# CITY OF DORAVILLE, GEORGIA POLICE DEPARTMENT
# FEDERAL ASSET FORFEITURE FUND
# FINANCIAL STATEMENTS
# WITH INDEPENDENT AUDITORS' REPORT THEREON
# FOR THE YEAR ENDED JUNE 30, 2020

CITY OF DORAVILLE, GEORGIA POLICE DEPARTMENT
FEDERAL ASSET FORFEITURE FUND
TABLE OF CONTENTS
JUNE 30, 2020


| | PAGE |
|---|---|
| INDEPENDENT AUDITORS' REPORT | 3-4 |
| STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS MODIFIED ACCRUAL BASIS | 5 |
| STATEMENT OF REVENUES, ALLOWABLE EXPENDITURES AND CHANGES IN NET ASSETS MODIFIED ACCRUAL BASIS | 6 |
| STATEMENT OF CASH FLOWS-MODIFIED ACCRUAL BASIS | 7 |
| NOTES TO FINANCIAL STATEMENTS | 8-9 |
| JUSTICE ASSET FORFEITURE FUND SCHEDULE OF REVENUES, ALLOWABLE EXPENDITURES AND CHANGES IN NET ASSETS | 10 |
| TREASURY ASSET FORFEITURE FUND SCHEDULE OF REVENUES, ALLOWABLE EXPENDITURES AND CHANGES IN NET ASSETS | 11 |
| SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS | 12 |
| NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS | 13 |

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CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

## INDEPENDENT AUDITORS' REPORT

Chief Charles D. Atkinson
City of Doraville, Georgia Police Department
Doraville, Georgia

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the Federal Asset Forfeiture Fund of the City of Doraville, Georgia Police Department, (a nonprofit organization), which comprise the statement of assets, liabilities and net assets-modified accrual basis of as of June 30, 2020, and the related statements of revenue, allowable expenditures and changes in net assets-modified accrual basis, and cash flows-modified accrual basis for the year then ended, and the related notes to the financial statements.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified accrual basis of accounting; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### AUDITOR'S RESPONSIBILITY

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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## OPINION

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and net assets of the Federal Asset Forfeiture Fund of the City of Doraville, Georgia Police Department as of June 30, 2020, and its revenue and allowable expenditures for the year then ended, in accordance with the financial reporting practices prescribed or permitted by the Department of Justice and Department of Treasury Equitable Sharing Funds programs as described in Note 1.

## BASIS OF ACCOUNTING

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. As described in Note 1 to the financial statements, the financial statements are prepared by the Federal Asset Forfeiture Fund of the City of Doraville, Georgia Police Department in accordance with the financial reporting practices prescribed or permitted by Department of Justice and Department of Treasury Equitable Sharing Funds programs, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of Department of Justice and Department of Treasury Equitable Sharing Funds programs. Our opinion is not modified with respect to this matter.

## OTHER MATTERS

### Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of revenues, allowable expenditures, and changes in net assets for the justice and treasury asset forfeiture funds are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is also presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

*RESJ, P.C.*
RESJ, P.C
Certified Public Accountants

August 31, 2020
Duluth, Georgia

CITY OF DORAVILLE, GEORGIA POLICE DEPARTMENT
FEDERAL ASSET FORFEITURE FUND
STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS
MODIFIED ACCRUAL BASIS
JUNE 30, 2020

## ASSETS

| | | |
|---|---|---|
| CURRENT ASSETS | | |
| Cash (Note 1) | $ | 236,963 |
| TOTAL CURRENT ASSETS | | 236,963 |
| TOTAL ASSETS | $ | 236,963 |

## LIABILITIES AND NET ASSETS

| | | |
|---|---|---|
| NET ASSETS | | |
| Net Assets Held in Trust | $ | 236,963 |
| TOTAL NET ASSETS | | 236,963 |
| TOTAL LIABILITIES AND NET ASSETS | $ | 236,963 |

The accompanying notes are an integral part of these financial statements.

CITY OF DORAVILLE, GEORGIA POLICE DEPARTMENT
FEDERAL ASSET FORFEITURE FUND
STATEMENT OF REVENUES, ALLOWABLE EXPENDITURES AND CHANGES IN NET ASSETS
MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED JUNE 30, 2020

| | | |
|---|---|---|
| **REVENUES** | | |
| Equitable Sharing Funds | $ | 227,211 |
| Insurance Proceeds | | 40,120 |
| Sale of Equipment | | 3,000 |
| Other Income | | 201 |
| TOTAL REVENUES (Note 1) | | 270,532 |
| **ALLOWABLE EXPENDITURES** | | |
| Vehicle Purchases | | 165,570 |
| Supplies and Uniforms | | 69,885 |
| Small Equipment | | 63,339 |
| Computers | | 43,193 |
| Professional Fees | | 30,805 |
| Firearms and Weapons | | 27,164 |
| Travel | | 12,560 |
| Education and Training | | 10,373 |
| Repairs and Maintenance | | 5,475 |
| Equipment Rental | | 3,540 |
| Dues and Fees | | 300 |
| TOTAL EXPENDITURES | | 432,204 |
| (EXPENDITURES) OVER REVENUES | | (161,672) |
| NET ASSETS AT BEGINNING OF YEAR | | 398,635 |
| NET ASSETS AT END OF YEAR | $ | 236,963 |

The accompanying notes are an integral part of these financial statements.

CITY OF DORAVILLE, GEORGIA POLICE DEPARTMENT
FEDERAL ASSET FORFEITURE FUND
STATEMENT OF CASH FLOWS
MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED JUNE 30, 2020
(DECREASE) IN CASH

| | | |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Justice Equitable Sharing Funds Received | $ | 227,211 |
| Insurance Proceeds | | 40,120 |
| Sale of Equipment | | 3,000 |
| Other Income | | 201 |
| Program Related Operating Expenses Paid | | (432,204) |
| NET CASH (USED IN) OPERATING ACTIVITIES | | (161,672) |
| NET (DECREASE) IN CASH | | (161,672) |
| CASH AT BEGINNING OF YEAR | | 398,635 |
| CASH AT END OF YEAR | $ | 236,963 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Reconciliation of (Expenditures) over Revenues to Net Cash (Used in) Operating Activities | $ | (161,672) |
| NET CASH (USED IN) OPERATING ACTIVITIES | $ | (161,672) |

The accompanying notes are an integral part of these financial statements.

CITY OF DORAVILLE, GEORGIA POLICE DEPARTMENT
FEDERAL ASSET FORFEITURE FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

## NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - The City of Doraville, Georgia Police Department Federal Asset Forfeiture Fund (The Fund) is a special revenue fund formed for the benefit of the police department of the City of Doraville, Georgia and to provide a framework to properly account for federal equitable sharing funds from the Department of Justice and the Department of Treasury. The department shares in seized property confiscated by Federal authorities to the extent in which the police department provides support for law enforcement activities with Federal agencies. Shared funds are used to support law enforcement activities of the police department.

Basis of Accounting - The financial statements of the Fund are reported on the modified accrual basis of accounting, which is different from generally accepted accounting principles, but is required by Governmental Accounting Standards for component units.

The modified accrual basis of accounting recognizes an economic transaction or event as revenues in the operating statement in which the revenues are both measureable and available to liquidate liabilities of the current year. Available means collectible in the current year to be used to pay current liabilities of the current year. Similarly, expenditures are generally recognized when an event or transactions is expected to draw on current resources.

Revenue - Support received under the program is recorded as forfeiture income when the related case involving the proceeds is decided and awarded to the Fund.

Property and Equipment - The Fund itself owns no assets or other property. All property and equipment purchased by the Fund is transferred to the police department for its use.

Cash - For purposes of the statement of cash flows, the Fund considers all unrestricted, highly liquid debt instruments purchased with maturity of three months or less to be cash equivalents. The Fund, at times, has cash balances that exceed federally insured limits.

Accounts Receivable – The Fund recognizes accounts receivable when funds deposited after the current year were both measurable and available to liquidate liabilities of the current year. There were no accounts receivable at June 30, 2020.

Accounts Payable – The Fund recognizes accounts payable when expenditures paid after the current year were available and expected to draw on current resources. There were no accounts payable at June 30, 2020.

United States Tax-Exempt Status - The Fund is qualified for tax exempt status under Section 501(c)(3) of the Internal Revenue Code. State and Local governments are not required to pay Federal or State income taxes. They are, however, required to maintain proper accounting records in order to maintain their status as a not-for-profit organization. As such, no provision for income taxes has been provided in these financial statements. The reporting years are open for examination for three years.

## NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates.

## NOTE 2 ECONOMIC DEPENDENCY

The amount of funds received from Federal agencies is dependent upon the number of opportunities to assist Federal agencies, the extent of involvement and the amount seized.

The Fund supports the law enforcement mission of the department and all revenues come in the form of sharing in legally seized assets. The ongoing viability of the Fund is dependent on continuing seizures in support of law enforcement activities of Federal agencies.

## NOTE 3 SUBSEQUENT EVENTS

The Fund has evaluated all subsequent events through August 31, 2020, the date the financial statements were issued.

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to impact business operations. The overall impact of this outbreak cannot be determined at this time.

CITY OF DORAVILLE, GEORGIA POLICE DEPARTMENT
US DEPARTMENT OF JUSTICE EQUITABLE SHARING FUND
SCHEDULE OF REVENUES, ALLOWABLE EXPENDITURES AND CHANGES IN FUND BALANCE
MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED JUNE 30, 2020

| | | |
|---|---|---|
| **REVENUES** | | |
| Equitable Sharing Funds | $ | 227,211 |
| Insurance Proceeds | | 40,120 |
| Sale of Equipment | | 3,000 |
| Other Income | | 201 |
| TOTAL REVENUES | | 270,331 |
| **EXPENDITURES** | | |
| Vehicle Purchases | | 165,570 |
| Supplies and Uniforms | | 69,885 |
| Small Equipment | | 63,339 |
| Computers | | 43,193 |
| Professional Fees | | 29,638 |
| Firearms and Weapons | | 27,164 |
| Travel | | 12,560 |
| Education and Training | | 10,373 |
| Repairs and Maintenance | | 5,475 |
| Equipment Rental | | 3,540 |
| Dues and Fees | | 300 |
| TOTAL EXPENDITURES | | 431,037 |
| (EXPENDITURES) OVER REVENUES | | (160,706) |
| NET ASSETS AT BEGINNING OF YEAR | | 397,468 |
| NET ASSETS AT END OF YEAR | $ | 236,762 |

See Independent Auditors' Report.

CITY OF DORAVILLE, GEORGIA POLICE DEPARTMENT
DEPARTMENT OF TREASURY EQUITABLE SHARING FUND
SCHEDULE OF REVENUES, ALLOWABLE EXPENDITURES AND CHANGES IN FUND BALANCE
MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED JUNE 30, 2020

| | |
|---|---|
| **EXPENDITURES** | |
| Professional Fees | $ 1,167 |
| TOTAL EXPENDITURES | 1,167 |
| (EXPENDITURES) OVER REVENUES | (1,167) |
| NET ASSETS AT BEGINNING OF YEAR | 1,167 |
| NET ASSETS AT END OF YEAR | $ - |

See Independent Auditors' Report.

CITY OF DORAVILLE, GEORGIA POLICE DEPARTMENT
FEDERAL ASSET FORFEITURE FUND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

| FEDERAL/GRANTOR PASS THROUGH | PROGRAM TITLE | CFDA NUMBER | FEDERAL EXPENDITURES |
|---|---|---|---|
| FEDERAL AWARDS: | | | |
| US Department of Justice Fund Program | Federal Equitable Sharing | 16.922 | $ 431,037 |
| Department of Treasury Fund Program | Treasury Equitable Sharing | 16.922 | 1,167 |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | $ 432,204 |

See Independent Auditors' Report.

CITY OF DORAVILLE, GEORGIA POLICE DEPARTMENT
FEDERAL ASSET FORFEITURE FUND
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2020

## Basis of Presentation

The accompanying schedule of expenditure of federal awards (the Schedule) includes the federal award activity of CITY OF DORAVILLE, GEORGIA FEDERAL ASSET FORFEITURE FUND under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of CITY OF DORAVILLE, GEORGIA FEDERAL ASSET FORFEITURE FUND, it is not intended to and does not present the financial position, changes in net assets, or cash flows of CITY OF DORAVILLE, GEORGIA FEDERAL ASSET FORFEITURE FUND.

## Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

## Indirect Cost Rate

The Fund did not elect to use the 10% de minimus indirect cost rate as allowed under the Uniform Guidance.