

COMBINED ANTI-DRUG TEAM
Lake Charles, Louisiana

Financial Report
For the Year Ended June 30, 2021

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INDEPENDENT AUDITORS' REPORT

Combined Anti-Drug Team
Lake Charles, Louisiana

We have audited the accompanying financial statements of the governmental activities of Combined Anti-Drug Team as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Combined Anti-Drug Team's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions 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. 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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of the Combined Anti-Drug Team, as of June 30, 2021, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

The Combined Anti-Drug Team has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, 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, economical, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that budgetary comparison information on page 25 be presented to supplement the basic financial statements. Such information, 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.

Other 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 is presented on page 27 and 28 and is 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 basic financial statements. Such 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

Combined Anti-Drug Team
Lake Charles, Louisiana

America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2021, on our consideration of the Combined Anti-Drug Team's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Combined Anti-Drug Team's internal control over financial reporting and compliance.

Restriction of Use

This report is intended solely for the information and use of management, and Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Joyce Williams, CPA, FSA

Lake Charles, Louisiana
December 6, 2021

GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)

COMBINED ANTI-DRUG TEAM
Lake Charles, Louisiana

STATEMENT OF NET POSITION

June 30, 2021

	<u>Governmental Activities</u>
ASSETS	
Cash and interest bearing deposits	\$ 1,600,234
Investments	2,589,869
Receivables	82,181
Capital assets, net of accumulated depreciation	<u>93,633</u>
Total assets	<u>\$ 4,365,917</u>
LIABILITIES	
Accounts payable	<u>\$ 29,604</u>
Total liabilities	29,604
NET POSITION	
Invested in capital assets	93,633
Unrestricted	<u>4,242,680</u>
Total net position	<u>4,336,313</u>
Total liabilities and net position	<u>\$ 4,365,917</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, 2021

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	\$ 468,620	\$ -	\$ -	\$ -	\$ (468,620)
 Total Governmental Activities	 <u>\$ 468,620</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>	 (468,620)
 General revenues:					
					216,488
					919,898
					13,855
					(261)
					<u>1,149,980</u>
					681,360
					<u>3,654,953</u>
					<u>\$ 4,336,313</u>

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, 2021

	<u>General Fund</u>
<u>ASSETS</u>	
Cash and interest bearing deposits	\$ 1,600,234
Investments	2,589,869
Receivables	<u>82,181</u>
Total assets	<u>\$ 4,272,284</u>
<u>LIABILITIES AND FUND BALANCE</u>	
Liabilities:	
Accounts payable	<u>\$ 29,604</u>
Total liabilities	29,604
Fund balance:	
Unassigned	<u>4,242,680</u>
Total fund balance	<u>4,242,680</u>
Total liabilities and fund balance	<u>\$ 4,272,284</u>

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

COMBINED ANTI-DRUG TEAM
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RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION

June 30, 2021

FUND BALANCE OF GOVERNMENTAL FUNDS		\$	4,242,680
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	\$	270,235	
Less - accumulated depreciation		<u>(176,602)</u>	<u>93,633</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES		\$	<u>4,336,313</u>

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

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

For the Year Ended June 30, 2021

	<u>General Fund</u>
REVENUES:	
Intergovernmental	\$ 216,488
Forfeitures	919,898
Interest earnings	13,855
Other	(261)
Total revenues	<u>1,149,980</u>
EXPENDITURES:	
Public safety:	
Personnel services	236,902
Operating services	176,894
Materials and supplies	31,534
Capital outlay	56,804
Total expenditures	<u>502,134</u>
NET CHANGE IN FUND BALANCE	647,846
FUND BALANCE AT BEGINNING OF YEAR	<u>3,594,834</u>
FUND BALANCE AT END OF YEAR	<u>\$ 4,242,680</u>

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

COMBINED ANTI-DRUG TEAM
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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, 2021

Total net changes in fund balance - governmental fund - per the Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 647,846
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	56,804
Depreciation expense	<u>(23,290)</u>
	<u>33,514</u>
Change in net position of governmental activities	<u><u>\$ 681,360</u></u>

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

COMBINED ANTI-DRUG TEAM
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Notes to the Financial Statements
For the Year Ended June 30, 2021

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, 2021

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
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Notes to the Financial Statements
For the Year Ended June 30, 2021

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 and interest-bearing deposits include amounts in demand deposits, interest-bearing demand deposits and time deposits. They are stated at cost, which approximates market value.

COMBINED ANTI-DRUG TEAM
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Notes to the Financial Statements
For the Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

E. INVESTMENTS

The Combined Anti-Drug Team’s investment program is authorized and limited by state statute to purchases of securities issued or guaranteed by the U.S. government and its agencies or instrumentalities and participation in the Louisiana Asset Management Pool (“LAMP”). LAMP is a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local governmental investment pool equivalent to a money market fund. LAMP invests in short-term instruments as permitted by statute.

For further information regarding the Combined Anti-Drug Team’s investment programs see Note 2.

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, 2021.

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.

COMBINED ANTI-DRUG TEAM
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Notes to the Financial Statements
For the Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

H. EQUITY CLASSIFICATIONS – (Continued)

- **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”.

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.

COMBINED ANTI-DRUG TEAM
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Notes to the Financial Statements
For the Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

I. FUND EQUITY – (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. 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.

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. At June 30, 2021, 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 2017, the Governmental Accounting Standards Board (GASB) approved Statement No. 87, "Leases." The objective of this Statement is to establish a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The provisions of GASB No. 87 must be implemented by the entity for periods beginning after June 15, 2021, with earlier application encouraged. The effect of implementation of the statement of the entity's financial statements has not yet been determined.

2. INVESTMENTS

Investments held at June 30, 2021 consist of \$2,589,869 in the Louisiana Asset Management Pool, a local government investment pool. This investment is carried at cost, which approximates fair value.

In accordance with GASB Codification Section 150.128, the investment in Louisiana Asset Management Pool (LAMP) is not categorized in the three risk categories provided by GASB

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Notes to the Financial Statements
For the Year Ended June 30, 2021

2. INVESTMENTS – (Continued)

Codification Section 150.164 because the investment is in a pool of funds and thereby not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having 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 in accordance with LSA - R.S. 33:2955. GASB Statement No. 40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public entity investments.

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7 like investment pools:

- Credit Risk: LAMP is rated AAAM by Standard and Poor's.
- Custodial Credit Risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Interest Rate Risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments is 90 days as of June 30, 2021.
- Foreign Currency Risk: Not applicable to 2a7-like pools.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

The Combined Anti-Drug Team places no limit on the amount invested in any one financial institution.

3. RECEIVABLES

The receivables of \$82,181 as of June 30, 2021, are amounts due from restitutions, forfeitures and overtime reimbursements.

COMBINED ANTI-DRUG TEAM
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Notes to the Financial Statements
For the Year Ended June 30, 2021

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 was as follows:

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2021</u>
Governmental activities:				
Capital assets being depreciated:				
Law enforcement equipment	\$ 226,831	\$ 56,804	\$ (13,400)	\$ 270,235
Total capital assets being depreciated	226,831	56,804	(13,400)	270,235
Less accumulated depreciation				
Total capital assets being depreciated, net	<u>(166,712)</u>	<u>(23,290)</u>	<u>13,400</u>	<u>(176,602)</u>
	<u>\$ 60,119</u>	<u>\$ 33,514</u>	<u>\$ -</u>	<u>\$ 93,633</u>

Depreciation expense in the amount of \$23,290 was charged to public safety.

5. CONCENTRATION OF 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 returned. Deposits are exposed to custodial credit risk if they are either (a) uninsured and uncollateralized or (b) uninsured and collateralized with securities held by the pledging financial institution or its trust department/agent but not in the name of the Combined Anti-Drug Team.

The Combined Anti-Drug Team's cash and investment policy, as well as state law, require that deposits be fully secured by federal deposit insurance or the pledge of securities owned by the bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount of deposit with the bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Custodial Credit Risk – Cash and Cash Equivalents

At June 30, 2021, the Combined Anti-Drug Team has \$1,581,160 in deposits (collected bank balances) that were secured from risk by \$250,000 of federal deposit insurance and \$1,946,972 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

6. 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.

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Lake Charles, Louisiana

Notes to the Financial Statements
For the Year Ended June 30, 2021

7. 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.

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 - \$85,914 Public safety expenses: Personnel services - \$235,962 Operating services - \$5,855
City of Lake Charles	Intergovernmental revenues: Co-op agreement - \$75,000
Iowa Police Department	Public safety expenses: Operating services - \$6,926
Calcasieu Parish District Attorney	Public safety expenses: Operating services - \$79,741

Amount due from related parties is as follows:

Calcasieu Parish District Attorney	\$ 78,071
Calcasieu Parish Sheriff's Office	\$ 4,110

Amount due to related parties is as follows:

Calcasieu Parish Sheriff's Office	\$ 22,026
Iowa Police Department	\$ 2,938

COMBINED ANTI-DRUG TEAM
Lake Charles, Louisiana

Notes to the Financial Statements
For the Year Ended June 30, 2021

9. SUBSEQUENT EVENTS

Management of the Combined Anti-Drug Team has evaluated its June 30, 2021 financial statements for subsequent events through the date of the independent auditors' report, the date the financial statements were available to be issued. Management is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

COMBINED ANTI-DRUG TEAM
Lake Charles, Louisiana

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

For the Year Ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
REVENUES				
Intergovernmental	\$ 250,000	\$ 217,408	\$ 216,488	\$ (920)
Forfeitures	430,000	810,198	919,898	109,700
Interest earnings	27,250	13,927	13,855	(72)
Other	2,500	300	(261)	(561)
Total revenues	<u>709,750</u>	<u>1,041,833</u>	<u>1,149,980</u>	<u>108,147</u>
EXPENDITURES				
Public safety:				
Personnel services	281,800	236,910	236,902	8
Operating services	275,577	179,136	176,894	2,242
Materials and supplies	46,800	31,921	31,534	387
Capital outlay	15,000	56,804	56,804	-
Total expenditures	<u>619,177</u>	<u>504,771</u>	<u>502,134</u>	<u>2,637</u>
EXCESS OF REVENUES OVER EXPENDITURES	90,573	537,062	647,846	110,784
FUND BALANCE AT BEGINNING OF YEAR	<u>3,594,834</u>	<u>3,594,834</u>	<u>3,594,834</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u><u>\$3,685,407</u></u>	<u><u>\$4,131,896</u></u>	<u><u>\$4,242,680</u></u>	<u><u>\$ 110,784</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, 2021

Agency Head Name / Title: Albert Hooper, Director

Purpose:	Amount Paid By	
	Combined Anti-Drug Team (Audited)	Calcasieu Parish Sheriff's Audit (Unaudited)
Salary	\$ -	\$ 89,267
Benefits - insurance	-	8,900
Benefits - retirement	-	9,177
Benefits - other	-	1,271
Fuel	-	-
Per diem	-	-
Continuing professional education	-	-
Reimbursements	-	-
Registration fees	-	-
	\$ -	\$ 108,615

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

COMBINED ANTI-DRUG TEAM
Justice System Funding Schedule - Receiving Entity
As Required by Act 87 of the 2020 Regular Legislative Session

Cash Basis Presentation	First Six Month Period Ended 12/31/2020	Second Six Month Period Ended 6/30/2021
Receipts From:		
<i>Calcasieu Parish District Attorney - Asset forfeiture/sale</i>	349,363	541,205
<i>Calcasieu Parish District Attorney - Restitution</i>	250	50
Subtotal Receipts	349,613	541,256

INTERNAL CONTROL
AND
COMPLIANCE



Langley, Williams & Company, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

P.O. BOX 4690
LAKE CHARLES, LOUISIANA 70606-4690
205 W. COLLEGE STREET
LAKE CHARLES, LOUISIANA 70605-1625
(337) 477-2827
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LESTER LANGLEY, JR.
DANNY L. WILLIAMS
PHILLIP D. ABSHIRE, JR.
DAPHNE BORDELON BERKEN
PHILLIP D. ABSHIRE, III
NICHOLAS J. LANGLEY
ALEXIS H. O'NEAL
SARAH CLARK WERNER

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, 2021, 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 6, 2021.

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 6, 2021

COMBINED ANTI-DRUG TEAM
Lake Charles, Louisiana

CURRENT AND PRIOR YEAR AUDIT FINDINGS
AND RESPONSES

For the Years Ended June 30, 2021 and 2020

SECTION 1 – SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? Yes No

Significant deficiencies identified not considered
to be material weaknesses? Yes None reported

Noncompliance required to be reported under
Government Audit Standards?

Yes 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.