

COMBINED ANTI-DRUG TEAM  
Lake Charles, Louisiana

Financial Report  
For the Year Ended June 30, 2023

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Langley, Williams  
& Company, L.L.C.  
CERTIFIED PUBLIC ACCOUNTANTS

LESTER LANGLEY, JR.  
DANNY L. WILLIAMS  
PHILLIP D. ABSHIRE, JR.  
DAPHNE BORDELON BERKEN

NICHOLAS J. LANGLEY  
PHILLIP D. ABSHIRE, III  
SARAH CLARK WERNER  
ALEXIS H. O'NEAL  
JESSICA LOTT-HANSEN

## INDEPENDENT AUDITORS' REPORT

Combined Anti-Drug Team  
Lake Charles, Louisiana

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and the major fund of the Combined Anti-Drug Team as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Combined Anti-Drug Team basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Combined Anti-Drug Team, as of June 30, 2023, and the respective changes in financial position, and, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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 responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Combined Anti-Drug Team and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Combined Anti-Drug Team's

ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Combined Anti-Drug Team's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Combined Anti-Drug Team's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that budgetary comparison information on page 24 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Combined Anti-Drug Team has omitted Management’s Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statement in appropriate, operational, economical, or historical context. Our opinion on the basic financial statement is not affected by this missing information.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Combined Anti-Drug Team’s basic financial statements. The Schedule of Compensation, Benefits and Other Payments to Agency Head and Justice System Funding Schedule- Receiving Entity are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2023, on our consideration of the Combined Anti-Drug Team’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Combined Anti-Drug Team’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Combined Anti-Drug Team’s internal control over financial reporting and compliance.

Lake Charles, Louisiana  
December 20, 2023

GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)

COMBINED ANTI-DRUG TEAM  
Lake Charles, Louisiana

STATEMENT OF NET POSITION

June 30, 2023

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and interest bearing deposits	\$ 4,692,284
Receivables	52,635
Capital assets, net of accumulated depreciation	<u>213,188</u>
 Total assets	 <u><u>\$ 4,958,107</u></u>
 <b>LIABILITIES</b>	
Accounts payable	<u>\$ 75,840</u>
 Total liabilities	 75,840
 <b>NET POSITION</b>	
Invested in capital assets	213,188
Unrestricted	<u>4,669,079</u>
 Total net position	 <u><u>4,882,267</u></u>
 Total liabilities and net position	 <u><u>\$ 4,958,107</u></u>

The accompanying notes are an integral part of the basic financial statements.

COMBINED ANTI-DRUG TEAM  
Lake Charles, Louisiana

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2023

Activities	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets Governmental Activities
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Public safety	\$ 567,197	\$ -	\$ -	\$ -	\$ (567,197)
 Total Governmental Activities	\$ 567,197	\$ -	\$ -	\$ -	(567,197)
 General revenues:					
Intergovernmental					259,450
Forfeitures					482,073
Interest earnings					118,676
Other					731
Total general revenues					860,930
 Change in net position					293,733
 Net position - beginning of year					4,588,534
 Net position - end of year					\$ 4,882,267

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

COMBINED ANTI-DRUG TEAM  
Lake Charles, Louisiana

BALANCE SHEET - GOVERNMENTAL FUND

June 30, 2023

	<u>General Fund</u>
<u>ASSETS</u>	
Cash and interest bearing deposits	\$ 4,692,284
Receivables	<u>52,635</u>
Total assets	<u>\$ 4,744,919</u>
<u>LIABILITIES AND FUND BALANCE</u>	
Liabilities:	
Accounts payable	<u>\$ 75,840</u>
Total liabilities	75,840
Fund balance:	
Unassigned	<u>4,669,079</u>
Total fund balance	<u>4,669,079</u>
Total liabilities and fund balance	<u>\$ 4,744,919</u>

The accompanying notes are an integral part of the basic financial statements.

COMBINED ANTI-DRUG TEAM  
Lake Charles, Louisiana

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET  
TO THE STATEMENT OF NET POSITION

June 30, 2023

FUND BALANCE OF GOVERNMENTAL FUNDS \$ 4,669,079

Amounts reported for governmental activities in the  
Statement of Net Position are different because:

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

Those assets consist of:

Cost of capital assets	\$ 437,249	
Less - accumulated depreciation	<u>(224,061)</u>	<u>213,188</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 4,882,267

The accompanying notes are an integral part of the basic financial statements.

COMBINED ANTI-DRUG TEAM  
Lake Charles, Louisiana

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUND

For the Year Ended June 30, 2023

	General Fund
REVENUES:	
Intergovernmental	\$ 259,450
Forfeitures	482,073
Interest earnings	118,676
Other	731
Total revenues	860,930
EXPENDITURES:	
Public safety:	
Personnel services	222,449
Operating services	226,778
Materials and supplies	76,635
Capital outlay	187,528
Total expenditures	713,390
NET CHANGE IN FUND BALANCE	147,540
FUND BALANCE AT BEGINNING OF YEAR	4,521,539
FUND BALANCE AT END OF YEAR	\$ 4,669,079

The accompanying notes are an integral part of the basic financial statements.

COMBINED ANTI-DRUG TEAM  
Lake Charles, Louisiana

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND -  
TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2023

Total net changes in fund balance - governmental fund - per the Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 147,540
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Amounts reported for governmental activities in the Statement  
of Activities are different because:

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. This is the amount  
by which capital outlay exceeds depreciation expense in  
the current period.

Capital assets purchased	\$ 187,528	
Depreciation expense	<u>(41,335)</u>	
		<u>146,193</u>

Change in net position of governmental activities	<u>\$ 293,733</u>
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The accompanying notes are an integral part of the basic financial statements.

COMBINED ANTI-DRUG TEAM  
Lake Charles, Louisiana

Notes to the Financial Statements  
For the Year Ended June 30, 2023

## INTRODUCTION

The Combined Anti-Drug Team was formed by a mutual aid agreement entered into on November 22, 2004, by and between the Calcasieu Parish Sheriff's Office, City of Lake Charles, City of Westlake, City of DeQuincy, City of Vinton, City of Iowa, United States Marshal's Office Western District of Louisiana, and the Federal Bureau of Investigation. The agreement's purpose is to create a multi-agency law enforcement task force whose efforts are directed toward the investigation of narcotics and vice crimes.

The accounting and reporting policies of the Combined Anti-Drug Team conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures conform to the requirements of the industry audit guide, *Audits of State and Local Governments*.

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. REPORTING ENTITY

For financial reporting purposes, the Combined Anti-Drug Team includes all funds, account groups, activities, et cetera, that are controlled by the Combined Anti-Drug Team. The Combined Anti-Drug Team is solely responsible for the operations of its office, which includes authority over budgeting, responsibility for deficits, and receipt and disbursements of funds. Other than certain operating expenditures of the Combined Anti-Drug Team's office that are paid or provided by the members of the joint agreement, the Combined Anti-Drug Team is financially independent. Accordingly, the Combined Anti-Drug Team is a separate governmental reporting entity. Certain units of local government, over which the Combined Anti-Drug Team exercises no oversight responsibility, such as the parish police jury, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Combined Anti-Drug Team.

#### B. BASIS OF ACCOUNTING/MEASUREMENT FOCUS

The accounts of the Combined Anti-Drug Team are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The Combined Anti-Drug Team's basic financial statements include both government-wide and fund financial statements.

##### ***A. Government-Wide Financial Statements***

The Combined Anti-Drug Team's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the Combined Anti-Drug Team accompanied by a total column. Fiduciary activities of the Combined Anti-Drug Team are not included in these statements.

COMBINED ANTI-DRUG TEAM  
Lake Charles, Louisiana

Notes to the Financial Statements  
For the Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

B. BASIS OF ACCOUNTING/MEASUREMENT FOCUS – (Continued)

**A. Government-Wide Financial Statements – (Continued)**

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the Combined Anti-Drug Team’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the Combined Anti-Drug Team are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

**B. Governmental Fund Financial Statements**

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The Combined Anti-Drug Team has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. 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 Combined Anti-Drug Team considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Accordingly, the governmental fund uses the following practices in recording revenues and expenditures:

Revenues: Intergovernmental revenues and forfeitures are recorded when the Combined Anti-Drug Team is entitled to the funds.

Interest income on deposits is recorded when interest is earned. Substantially all other revenues are recorded when received.

COMBINED ANTI-DRUG TEAM  
Lake Charles, Louisiana

Notes to the Financial Statements  
For the Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

B. BASIS OF ACCOUNTING/MEASUREMENT FOCUS – (Continued)

Expenditures: The Combined Anti-Drug Team’s primary expenditures include salaries and investigations, which are recorded when the liability is incurred. Capital expenditures and purchases of various operating supplies are regarded as expenditures at the time purchased.

The General Fund is the Combined Anti-Drug Team’s operating fund. It accounts for all financial resources of the Combined Anti-Drug Team.

When both restricted and unrestricted resources are available for use, it is the Combined Anti-Drug Team’s policy to use restricted resources first, then unrestricted resources as they are needed.

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

C. BUDGET PRACTICES

1. The proposed budget is prepared and submitted to the Advisory Board for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. The proposed budget is made available for public inspection.
3. The budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
4. All budgetary appropriations lapse at the end of each fiscal year.
5. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Board.

D. CASH AND INTEREST-BEARING DEPOSITS, AND INVESTMENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Combined Anti-Drug Team may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in

Louisiana. Louisiana Asset Management Pool (“LAMP”) is a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operated a local governmental investment pool equivalent to a money market fund. LAMP invests in short-term instruments as permitted by statute.

COMBINED ANTI-DRUG TEAM  
Lake Charles, Louisiana

Notes to the Financial Statements  
For the Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

E. INVESTMENTS

Under state law, the Combined Anti-Drug Team may invest in United States bonds, treasury notes or certificates.

F. RECEIVABLES

Receivables consist of all revenues earned at year-end and not yet received. Receivables are reported net of allowance for uncollectible accounts. Allowances are reported when accounts are proven to be uncollectible. The Combined Anti-Drug Team has determined there is no allowance for uncollectible accounts as of June 30, 2023.

G. CAPITAL ASSETS

Capital assets are capitalized at historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. The minimum capitalization threshold is any individual item with a total cost greater than \$2,500.

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.

Capital assets are recorded in the Statement of Net Position and Statement of Activities. Since surplus assets are sold for immaterial amounts when declared as no longer needed for public purpose, no salvage value is taken into consideration for depreciation purposes.

All capital assets are depreciated using the straight-line method over the following useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Law enforcement equipment	3-10

H. EQUITY CLASSIFICATIONS

In the government-wide statements, equity is classified as net position and displayed in three components:

- Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position – Consists of assets with constraints placed on the use by either (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net position – All other assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

COMBINED ANTI-DRUG TEAM  
Lake Charles, Louisiana

Notes to the Financial Statements  
For the Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

H. EQUITY CLASSIFICATIONS – (Continued)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Combined Anti-Drug Team considers restricted funds to have been spent first.

I. 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. Any designations of fund balance represent tentative management plans that are subject to change.

In the fund financial statements, governmental fund equity is classified as fund balance. As such, fund balances of governmental funds are classified as follows:

- Nonspendable: – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.
- Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Combined Anti-Drug Team's advisory board, the highest level of decision-making authority. These amounts cannot be used for any other purpose unless the board removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- Assigned: This classification includes amounts that are constrained by the Combined Anti-Drug Team's intent to be used for a specific purpose but are neither restricted nor committed. Amounts may be assigned by the advisory board of the Combined Anti-Drug Team.
- Unassigned: includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund.

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Combined Anti-Drug Team considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Combined Anti-Drug Team board has provided otherwise in its commitment or assignment actions.

COMBINED ANTI-DRUG TEAM  
Lake Charles, Louisiana

Notes to the Financial Statements  
For the Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

J. FORFEITED ASSETS

The Combined Anti-Drug Team acquires various assets which are forfeited by defendants in accordance with judgments rendered by the courts in certain drug-related cases. It is the policy of the agency to sell all forfeited assets and record the proceeds as revenue at the time of the sale. As of June 30, 2023, the Combined Anti-Drug Team has assets which have not been sold and are not reported in the accompanying general purpose financial statements.

K. 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

L. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENT

In June 2022, GASB approved Statement No. 100, “*Accounting Changes and Error Corrections- An Amendment of GASB Statement No. 62.*” The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement also addresses corrections of errors in previously issued financial statements. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). For periods that are earlier than those included in the basic financial statements, information presented in RSI or SI should be restated for error corrections, if practicable, but not for changes in accounting principles. For fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. The effect of implementation on the Combined Anti-Drug Team financial statements have not yet been determined.

COMBINED ANTI-DRUG TEAM  
Lake Charles, Louisiana

Notes to the Financial Statements  
For the Year Ended June 30, 2023

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, cash on deposit, certificates of deposit and money market accounts. These deposits are stated at cost, which approximates fair value. Under state law, the resulting bank balances of these deposits must be secured by federal deposit insurance, or the pledge of securities owned by the fiscal agent bank. The estimated fair value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent.

As of June 30, 2023, the Combined Anti-Drug Team has \$3,014,018 in deposits (collected bank balances) in local financial institutions, including certificates of deposit. These deposits are secured from risk by \$2,295,266 of federal deposit insurance and \$3,567,714 of pledged securities held by the custodial bank in the name of the Combined Anti-Drug Team. As such, these deposits are not considered subject to custodial credit risk according to GASB Statement No. 3.

The Combined Anti-Drug Team periodically invests in the LAMP, a local government investment pool (see Summary of Significant Accounting Policies). In accordance with GASB codification Section I50.165 investments in LAMP are not categorized in the three risk categories provided by GASB Codification Section I50.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., a nonprofit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. The corporation is governed by various organizations of local government, the Government Finance Officers Association of Louisiana, and the Society of Louisiana CPAs. Only local governments that have contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted-average portfolio maturity of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The Combined Anti-Drug's balance with LAMP at June 30, 2023 is \$1,663,439.

*Credit Risk* - LAMP is rated AAAM by Standard & Poor's.

*Custodial Credit Risk* - Custodial credit risk is the risk that in the event of a bank failure, the Combined Anti-Drug Team's deposits may not be recovered. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security, or the pledge of securities owned by the fiscal agent bank. The fair 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 Combined Anti-Drug Team or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. LAMP participant investments in the pool are evidenced by shares of the pool.

COMBINED ANTI-DRUG TEAM  
Lake Charles, Louisiana

Notes to the Financial Statements  
For the Year Ended June 30, 2023

3. RECEIVABLES

The receivables of \$52,635 as of June 30, 2023, are amounts due from restitutions, forfeitures and overtime reimbursements.

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Governmental activities:				
Capital assets being depreciated:				
Law enforcement equipment	\$ 249,721	\$ 187,528	\$ -	\$ 437,249
Total capital assets being depreciated	249,721	187,528	-	437,249
Less accumulated depreciation				
Total capital assets being depreciated, net	(182,726) \$ 66,995	(41,335) \$ 146,193	- \$ -	(224,061) \$ 213,188

Depreciation expense in the amount of \$41,335 was charged to public safety.

5. CONTINGENCIES

The Combined Anti-Drug Team is involved in lawsuits arising in the ordinary course of its business that, in the opinion of management, will not have a material effect on the Combined Anti-Drug Team's results of operations.

6. EXPENDITURES OF THE COMBINED ANTI-DRUG TEAM'S OFFICE PAID BY THE MEMBERS OF THE JOINT AGREEMENT

The Combined Anti-Drug Team members are employees of the agencies participating in the mutual aid agreement. The personnel services and equipment provided by those agencies are not included in the accompanying basic financial statements. However, all overtime incurred by such personnel, whom are working on behalf of the Combined Anti-Drug Team, is paid by the Combined Anti-Drug Team to those agencies and is included in the accompanying financial statements.

COMBINED ANTI-DRUG TEAM  
Lake Charles, Louisiana

Notes to the Financial Statements  
For the Year Ended June 30, 2023

7. RISK MANAGEMENT

The Combined Anti-Drug Team is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omission; injuries to employees; auto liability; and natural disasters. The Combined Anti-Drug Team has purchased commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the past three years.

8. RELATED PARTY TRANSACTIONS

The following schedule presents significant transactions between the Combined Anti-Drug Team and agencies participating in the mutual aid agreement:

Agency	Significant Transactions
Calcasieu Parish Sheriff's Office	Intergovernmental revenues: Co-op agreement - \$45,000 Reimbursement - \$139,450  Public safety expenses: Personnel services - \$221,189 Operating services - \$28,961
City of Lake Charles	Intergovernmental revenues: Co-op agreement - \$75,000
Iowa Police Department	Public safety expenses: Operating services - \$9,733
Calcasieu Parish District Attorney	Public safety expenses: Operating services - \$61,428

Amount due from related parties is as follows:

Calcasieu Parish District Attorney	\$ 14,673
Calcasieu Parish Sheriff's Office	\$ 8,802

Amount due to related parties is as follows:

Calcasieu Parish Sheriff's Office	\$ 17,946
Calcasieu Parish District Attorney	\$ 48,434

REQUIRED SUPPLEMENTARY INFORMATION

COMBINED ANTI-DRUG TEAM  
Lake Charles, Louisiana

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

For the Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 120,000	\$ 323,023	\$ 259,450	\$ (63,573)
Forfeitures	410,000	460,000	482,073	22,073
Interest earnings	-	116,100	118,676	2,576
Other	12,100	506	731	225
Total revenues	<u>542,100</u>	<u>899,629</u>	<u>860,930</u>	<u>(38,699)</u>
<b>EXPENDITURES</b>				
Public safety:				
Personnel services	280,800	223,284	222,449	835
Operating services	252,290	231,912	226,778	5,134
Materials and supplies	46,800	90,531	76,635	13,896
Capital outlay	278,328	187,528	187,528	-
Total expenditures	<u>858,218</u>	<u>733,255</u>	<u>713,390</u>	<u>19,865</u>
(DEFICIENCY) EXCESS OF REVENUES (UNDER) OVER EXPENDITURES	(316,118)	166,374	147,540	(18,834)
FUND BALANCE AT BEGINNING OF YEAR	<u>4,521,539</u>	<u>4,521,539</u>	<u>4,521,539</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u><u>\$4,205,421</u></u>	<u><u>\$4,687,913</u></u>	<u><u>\$4,669,079</u></u>	<u><u>\$ (18,834)</u></u>

The accompanying notes are an integral part of the basic financial statements.

OTHER SUPPLEMENTAL INFORMATION

COMBINED ANTI-DRUG TEAM  
Lake Charles, Louisiana

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS  
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER

For the Year Ended June 30, 2023

Agency Head Name / Title: Albert Hooper, Director

Purpose:	Amount Paid By	
	Combined Anti-Drug Team	Calcasieu Parish Sheriff's Audit
Salary	\$ -	\$ 108,741
Benefits - insurance	-	9,884
Benefits - retirement	-	10,309
Benefits - other	-	1,553
Per diem	-	193
Travel	-	110
Registration fees	-	250
	\$ -	\$ 131,040

The accompanying notes are an integral part of the basic financial statements.

# Justice System Funding Schedule - Receiving Entity

## As Required by Act 87 of the 2020 Regular Legislative Session

Identifying Information	
Entity Name	Combined Anti-Drug Team (CAT)
LLA Entity ID # (This is the ID number assigned to the entity by the Legislative Auditor for identification purposes.)	7437
Date that reporting period ended (mm/dd/yyyy)	Friday, June 30, 2023

**If legally separate court funds are required to be reported, a separate receiving schedule should be prepared for each fund.**

### Cash Basis Presentation

First Six Month Period Ended 12/31/2021	Second Six Month Period Ended 6/30/2022
--	--

**10. Receipts From:** *(Must include one agency name and one collection type - see below - on each*

<i>Calcasieu Parish District Attorney - Asset forfeiture/sale</i>	\$ 418,697	\$ 109,894
<i>Liberty County Sheriff's- Asset forfeiture/sale</i>	189,548	-
<i>Calcasieu Parish District Attorney - Restitution</i>	118	225
<b>Subtotal Receipts</b>	<b>608,364</b>	<b>110,118</b>

**11. Ending Balance of Amounts Assessed but Not Received** *(only applies to those agencies that assess on behalf of themselves, such as courts)*

-	-
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Collection Types to be used in the "Receipts From:" section above	
a	Civil Fees
b	Bond Fees
c	Asset Forfeiture/Sale
d	Pre-Trial Diversion Program Fees
e	Criminal Court Costs/Fees
f	Criminal Fines - Contempt
g	Criminal Fines - Other
h	Restitution
i	Probation/Parole/Supervision Fees
j	Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)
k	Interest Earnings on Collected Balances
l	Other <i>(do not include collections that fit into more specific categories above)</i>

INTERNAL CONTROL  
AND  
COMPLIANCE



Langley, Williams  
& Company, L.L.C.  
CERTIFIED PUBLIC ACCOUNTANTS

LESTER LANGLEY, JR.  
DANNY L. WILLIAMS  
PHILLIP D. ABSHIRE, JR.  
DAPHNE BORDELON BERKEN

NICHOLAS J. LANGLEY  
PHILLIP D. ABSHIRE, III  
SARAH CLARK WERNER  
ALEXIS H. O'NEAL  
JESSICA LOTT-HANSEN

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

Combined Anti-Drug Team  
Lake Charles, Louisiana

We have audited, in accordance with the 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, the financial statements of the Combined Anti-Drug Team as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Combined Anti-Drug Team's basic financial statements, and have issued our report thereon dated December 20, 2023.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Combined Anti-Drug Team's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Combined Anti-Drug Team's internal control. Accordingly, we do not express an opinion on the effectiveness of the Combined Anti-Drug Team's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Combined Anti-Drug Team’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the Combined Anti-Drug Team, the Sheriff’s management, the Legislative Auditor of the State of Louisiana, and is not intended to be and should not be used by anyone other than these specified parties.



Lake Charles, Louisiana  
December 20, 2023

COMBINED ANTI-DRUG TEAM  
Lake Charles, Louisiana

CURRENT AND PRIOR YEAR AUDIT FINDINGS  
AND RESPONSES

For the Years Ended June 30, 2023 and 2022

SECTION 1 – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of auditors’ report issued:	UNQUALIFIED
Internal control over financial reporting:	
Material weaknesses identified?	NO
Significant deficiencies identified not considered to be material weaknesses?	NO
Noncompliance required to be reported under <i>Government Audit Standards</i> ?	NO

SECTION 2 – CURRENT YEAR FINDINGS AND MANAGEMENT CORRECTIVE ACTION PLAN

Internal Control Over Financial Reporting:

There were no findings with regards to internal control.

Compliance:

There were no findings with regards to compliance.

SECTION 3 – PRIOR YEAR FINDINGS AND MANAGEMENT CORRECTIVE ACTION PLAN

Internal Control Over Financial Reporting:

There were no findings with regards to internal control.

Compliance:

There were no findings with regards to compliance.



LESTER LANGLEY, JR.  
DANNY L. WILLIAMS  
PHILLIP D. ABSHIRE, JR.  
DAPHNE BORDELON BERKEN

NICHOLAS J. LANGLEY  
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JESSICA LOTT-HANSEN

INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES

Combined Anti-Drug Team  
Lake Charles, Louisiana

We have performed the procedures enumerated below, which were agreed to by Combined Anti-Drug Team ("CAT") and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period from July 1, 2022 through June 30, 2023. The Entity's management is responsible for those C/C areas identified in the SAUPs.

CAT has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2022 through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

**1) Written Policies and Procedures**

---

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
  - ii. **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
  - iii. **Disbursements**, including processing, reviewing, and approving.
  - iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- viii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/Electronic Municipal Market Access ("EMMA") reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- xii. **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

**We obtained a copy of CAT's written policies and procedures and tested them for the above items.**

**There is no payroll, ethics, debt service, disaster recovery/business continuity or sexual harassment specific to CAT making these policies not applicable. These policies are covered by the Calcasieu Parish Sheriff's Office and no exceptions were noted.**

## **2) Board or Finance Committee**

---

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

**The board meets twice a year as set by the bylaws for the fiscal period with a quorum in attendance at all meetings.**

---

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue fund. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

**Exception: The minutes do not specifically address a monthly budget-to-actual comparison on the general fund.**

**Management's response: However not noted in the minutes, the budget to actual comparison is discussed at the meetings. Going forward this discussion will be added to the minutes.**

- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

**Per the prior year audit report, the unrestricted fund balance in the general fund did not have a negative ending balance; therefore, resulting in this procedure not being applicable.**

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

**This procedure is not applicable as there were no findings or corrective action plan from the prior year.**

### ***3) Bank Reconciliations***

---

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

**We obtained a list of bank accounts from management and management's representation that the list was complete.**

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

**There were no exceptions noted as a result of applying this procedure.**

- ii. Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

**There were no exceptions noted as a result of applying this procedure.**

---

- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

**There were no exceptions noted as a result of applying this procedure.**

#### ***4) Collections (excluding electronic funds transfers)***

---

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

**Obtained a listing of all deposit sites for the fiscal period and management's representation that the listing is complete.**

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- i. Employees responsible for cash collections do not share cash drawers/registers.

**There were no exceptions noted as a result of applying this procedure.**

- ii. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

**There were no exceptions noted as a result of applying this procedure.**

- iii. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

**There were no exceptions noted as a result of applying this procedure.**

- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

**There were no exceptions noted as a result of applying this procedure.**

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

**There were no exceptions noted as a result of applying this procedure.**

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- i. Observe that receipts are sequentially pre-numbered.

**There were no exceptions noted as a result of applying this procedure.**

- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

**There were no exceptions noted as a result of applying this procedure.**

- iii. Trace the deposit slip total to the actual deposit per the bank statement.

**There were no exceptions noted as a result of applying this procedure.**

- iv. Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

**There were no exceptions noted as a result of applying this procedure.**

- v. Trace the actual deposit per the bank statement to the general ledger.

**There were no exceptions noted as a result of applying this procedure.**

***5) Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)***

---

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

**Per discussion with management, we noted only one location processes payments for the fiscal period.**

- B. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

**There were no exceptions noted as a result of applying this procedure.**

- ii. At least two employees are involved in processing and approving payments to vendors.

**There were no exceptions noted as a result of applying this procedure.**

- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

**There were no exceptions noted as a result of applying this procedure.**

- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

**There were no exceptions noted as a result of applying this procedure.**

---

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

**There were no exceptions noted as a result of applying this procedure.**

- C. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
  - i. Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

**There were no exceptions noted as a result of applying this procedure.**

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

**There were no exceptions noted as a result of applying this procedure.**

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g. sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy.

**There were no exceptions noted as a result of applying this procedure.**

#### ***6) Credit Cards/Debit Cards/Fuel Cards/P-Cards***

---

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

**We obtained a listing of active credit cards, bank debit cards, fuel cards, and P-cards for the fiscal period and management's representation that the listing is complete.**

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
  - i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

**There were no exceptions noted as a result of applying this procedure.**

- ii. Observe that finance charges and late fees were not assessed on the selected statements.

**There were no exceptions noted as a result of applying this procedure.**

---

- C. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

**There were no exceptions noted as a result of applying this procedure.**

### **7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)**

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- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

**Obtained a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing is complete.**

- i. If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

**There were no exceptions noted as a result of applying this procedure.**

- ii. If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

**There were no exceptions noted as a result of applying this procedure.**

- iii. Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

**There were no exceptions noted as a result of applying this procedure.**

- iv. Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**There were no exceptions noted as a result of applying this procedure.**

### **8) Contracts**

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- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management’s representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner’s contract, and:

**We obtained a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities from management and management's representation that the listing is complete.**

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

**There were no exceptions noted as a result of applying this procedure.**

- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

**There were no exceptions noted as a result of applying this procedure.**

- iii. If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

**None of the selected contracts were amended during the fiscal period making this procedure not applicable.**

- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

**There were no exceptions noted as a result of applying this procedure.**

## ***9) Payroll and Personnel***

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- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

**The individuals that comprise the CAT team are paid by the agencies in which they are employed. CAT reimburses each agency based on invoices received from each agency. Therefore, the payroll and personnel agreed upon procedures are not applicable.**

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #9 above, obtain attendance records and leave documentation for the pay period, and:

- i. Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)

**Not applicable.**

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials.

**Not applicable.**

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- iii. Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

**Not applicable.**

- iv. Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

**Not applicable.**

- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

**Not applicable.**

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

**Not applicable.**

#### ***10) Ethics***

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- A. Using the 5 randomly selected employees/officials from procedure #9 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

- i. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

**See note above in procedure #9 under "Payroll and Personnel," this procedure is not applicable.**

- ii. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

**Not applicable.**

- iii. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

**Not applicable.**

#### ***11) Debt Service***

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- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.

**No debt was issued during the fiscal period; therefore, this procedure is not applicable.**

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- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

**No debt was issued during the fiscal period; therefore, this procedure is not applicable.**

## ***12) Fraud Notice***

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- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

**Management has asserted that the entity did not have any misappropriations of public funds or assets.**

- B. Observe the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

**CAT has posted on its premises the notice required by R.S. 24:523.1.**

## ***13) Information Technology Disaster Recovery/Business Continuity***

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- A. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."

- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

**We performed the procedure and discussed the results with management.**

- ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

**We performed the procedure and discussed the results with management.**

- iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

**We performed the procedure and discussed the results with management.**

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

**There were no exceptions noted as a result of applying this procedure.**

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#### **14) Sexual Harassment**

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- A. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

**There were no exceptions noted as a result of applying this procedure.**

- B. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).

**There were no exceptions noted as a result of applying this procedure.**

- C. Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

- i) Number and percentage of public servants in the agency who have completed the training requirements;
- ii) Number of sexual harassment complaints received by the agency;
- iii) Number of complaints which resulted in a finding that sexual harassment occurred;
- iv) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- v) Amount of time it took to resolve each complaint.

**There were no exceptions noted as a result of applying this procedure.**

We were engaged by CPSO to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of CPSO and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

