney General's Office.

Additionally, the following fund types are reported in the financial statements of this report:

**Special Revenue Funds** – These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, and (2) operating grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues.

**D. Assets, Liabilities, and Net Assets or Equity**

**1. Deposits and Investments**

Cash includes cash on hand, amounts on deposit with the Shelby County Trustee, and demand deposits.

State statutes authorize the district to make direct investments in bonds, notes, or treasury bills of the U.S. government, and obligations guaranteed by the U.S. government or any of its agencies; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; a county's own legally issued bonds or notes; the State Treasurer's Investment Pool; and repurchase agreements.

Shelby County pools substantially all of its cash and cash equivalents. Each fund participating in the cash and cash equivalents pool owns a pro rata share in the pool. Investment earnings of the pool are allocated monthly to each fund based upon average balances. Each fund's portion of this pool is displayed on the balance sheet or statement of net assets as Equity in Pooled Cash and Investments.

**2. Capital Assets**

Governmental funds do not capitalize the cost of capital outlays; these funds report capital outlays as expenditures upon acquisition.

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined as assets with an initial individual cost of more than \$5,000 and an estimated useful life of more than three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Equipment of the Drug Task Force is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Other Fixed Assets	3-4

**3. Compensated Absences**

Employees of the District Attorney General's Office and the Drug Task Force paid from funds included in this report are either employees of the State of Tennessee or Shelby County, Tennessee. Therefore, the liability for compensated absences for these employees have been included in the either the Comprehensive Annual Financial Report of the State of Tennessee or Shelby County, Tennessee, as appropriate, for the year ended June 30, 2004.

**4. Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

In the government-wide financial statements, equity is classified as net assets and displayed in two components:

- a. Invested in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation.
- b. Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

**5. Prior-Period Adjustment**

A prior period adjustment of \$92,057 was made in the Drug Task Force Fund that resulted in a decrease in the fund balance as of July 1, 2003. This adjustment was necessary to properly reflect accounts payable of the Drug Task Force Fund at June 30, 2003.

**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets**

Exhibit C-2 in the basic financial statements includes an explanation of the item required to reconcile the fund balances reported on the Governmental Funds Balance Sheet (Exhibit C-1) to net assets reported on the Statement of Net Assets (Exhibit A).

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**

Exhibit D-2 in the basic financial statements includes explanations of the nature of individual elements required to reconcile net changes in fund balances - governmental funds (Exhibit D-1) to changes in net assets reported in the governmental activities on the Statement of Activities (Exhibit B).

**III. DETAILED NOTES ON ALL FUNDS**

**A. Deposits**

The captions on the statement of net assets in the government-wide statement (Exhibit A) related to cash and investments are as follows for the Office of District Attorney General and Drug Task Force:

	<u>Exhibit A - Governmental Activities</u>
Cash	\$ 25,088
Equity in Pooled Cash and Investments	<u>2,597,881</u>
Total	<u><u>\$ 2,622,969</u></u>

The Office of District Attorney General and the Drug Task Force participate in an internal cash and investment pool through the Office of Shelby County Trustee. The county trustee is the treasurer of the county and in this capacity is responsible for receiving, disbursing, depositing, and investing most county funds. Each fund's portion of this pool is displayed on the balance sheet or statement of net assets as Equity in Pooled Cash and Investments. Cash reflected on the balance sheet or statement of net assets represents nonpooled amounts held separately by individual funds.

Cash on the balance sheet or statement of net assets includes cash on hand and demand deposits and is analyzed as follows:

	Exhibit A - Governmental Activities
	<u>                    </u>
Cash on Hand	\$ 9,959
Cash in Bank	15,129
Total	<u>\$ 25,088</u>

Deposits – All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for the purposes of credit risk disclosure.

For deposits with financial institutions that do not participate in the bank collateral pool, state statutes require that all deposits be collateralized with collateral whose market value is equal to 105 percent of the uninsured amount of the deposits. The collateral must be placed by the depository bank in an escrow account in a second bank for the benefit of the county.

Separate disclosures concerning carrying amounts and bank balances of pooled deposits cannot be made for the Office of District Attorney General and Drug Task Force since both pool their deposits through the county trustee. At June 30, 2004, the carrying amount of Shelby County’s deposits with financial institutions required to be collateralized or insured by state law, was \$5,774,037, and the bank balance was \$7,551,873, all of which was insured by the Federal Depository Insurance Corporation (FDIC) or the State Treasurer’s Collateral Pool (Category 1).

The carrying amount of non-pooled deposits with financial institutions was \$15,129, and the bank balance was \$15,129. These deposits were entirely insured by the FDIC (Category 1).

**B. Other Current Liabilities**

Other Current Liabilities of \$2,181,794 on the Statement of Net Assets and the Governmental Funds Balance Sheet includes \$2,179,924 funds seized by the Drug Task Force and other participating law enforcement agencies in pending cases which are being held on deposit with the Shelby County Trustee. Once these funds are released by the Tennessee Department of Safety, they will be allocated to the Drug Task Force and the appropriate participating law enforcement agencies in accordance with mutual aid agreements or back to the litigant if so ordered.

**C. Capital Assets**

Capital asset activity for the year ended June 30, 2004, was as follows:

**Governmental Activities:**

	Balance July 1, 2003	Increases	Balance June 30, 2004
Capital Assets Depreciated:			
Other Fixed Assets	\$ 149,255	\$ 87,350	\$ 236,605
Total Capital Assets Depreciated	<u>\$ 149,255</u>	<u>\$ 87,350</u>	<u>\$ 236,605</u>
Less Accumulated Depreciation For:			
Other Fixed Assets	\$ 58,520	\$ 62,874	\$ 121,394
Total Accumulated Depreciation	<u>\$ 58,520</u>	<u>\$ 62,874</u>	<u>\$ 121,394</u>
Total Capital Assets Depreciated, Net	<u>\$ 90,735</u>	<u>\$ 24,476</u>	<u>\$ 115,211</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 90,735</u></u>	<u><u>\$ 24,476</u></u>	<u><u>\$ 115,211</u></u>

Depreciation expense was charged to the following function:

Governmental Activities:	
Public Safety	\$ 62,874
Total Depreciation Expense - Governmental Activities	<u>\$ 62,874</u>

#### IV. OTHER INFORMATION

##### A. Risk Management

Health insurance for county employees paid from funds administered by the Office of District Attorney General and the Drug Task Force is provided by Shelby County through its self-insured Group Hospital Insurance Fund.

The Drug Task Force is exposed to various risks related to general liability, property, and casualty losses. These risks are covered through the Tennessee Board of Claims.

Shelby County maintains a self-insured Employer Insurance Fund for on-the-job injuries and unemployment compensation, funded by premiums paid by County departments based on a percentage of salary costs. County employees of the Office of District Attorney General and the Drug Task Force are included under this plan.

The Group Life Insurance Fund is Shelby County's other insurance fund. County employees of the Office of District Attorney General and the Drug Task Force are also included under this plan.

Details of the above noted risk financing plans administered by Shelby County, Tennessee, are included in the Comprehensive Annual Financial Report of Shelby County, Tennessee, for the year ended June 30, 2004.

##### B. Subsequent Events

Effective November 1, 2004, David N. McGriff was appointed Drug Task Force Director. Effective on the same date, the former Drug Task Force Director, Bobby Carter, was appointed legal advisor for the Drug Task Force.

##### C. Deferred Compensation Plan

Shelby County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all county employees and permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Shelby County does not hold the assets in a fiduciary capacity; therefore, in accordance with GASB Statement No. 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans", the plan is not included in Shelby County's June 30, 2004, financial statements.

**D. Retirement Commitments**

Employees of the District Attorney General's Office and the Drug Task Force are either employees of the State of Tennessee or Shelby County, Tennessee.

Shelby County Employees

Substantially all full-time and permanent part-time employees of Shelby County are required, as a condition of employment, to participate in the Shelby County Retirement System. The system is a single employer defined benefit public employee retirement system (PERS) established by Shelby County, Tennessee. The system is administered by a board, the majority of whose members are nominated by the Shelby County Mayor, subject to approval by the Shelby County Board of Commissioners. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Shelby County Retirement System, Suite 950, 160 N. Main, Memphis, Tennessee 38103 or by calling (901) 545-3370.

Actuarial valuations and further details on Shelby County's retirement plan are included in the Comprehensive Annual Financial Report of Shelby County for the year ended June 30, 2004.

State of Tennessee Employees

Employees of the State of Tennessee are members of a defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service, or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979, become vested after five years of service and members joining prior to July 1, 1979, were vested after four years of service. Compound cost of living adjustments (COLA) are provided each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year except that (a) no COLA is granted if the CPI is less than one-half percent; (b) a COLA of

one percent will be granted if the CPI increases between one-half and one percent; (c) the maximum annual COLA is capped at three percent. Benefit provisions are established in state statute found in Title 8, Chapter 34-37 of Tennessee Code Annotated. State statutes are amended by the Tennessee General Assembly.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at [www.treasury.state.tn.us](http://www.treasury.state.tn.us).

**E. Other Post – Employment Benefits**

In addition to providing pension benefits, Shelby County provides certain health care and life insurance benefits for retired employees in accordance with policy established by the County Board of Commissioners. Substantially all of the county's employees may become eligible for those benefits if they reach normal retirement age while working for the county. The cost of retiree health care and life insurance benefits is recognized as an expenditure as claims are paid.

**F. Purchasing Laws**

Purchases procedures for the Office of District Attorney General and the Drug Task Force are governed by purchasing laws applicable to Shelby County, Tennessee.

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# COMBINING FINANCIAL STATEMENTS AND SCHEDULES

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# Nonmajor Governmental Funds

## Special Revenue Funds

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Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

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District Attorney General Fund – The District Attorney General Fund is used primarily to account for fees received from the Fraud and Economic Crimes Prosecution Act of 1984. In addition, this fund is also used to account for other sources of revenues received by the District Attorney Generals such as investment income.

U.S. District Attorney General Federal Asset Forfeiture Fund – This fund is used to account for the Office of District Attorney General’s share of federally forfeited property received in accordance with an agreement between the United States Department of Justice, Drug Enforcement Administration (DEA) and the Office of District Attorney General of the Thirtieth Judicial District. Payments received are deposited with the Shelby County Trustee’s Office into the U.S. District Attorney General Federal Asset Forfeiture Fund. Pursuant to Department of Justice policy, funds made available through this program must be used by the District Attorney General’s Office for law enforcement purposes.

Other Funds – Other funds consist of funds raised from contributions for a 5K run (5K Run Fund) used to benefit nonprofit agencies in the community, contributions from the City of Memphis to enhance a witness protection program (Witness Relocation Fund), and donations received from various groups to promote initiatives to increase the quality of life in certain communities located in Shelby County (Broken Window Fund).

Exhibit E-1

District Attorney General  
And Drug Task Force  
Thirtieth Judicial District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2004

	Special Revenue Funds			Total Nonmajor Governmental Funds
	District Attorney General	U. S. District Attorney General Federal Asset Forfeiture	Other	
<u>ASSETS</u>				
Cash	\$ 0	\$ 43	\$ 0	\$ 43
Equity in Pooled Cash and Investments	44,654	92,212	81,513	218,379
Total Assets	<u>\$ 44,654</u>	<u>\$ 92,255</u>	<u>\$ 81,513</u>	<u>\$ 218,422</u>
<u>FUND BALANCES</u>				
Unreserved	<u>\$ 44,654</u>	<u>\$ 92,255</u>	<u>\$ 81,513</u>	<u>\$ 218,422</u>
Total Fund Balances	<u>\$ 44,654</u>	<u>\$ 92,255</u>	<u>\$ 81,513</u>	<u>\$ 218,422</u>

Exhibit E-2

District Attorney General  
And Drug Task Force  
Thirtieth Judicial District  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2004

	Special Revenue Funds			Total Nonmajor Governmental Funds
	District Attorney General	U. S. District Attorney General Federal Asset Forfeiture	Other	
<u>Revenues</u>				
Fines, Forfeitures and Penalties	\$ 99,927	\$ 0	\$ 0	\$ 99,927
Other Local Revenues	504	1,176	1,263	2,943
Federal Government	0	66,420	0	66,420
Total Revenues	<u>\$ 100,431</u>	<u>\$ 67,596</u>	<u>\$ 1,263</u>	<u>\$ 169,290</u>
<u>Expenditures</u>				
Current:				
Administration of Justice	\$ 72,855	\$ 0	\$ 0	\$ 72,855
Public Safety	0	88,376	1,479	89,855
Total Expenditures	<u>\$ 72,855</u>	<u>\$ 88,376</u>	<u>\$ 1,479</u>	<u>\$ 162,710</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 27,576</u>	<u>\$ (20,780)</u>	<u>\$ (216)</u>	<u>\$ 6,580</u>
Net Change in Fund Balances	\$ 27,576	\$ (20,780)	\$ (216)	\$ 6,580
Fund Balance, July 1, 2003	17,078	113,035	81,729	211,842
Fund Balance, June 30, 2004	<u>\$ 44,654</u>	<u>\$ 92,255</u>	<u>\$ 81,513</u>	<u>\$ 218,422</u>

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# MISCELLANEOUS SCHEDULES

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Exhibit F-1

District Attorney General  
And Drug Task Force  
Thirtieth Judicial District  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
For the Year Ended June 30, 2004

	Special Revenue Funds					
	Drug Task Force	Safe Neighborhood Grant	District Attorney General	U. S. District Attorney General Asset Forfeiture	Other	Total
<u>Fines, Forfeitures and Penalties</u>						
District Attorney General Fees	\$ 0	\$ 0	\$ 99,927	\$ 0	\$ 0	\$ 99,927
<u>Judicial District Drug Program</u>						
Fines	105,552	0	0	0	0	105,552
Drug Task Force Forfeitures and Seizures	86,909	0	0	0	0	86,909
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	134,216	0	0	0	0	134,216
Total Fines, Forfeitures and Penalties	\$ 326,677	\$ 0	\$ 99,927	\$ 0	\$ 0	\$ 426,604
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 7,237	\$ 96	\$ 504	\$ 1,176	\$ 868	\$ 9,881
Miscellaneous Refunds	0	0	0	0	395	395
Total Other Local Revenues	\$ 7,237	\$ 96	\$ 504	\$ 1,176	\$ 1,263	\$ 10,276
<u>State of Tennessee</u>						
<u>Public Safety Grants</u>						
Drug Control Grants	\$ 380,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 380,000
Total State of Tennessee	\$ 380,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 380,000
<u>Federal Government</u>						
<u>Direct Federal Revenue</u>						
Asset Forfeiture Funds	\$ 0	\$ 0	\$ 0	\$ 66,420	\$ 0	\$ 66,420
Other Direct Federal Revenue	0	250,000	0	0	0	250,000
Total Federal Government	\$ 0	\$ 250,000	\$ 0	\$ 66,420	\$ 0	\$ 316,420
<u>Other Governments and Citizens Groups</u>						
<u>Citizens Groups</u>						
Donations	\$ 250	\$ 0	\$ 0	\$ 0	\$ 0	\$ 250
Total Other Governments and Citizens Groups	\$ 250	\$ 0	\$ 0	\$ 0	\$ 0	\$ 250
Total	\$ 714,164	\$ 250,096	\$ 100,431	\$ 67,596	\$ 1,263	\$ 1,133,550

District Attorney General  
And Drug Task Force  
Thirtieth Judicial District  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2004

Drug Task Force Fund

Public Safety

Drug Enforcement

Salary Supplements	\$	151,393	
Overtime Pay		24,112	
Other Salaries & Wages		194,540	
Social Security		914	
State Retirement		19,779	
Life Insurance		16,863	
Disability Insurance		799	
Unemployment Compensation		372	
Employer Medicare		2,905	
Accounting Services		4,913	
Bank Charges		72	
Communication		4,370	
Contracts with Other Public Agencies		4,568	
Confidential Drug Enforcement Payments		28,093	
Dues and Memberships		1,383	
Maintenance & Repair Services- Buildings		1,183	
Maintenance & Repair Services- Equipment		257	
Maintenance & Repair Services- Vehicles		9,636	
Matching Share		4,899	
Medical and Dental Services		596	
Postal Charges		3,566	
Printing, Stationery and Forms		489	
Rentals		600	
Travel		15,052	
Remittance of Revenue Collected		633,236	
Animal Food and Supplies		274	
Data Processing Supplies		6,036	
Gasoline		13,778	
Lubricants		4,189	
Office Supplies		17,301	
Uniforms		7,252	
Other Supplies and Materials		8,050	
Liability Insurance		415	
Vehicle and Equipment Insurance		149	
Worker's Compensation Insurance		2,604	
In Service/Staff Development		7,069	
Communication Equipment		41,256	
Data Processing Equipment		19,893	
Furniture and Fixtures		500	
Total Drug Enforcement		<u>500</u>	
	\$		<u>1,253,356</u>
Total Drug Task Force Fund			\$ 1,253,356

(Continued)

Exhibit F-2

District Attorney General  
And Drug Task Force  
Thirtieth Judicial District  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

Safe Neighborhood Grant Fund

Public Safety

Public Safety Grant Programs

Contracts with Private Agencies	\$ 250,000	
Total Public Safety Grant Programs		<u>\$ 250,000</u>

Total Safe Neighborhood Grant Fund \$ 250,000

District Attorney General Fund

Administration of Justice

District Attorney General

Salary Supplements	\$ 19,777	
Other Salaries & Wages	210	
Advertising	225	
Matching Share	40,149	
Printing, Stationery and Forms	475	
Data Processing Supplies	9,466	
Office Supplies	859	
Trustee's Commission	993	
Other Charges	157	
Furniture and Fixtures	<u>544</u>	
Total District Attorney General		<u>\$ 72,855</u>

Total District Attorney General Fund 72,855

U.S. District Attorney General Federal Assets Forfeiture

Fund Public Safety

Drug Enforcement

Advertising	\$ 5,495	
Communication	3,434	
Maintenance Agreements	3,000	
Maintenance & Repair Services- Vehicles	3,773	
Matching Share	954	
Data Processing Supplies	1,295	
Other Supplies and Materials	1,008	
In Service/Staff Development	1,095	
Other Charges	177	
Data Processing Equipment	8,033	
Furniture and Fixtures	20,285	
Motor Vehicles	<u>39,827</u>	
Total Drug Enforcement		<u>\$ 88,376</u>

Total U.S. District Attorney General Federal Assets  
Forfeiture Fund 88,376

(Continued)

Exhibit F-2

District Attorney General  
And Drug Task Force  
Thirtieth Judicial District  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

Other Funds

Public Safety

Other Public Safety

Other Salaries & Wages	\$	494	
Contributions		311	
Printing, Stationery and Forms		510	
Rentals		164	
Total Other Public Safety		<u>1,479</u>	\$ <u>1,479</u>

Total Other Funds \$ 1,479

Total Governmental Funds - Primary Government \$ 1,666,066

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# SINGLE AUDIT SECTION

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**STATE OF TENNESSEE  
COMPTROLLER OF THE TREASURY  
DEPARTMENT OF AUDIT  
DIVISION OF COUNTY AUDIT  
SUITE 1500  
JAMES K. POLK STATE OFFICE BUILDING  
NASHVILLE, TENNESSEE 37243-0269  
PHONE (615) 401-7841**

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

May 25, 2005

District Attorney General for the Thirtieth Judicial District  
and Board of Directors of the Drug Task Force  
Shelby County, Tennessee

To the District Attorney General and Board of Directors:

We have audited the financial statements of the District Attorney General and Drug Task Force, as of and for the year ended June 30, 2004, and have issued our report thereon dated May 25, 2005. We conducted our audit in accordance with the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the District Attorney General's and Drug Task Force's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 that are required to be reported under Government Auditing Standards.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District Attorney General's and Drug Task Force'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 a relatively low level the risk that misstatements 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 operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the District Attorney General's office, the Board of Directors, 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. However, this report is a matter of public record.

Very truly yours,

A handwritten signature in black ink that reads "John G. Morgan" with a long horizontal flourish extending to the right.

John G. Morgan  
Comptroller of the Treasury

JGM/yu



STATE OF TENNESSEE  
**COMPTROLLER OF THE TREASURY**  
DEPARTMENT OF AUDIT  
DIVISION OF COUNTY AUDIT  
SUITE 1500  
JAMES K. POLK STATE OFFICE BUILDING  
NASHVILLE, TENNESSEE 37243-0269  
PHONE (615) 401-7841

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO  
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

May 25, 2005

District Attorney General for the Thirtieth Judicial District  
and Board of Directors of the Drug Task Force  
Shelby County, Tennessee

To the District Attorney General and Board of Directors:

Compliance

We have audited the compliance of the District Attorney General and Drug Task Force with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended June 30, 2004. The District Attorney General's and Drug Task Force's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the District Attorney General's office and Drug Task Force. Our responsibility is to express an opinion on the District Attorney General's and Drug Task Force's compliance based on our audit.

We conducted our audit of compliance in accordance with the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District Attorney General's and Drug Task Force's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District Attorney General's and Drug Task Force's compliance with those requirements.

In our opinion, the District Attorney General and Drug Task Force complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2004.

#### Internal Control Over Compliance

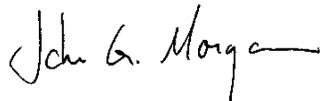
The District Attorney General and Drug Task Force are responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District Attorney General's and Drug Task Force's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program 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 compliance and its operation that we consider to be material weaknesses.

We have audited the financial statements of the District Attorney General and Drug Task Force, as of and for the year ended June 30, 2004, and have issued our report thereon dated May 25, 2005. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis, as required by OMB Circular A-133, and is not a required part of the financial statements. 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 financial statements taken as a whole.

This report is intended solely for the information and use of the District Attorney General's Office, the Board of Directors, 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. However, this report is a matter of public record.

Very truly yours,



John G. Morgan  
Comptroller of the Treasury

JGM/yu

District Attorney General  
And Drug Task Force  
Thirtieth Judicial District  
Schedule of Expenditures of Federal Awards(1)  
For the Year Ended June 30, 2004

Federal/Pass-through Agency/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Justice:			
Direct Program:			
Community Prosecution and Project Safe Neighborhoods	16.609	N/A	\$ 250,000
Passed-through Tennessee Office of Criminal Justice Programs:			
Byrne Formula Grant Program	16.579	Z9908833800	380,000
Total Expenditures of Federal Awards			\$ 630,000

CFDA = Catalog of Federal Domestic Assistance  
N/A = Not applicable

(1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.

District Attorney General  
And Drug Task Force  
Thirtieth Judicial District  
Schedule of Audit Findings Not Corrected  
June 30, 2004

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. There were no findings reported in the Review of Funds Administered by the District Attorney General and Judicial District Drug Task Force Funds for the Thirtieth Judicial District for the year ended June 30, 2003.

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**DISTRICT ATTORNEY GENERAL  
AND DRUG TASK FORCE  
THIRTIETH JUDICIAL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2004**

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**PART I, SUMMARY OF AUDITOR'S RESULTS**

1. An unqualified opinion was issued on the financial statements of the District Attorney General and Drug Task Force.
2. No reportable conditions or material weaknesses in internal control were disclosed by the audit of the financial statements.
3. The audit did not disclose any noncompliance which is material to the financial statements of the District Attorney General and Drug Task Force.
4. No reportable conditions in internal control over the major program was disclosed by the audit.
5. An unqualified opinion was issued on compliance for the major program.
6. The audit disclosed no audit findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Byrne Formula Grant Program (CFDA No. 16.579) was determined to be a major program.
8. A threshold of \$300,000 was used to distinguish between Type A and Type B federal programs.
9. The District Attorney General and Drug Task Force did not qualify as a low-risk auditee.

## **PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS**

There are no findings relating to the financial statements of the District Attorney General and Drug Task Force, as a result of our examination for the year ended June 30, 2004.

**PART III, FINDINGS AND QUESTIONED  
COSTS FOR FEDERAL AWARDS**

There were no findings and questioned costs for federal awards.

**DISTRICT ATTORNEY GENERAL  
AND DRUG TASK FORCE  
THIRTIETH JUDICIAL DISTRICT  
AUDITEE REPORTING RESPONSIBILITIES  
For the Year Ended June 30, 2004**

This is the first year a single audit report has been required for this entity; therefore, there was no prior year Schedule of Findings and Questioned Costs. There were no audit findings relative to federal awards presented in the current year's Schedule of Findings and Questioned Costs.