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**Ouachita Parish Homeland Security
and Emergency Preparedness Agency**
(A Component Unit of the Ouachita Parish Police Jury)

Financial Statements
As of and For the Year Ended December 31, 2003

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8-11-04

**Ouachita Parish Homeland Security and Emergency Preparedness Agency
(A Component Unit of the Ouachita Parish Police Jury)**

**Component Unit Financial Report
As of and For the Year Ended December 31, 2003**

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INDEPENDENT AUDITORS' REPORT

Ouachita Parish Homeland Security and Emergency Preparedness Agency West Monroe, Louisiana

We have audited the accompanying financial statements of the governmental activities of **Ouachita Parish Homeland Security and Emergency Preparedness Agency** (the Agency), a component unit of the Ouachita Parish Police Jury, as of and for the year ended December 31, 2003, as identified in the accompanying Table of Contents. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of governmental activities of the Agency as of December 31, 2003, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards* we have also issued our report dated April 30, 2004, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

**Ouachita Parish Homeland Security
and Emergency Preparedness Agency
West Monroe, Louisiana**

The "Management's Discussion and Analysis" presented on pages 4 through 9 and the "Budgetary Comparison Schedule" presented on page 25 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



(A Professional Accounting Corporation)

April 30, 2004

**REQUIRED SUPPLEMENTAL INFORMATION
(PART A)**

**OUACHITA PARISH HOMELAND SECURITY AND
EMERGENCY PREPAREDNESS AGENCY
(A Component Unit of Ouachita Parish Police Jury)
Management's Discussion And Analysis
For The Year Ended December 31, 2003**

Our discussion and analysis of the Ouachita Parish Homeland Security and Emergency Preparedness Agency (the "Agency"), a component unit of the Ouachita Parish Police Jury, provides an overview of the Agency's activities for the year ended December 31, 2003. Please read it in conjunction with Agency's financial statements that begin on page 11.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Ouachita Parish Homeland Security and Emergency Preparedness Agency's basic financial statements. The Ouachita Parish Homeland Security and Emergency Preparedness Agency's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements. The government-wide financial statements of the Agency report information about the Agency using accounting methods similar to those used by private sector companies. These statements offer short- and long-term financial information about its activities.

The *Statement of Net Assets* presents information on all of the Agency's assets and liabilities, with the difference between the two reported as net assets. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating.

The *Statement of Activities* presents the current year's revenues and expenses and other information showing how the Agency's net assets changed during the year. The change in net assets is reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned but unused sick leave).

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Agency, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Agency are categorized as governmental funds.

**Ouachita Parish Homeland Security and
Emergency Preparedness Agency
Management's Discussion and Analysis
For The Year Ended December 31, 2003**

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as, on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Agency maintains one individual governmental fund - the general fund. The Agency adopts an annual appropriated budget for the general fund, and a budgetary comparison statement is provided for the general fund to demonstrate compliance with this budget.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

FINANCIAL ANALYSIS OF THE AGENCY AS A WHOLE

As noted earlier, the Agency uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. In particular, unreserved fund balance may serve as a useful measure of the Agency's net resources available for spending at the end of the fiscal year.

The fund financial statements provide financial information that aid in answering the question – "Is the Agency, as a whole, better off or worse as a result of the year's activities?" However, in assessing the financial health or financial position of the Agency, other non-financial factors such as changes in economic conditions, changes in funding from intergovernmental ("local") agencies, and new or changed regulations impacting the Agency's federal programs should be considered.

At December 31, 2003, the Agency's fund balance (total assets less total liabilities) totaled \$48,992, all of which was unreserved. As of December 31, 2003, the Agency had cash in the amount of \$47,710, which exceeded its liabilities by \$34,356.

**Ouachita Parish Homeland Security and
Emergency Preparedness Agency
Management's Discussion and Analysis
For The Year Ended December 31, 2003**

The following is a comparative summary of the Agency's assets, liabilities, and fund balance as of December 31, 2003 and 2002:

Summary Balance Sheet

	<u>2003</u>	<u>2002</u>	<u>% Change</u>
Assets:			
Current and Other Assets	\$ 62,346	\$ 83,460	-25.3%
Total Assets	<u>\$ 62,346</u>	<u>\$ 83,460</u>	
Liabilities:			
Current and Other Liabilities	\$ 13,354	\$ 58,780	-77.3%
Total Liabilities	<u>\$ 13,354</u>	<u>\$ 58,780</u>	
Fund Balance:			
Unreserved	\$ 48,992	\$ 24,680	98.5%
Total Fund Balance	<u>\$ 48,992</u>	<u>\$ 24,680</u>	

**Ouachita Parish Homeland Security and
Emergency Preparedness Agency
Management's Discussion and Analysis
For The Year Ended December 31, 2003**

The Agency's unreserved fund balance increased by \$24,312 in 2003. The following is a summary Statement of Revenues, Expenses, and Changes in Fund Balance for the years ended December 31, 2003 and 2002, that show how the \$24,312 increase in fund balance occurred. Also, shown is the change in fund balance for the year ended December 31, 2002, which totaled \$10,856.

Summary Statement of Revenues, Expenses, and Changes in Net Assets

	<u>2003</u>	<u>2002</u>	<u>% Change</u>
Operating Revenues:			
Federal Grants	\$ 50,905	\$ 40,131	26.8%
State Grants	699	-	100.0%
Intergovernmental Grants	112,450	155,714	-27.8%
Total Operating Revenues	<u>164,054</u>	<u>195,845</u>	
Nonoperating Revenues:			
Interest Earnings	196	11	1681.8%
Total Nonoperating Revenues	<u>196</u>	<u>11</u>	
Total Revenues	<u>164,250</u>	<u>195,856</u>	
Expenses:			
Advertising & Legal Notices	530	12,371	-95.7%
Capital Outlay	5,243	16,320	-67.9%
Indirect Cost Allocation	5,935	-	100.0%
Insurance	3,749	2,476	51.4%
Materials & Supplies	4,340	3,825	13.5%
Other	842	15,290	-94.5%
Payroll Taxes & Related Benefits	15,923	18,479	-13.8%
Professional Services	2,400	2,916	-17.7%
Rental Equipment	6,068	5,395	12.5%
Salaries	81,422	86,321	-5.7%
Telephone	8,707	12,893	-32.5%
Travel	2,652	7,433	-64.3%
Vehicle Operations	2,127	1,281	66.0%
Total Expenses	<u>139,938</u>	<u>185,000</u>	
Change in Fund Balance	<u>\$ 24,312</u>	<u>\$ 10,856</u>	

**Ouachita Parish Homeland Security and
Emergency Preparedness Agency
Management's Discussion and Analysis
For The Year Ended December 31, 2003**

Total operating revenues reflect a 16% (\$31,791) decrease in 2003 as compared to 2002 due primarily to a significant decrease in funding from the following intergovernmental agencies: The City of Monroe, the City of West Monroe, and the Ouachita Parish Police Jury. The combined decrease in funding from these sources totaled \$43,264. This reduction in funding was offset partially by an increase in Federal funding in the amount of \$10,774.

Total operating expenses, including capital outlay, decreased by 24% (\$45,062) from 2002 to 2003. The most significant decreases in expenses occurred in advertising and legal notices, capital outlay, payroll and related expenses, travel, and other expenses. The total decrease in these expenses from 2002 to 2003 was \$49,602. This decrease was offset, in part, by an increase in the amount of indirect costs allocated to the Agency totaling \$5,935.

AGENCY'S FUNDS

The financial statements of the Agency present its general fund. The changes discussed in the section above provide adequate explanations of the fund's activities during the year.

GENERAL BUDGETARY ANALYSIS

The Agency employs formal budgetary integration as a management control device during the year. Budgeted amounts included in the Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual include the original adopted budget amounts and the final amended budget amounts. Original budgets for each year are adopted on or before December 31 of the year preceding the budget year. The original budget is based on estimated revenues, estimated expenses, and other financial information known to the Agency at the time of the adoption of the budget. Amendments to the original budget are made throughout the year as changes in operations, in expected funding levels, and in estimated expenditures occur. The final amended budget is prepared at the time the Agency anticipates no additional significant increases or decreases in revenues and expenses for the year and no expected changes in operations.

The final amended budgeted revenues increased from the original budgeted revenues by 14% (\$19,560) due to an increase in Federal funding. The difference between the final amended budgeted revenues and actual revenues for the year ended December 31, 2003, totaled \$1,751, an insignificant variance. The final amended budgeted expenses increased from the original budgeted expenses by 9% (\$12,224) due to the Agency entering into a new lease agreement for equipment and the allocation of indirect costs to the Agency by the Ouachita Parish Police Jury. The final amended budgeted expenses exceeded the actual expenses for the year ended December 31, 2003, by \$13,213. This favorable variance was attributable primarily to the over budgeting of several expenses, including equipment rental costs, travel and other expenses, and telephone expense.

**Ouachita Parish Homeland Security and
Emergency Preparedness Agency
Management's Discussion and Analysis
For The Year Ended December 31, 2003**

CAPITAL ASSETS AND LONG-TERM OBLIGATIONS

At the end of December 31, 2003 and 2002, the Agency had invested in various capital assets, including plant, equipment, furniture, and vehicles. The capital assets are summarized below:

	2003	2002
Computer Equipment	\$ 19,432	\$ 17,615
Audio Visual Equipment	2,026	1,777
Furniture and Equipment	7,204	2,316
Plant	110,595	111,019
Vehicles	21,325	21,325
Communications Equipment	3,963	2,453
Totals	<u>\$ 164,545</u>	<u>\$ 156,505</u>

The Agency's long-term obligations consist entirely of compensated absences, which decreased by \$13,806 from 2003 to 2002.

ECONOMIC FACTORS AND FUTURE OUTLOOK

The Agency's budgeted revenues and expenditures for 2004 are comparable to 2003's actual revenues and expenditures. The Agency does not anticipate any changes in its day-to-day operations and in its Federal programs that will have a material effect on its 2004 budget.

CONTACTING THE AGENCY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Agency's finances and to show its accountability for the money it receives. If you have questions about this report or need additional financial information, contact Bradley N. Cammack, CPA, Treasurer of the Ouachita Parish Police Jury, at P. O. Box 3007, Monroe, Louisiana 71201 or call at (318) 327-1340.

Basic Financial Statements

Ouachita Parish Homeland Security and Emergency Preparedness Agency
(A Component Unit of the Ouachita Parish Police Jury)

Governmental Fund-Balance Sheet (FFS)
Governmental Activities-Statement of Net Assets (GWFS)

December 31, 2003

	<u>Balance Sheet</u>	<u>Adjustments</u>	<u>Statement of Net Assets</u>
Assets			
Cash	\$ 47,710	\$ -	\$ 47,710
Accounts Receivable	14,636	-	14,636
Capital Assets, net of accumulated depreciation	<u>-</u>	<u>15,324</u>	<u>15,324</u>
Total Assets	<u>\$ 62,346</u>	<u>\$ 15,324</u>	<u>\$ 77,670</u>
 Liabilities			
Accounts Payable	\$ 9,427	\$ -	\$ 9,427
Accrued Liabilities	3,927	-	3,927
Compensated Absences:			
Due within one year	-	3,210	3,210
Due in more than one year	<u>-</u>	<u>1,081</u>	<u>1,081</u>
Total Liabilities	13,354	4,291	<u>17,645</u>
 Fund Balance / Net Assets			
Unreserved Fund Balance	<u>48,992</u>	(48,992)	
Total Liabilities and Fund Balance	<u>\$ 62,346</u>		
 Net Assets			
Invested in capital assets		15,324	15,324
Unrestricted		<u>44,701</u>	<u>44,701</u>
Total Net Assets		<u>\$ 60,025</u>	<u>\$ 60,025</u>

The accompanying notes are an integral part of this statement.

**Ouachita Parish Homeland Security and Emergency Preparedness Agency
(A Component Unit of the Ouachita Parish Police Jury)**

**Reconciliation of the Governmental Fund-Balance Sheet (FFS)
to the Governmental Activities-Statement of Net Assets (GWFS)**

December 31, 2003

Unreserved Fund Balance – Total Governmental Funds \$48,992

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

The cost of capital assets purchased is reported as an expenditure in the Governmental Fund. The Statement of Net Assets includes those capital assets among the assets of the Agency as a whole. The cost of those capital assets is allocated over their estimated useful lives (as depreciation expense) to Public Service as reported as Governmental Activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.

Cost of Capital Assets	\$164,545	
Accumulated Depreciation	<u>149,221</u>	15,324

Compensated Absences applicable to the Agency’s governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Assets, but not in the Governmental Fund.

(4,291)

Net Assets \$60,025

The accompanying notes are an integral part of this statement.

**Ouachita Parish Homeland Security and Emergency Preparedness Agency
(A Component Unit of the Ouachita Parish Police Jury)**

**Governmental Fund-Statement of Revenues, Expenditures and Changes in Fund Balance (FFS)
Governmental Activities-Statement of Activities (GWFS)**

For the Year Ended December 31, 2003

	<u>Statement of Revenues Expenditures and Changes in Fund Balance</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Expenditures / Expenses			
Public Safety:			
Advertising and Legal Notices	530	-	530
Depreciation	-	7,954	7,954
Indirect Cost Allocation	5,935	-	5,935
Insurance	3,749	-	3,749
Janitorial and Maintenance	364	-	364
Materials and Supplies	4,340	-	4,340
Payroll Taxes and Related Benefits	15,923	-	15,923
Postage	478	-	478
Professional Services	2,400	-	2,400
Rental-Copier	1,896	-	1,896
Rental-Equipment	4,172	-	4,172
Salaries	81,422	(13,806)	67,616
Telephone	8,707	-	8,707
Travel and Other Expenses	2,652	-	2,652
Vehicle Operations	2,127	-	2,127
Total Public Safety	134,695	(5,852)	128,843
Capital Outlay	5,243	(5,243)	-
Total Expenditures / Expenses	139,938	(11,095)	128,843
General Revenues			
Federal Grants	50,905	-	50,905
State Grant	699	-	699
Intergovernmental Grants:			
City of Monroe	43,750	-	43,750
City of West Monroe	11,450	-	11,450
Ouachita Parish Police Jury	57,250	-	57,250
Ouachita Parish Police Jury-Equipment	-	2,797	2,797
Interest earnings	196	-	196
Total Revenues	164,250	2,797	167,047
Excess of Revenues Over Expenditures	24,312	13,892	38,204
Fund Balance/Net Assets at Beginning of Year	24,680	(2,859)	21,821
Fund Balance/Net Assets at End of Year	\$ 48,992	\$ 11,033	\$ 60,025

The accompanying notes are an integral part of this statement.

**Ouachita Parish Homeland Security and Emergency Preparedness Agency
(A Component Unit of the Ouachita Parish Police Jury)**

**Reconciliation of Governmental Fund-Statement of Revenues, Expenditures
and Changes in Fund Balance (FFS) to Governmental Activities-Statement
of Activities (GWFS)**

For the Year Ended December 31, 2003

Net Change in Fund Balance \$24,312

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

Capital outlays are reported in the Governmental Fund as expenditures.
However, in the Statement of Activities, the cost of these assets is allocated
over their estimated useful lives as depreciation expense. This is the
amount by which capital outlays exceed depreciation

Capital outlays	5,243	
Ouachita Parish Police Jury-Equipment	2,797	
Depreciation	<u>(7,954)</u>	86

In the Statement of Activities, certain operating expenses-compensated
absences (annual leave)-are measured by the amounts earned during the
year. In the Governmental Funds; however, expenditures for these items
are measured by the amount of financial resources used (essentially, the
amounts actually paid). This year, annual leave used (\$19,199) exceeded
the amounts earned (\$5,393)

13,806

Change in Net Assets of Governmental Activities \$38,204

The accompanying notes are an integral part of this statement.

**Ouachita Parish Homeland Security and Emergency Preparedness Agency
(A Component Unit of the Ouachita Parish Police Jury)**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2003**

Introduction

The Ouachita Parish Homeland Security and Emergency Preparedness Agency (the Agency) was organized by ordinances adopted by the City of Monroe, the City of West Monroe, and the Ouachita Parish Police Jury. The mayors of the two cities and the president of the Police Jury comprise the Executive Council of the Agency. The Executive Council appoints the Agency director who serves as the operating manager.

Note 1 - Summary of Significant Accounting Policies

A. Financial Reporting Entity

As the governing authority of the parish, for reporting purposes, the Ouachita Parish Police Jury (the Police Jury) is the reporting entity for Ouachita Parish. The financial reporting entity consists of (a) the primary government (the Police Jury), (b) organizations for which the reporting entity is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB Statement No. 14 established criteria for determining which component units should be considered part of the reporting entity for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the primary government to impose its will on that organization
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government.
2. Organizations for which the primary government does not appoint a voting majority but are fiscally dependent on the primary government.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of nature or significance of the relationship.

**Ouachita Parish Homeland Security and Emergency Preparedness Agency
(A Component Unit of the Ouachita Parish Police Jury)**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2003**

Under Louisiana Revised Statute 29:727, the president of the Police Jury directs operations of the Agency and is required to maintain a parish office of emergency preparedness. Statutorily, the director of the Agency serves at the pleasure of the president of the Police Jury. Although governed by a joint board, the Police Jury's ability to exert its will on the Agency, the agency's fiscal dependency on the Police Jury and the scope of public service rendered by the agency make it a component unit of the Ouachita Parish Police Jury reporting entity.

The accompanying financial statements present information only on the funds maintained by the Agency and do not present information on the Police Jury, the general governmental services provided by that governmental unit, or other governmental units that comprise the financial reporting entity.

B. Fund Accounting

The financial transactions of the Agency are recorded in an individual fund, which is considered a separate accounting entity. The operations of the fund is accounted for with a set of self-balancing accounts that includes its assets, liabilities, fund equity, revenues and expenditures/expenses. Fund accounting segregates a fund according to its intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The Agency uses the following fund type:

Governmental Fund

Governmental funds account for the Agency's general governmental activities including the collection and disbursement of specific or legally restricted monies and the acquisition or construction of capital assets.

The General Fund is the general operating fund of the Agency. It accounts for all of its financial resources.

**Ouachita Parish Homeland Security and Emergency Preparedness Agency
(A Component Unit of the Ouachita Parish Police Jury)**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2003**

C. Basis of Accounting / Measurement Focus

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities displays information about the reporting government as a whole.

The Statement of Net Assets and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Non-exchange transactions are recognized when the Agency has an enforceable legal claim to the revenues, expenses, gains, losses, assets and liabilities.

General Revenues:

General revenues included in the Statement of Activities are derived directly from local governments and the Federal government. General revenues finance the operations of the Agency.

Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds reported in the fund financial statements are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and liabilities are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Governmental funds reported in the fund financial statements are accounted for on the modified accrual basis of accounting. Governmental fund revenues are recognized in the accounting period in which they become susceptible to accrual – that is when they become both measurable and available to pay current period liabilities. Such revenue items are intergovernmental grants from three local governments. Revenue from state and Federal grants are recorded when the reimbursable expenditure have been incurred.

Expenditures are recorded when the related fund liability is incurred.

**Ouachita Parish Homeland Security and Emergency Preparedness Agency
(A Component Unit of the Ouachita Parish Police Jury)**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2003**

D. Capital Assets

Capital Assets are reported in the governmental fund in the government-wide financial statements. The Agency considers assets with an initial individual cost of \$100 or more and an estimated life of 1 year or more as a capital asset.

Capital assets are recorded at historical cost and depreciated over their estimated useful lives. Donated capital assets are recorded at their estimated fair value at the date of donation.

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Capital assets have not been assigned a salvage value because management feels that any salvage value would be immaterial. Straight-line depreciation is used based on the following useful lives:

<u>Three Years</u>	<u>Five Years</u>	<u>Seven Years</u>
Computer Equipment	Audio-Visual Equipment Furniture and Equipment Plant Vehicles	Communications Equipment

E. Budgetary Practices

Preliminary budgets based on the modified accrual basis of accounting are prepared annually by the Executive Committee. The proposed budget is reviewed by the Police Jury's Budget Committee and revised as deemed necessary. The proposed budget is included in the public hearing process conducted by the Police Jury for its proposed budgets. The budgets are adopted during the Police Jury's selected December meeting. The budgetary data included in the accompanying financial statements includes the originally adopted budget and any amendments thereto.

F. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Ouachita Parish Homeland Security and Emergency Preparedness Agency
(A Component Unit of the Ouachita Parish Police Jury)**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2003**

Note 2 - Cash and Cash Equivalents

Under state law, the Agency may deposit funds with a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Agency may invest in United States bonds, treasury notes, certificates, or time deposits of state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

At December 31, 2003, the Agency had cash and cash equivalents (bank and book balances) totaling \$47,710.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by Federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times at least equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2003, the Agency had \$47,710 in deposits (collected bank balances), all of which is covered by federal deposit insurance.

Note 3 - Accounts Receivable

Accounts Receivable consisted of the following at December 31, 2003:

Class of Receivable:

Emergency Management Office Reimbursements	\$ <u>14,636</u>
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**Ouachita Parish Homeland Security and Emergency Preparedness Agency
(A Component Unit of the Ouachita Parish Police Jury)**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2003**

Note 4 - Capital Assets

A summary of the changes in capital assets for the year ended December 31, 2003 were as follows:

	<u>Balance</u> <u>01/01/2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2003</u>
Governmental Activities:				
Capital assets being depreciated:				
Computer equipment	\$ 17,615	\$ 2,317	\$ 500	\$ 19,432
Audio visual	1,777	249		2,026
Furniture and equipment	2,316	5,354	466	7,204
Plant	111,019	-	424	110,595
Vehicles	21,325	-	-	21,325
Communications equipment	<u>2,453</u>	<u>1,510</u>	-	<u>3,963</u>
Total capital assets being depreciated	156,505	9,430	1,390	164,545
Less accumulated depreciation:				
Computer equipment	14,954	1,526	-	16,480
Audio visual	1,244	349	-	1,593
Furniture and equipment	3,012	1,272	-	4,284
Plant	110,568	65	-	110,633
Vehicles	11,017	4,265	-	15,282
Communications equipment	<u>472</u>	<u>477</u>	-	<u>949</u>
Total accumulated depreciation	<u>141,267</u>	<u>7,954</u>	-	<u>149,221</u>
Capital Assets, net	<u>\$ 15,238</u>	<u>\$ 1,476</u>	<u>\$ 1,390</u>	<u>\$ 15,324</u>

Public Safety was charged with all governmental activities depreciation expense.

Note 5 - Compensated Absences

Employees of the Agency earn vacation and sick leave in accordance with provisions of the Louisiana Civil Defense Merit Program administered by the Louisiana Department of Civil Service. The amount of each type of leave earned by employees is dependent upon length of service of that employee, ranging from .0625 hours of leave for each hour of regular duty for employees with less than three years of service up to a maximum of 1086 hours of leave for each hour of regular duty for an employee with twenty or more years of service. Employees are allowed to carry forward all accrued unused sick leave to succeeding calendar years. Unused accrued annual leave may be carried forward to succeeding years.

An employee permanently separated from employment as a result of voluntary resignation, discharge, retirement, or death shall receive a terminal payment for annual

**Ouachita Parish Homeland Security and Emergency Preparedness Agency
(A Component Unit of the Ouachita Parish Police Jury)**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2003**

leave earned. This terminal payment shall not exceed the value of 500 hours computed on the basis of the employee's hourly rate of pay at the time of his separation. This payment shall be made to the estate of the employee separated by death. No terminal payment shall be made for accrued sick leave.

At December 31, 2003, employees had earned and accumulated annual leave totaling \$4,291.

Note 6 - Summary of Changes in General Long-Term Obligations-Compensated Absences

	<u>Balance</u> <u>01/01/2003</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/2003</u>
Compensated Absences	\$ <u>18,097</u>	\$ <u>5,393</u>	\$ <u>19,199</u>	\$ <u>4,291</u>

Note 7 - Retirement System

Employees of the Agency are members of the Parochial Employees Retirement System of Louisiana (System), a cost sharing, multiple-employer, PERS administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only prior to January 1, 1980, the benefit is equal to one percent of final average salary plus \$24 for each year of supplemental-plan-only service earned prior to January 1, 1980. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

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**Notes to the Financial Statements
As of and for the Year Ended December 31, 2003**

Funding Policy. State statute requires employees covered by Plan A to contribute 9.50 percent of their annual covered salary and the Agency is required to contribute at an actuarially determined rate. The current actuarially determined rate is 7.75 percent of annual covered payroll. Contributions to the System include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge Parishes. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Agency are established by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Agency contributions to the System under Plan A for the years ending December 31, 2003, 2002 and 2001 were \$5,839, \$6,687, and \$6,399, respectively.

The Parochial Employees' Retirement System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

Note 8 - Risk Financing Activities

Through its primary government (the Police Jury), the Agency participates in the Parish Government Risk Management Office, a public entity risk pool providing group health and life insurance programs. In addition, the Agency participates in the self-insurance program created by the Police Jury for the purpose of self-funding potential insurance losses for property and vehicle insurance, workers compensation and comprehensive general liability claims. The self-insurance plan is administered by a third party, with claims in excess of the self-insured amount of \$100,000 being paid from the excess liability carrier. The Police Jury is using internal service funds to account for its risk financing activities. At December 31, 2003 the balance available in the self-insurance funds to pay liabilities if and when they arise is approximately \$1,250,000.

Note 9 - Lease Commitments and Rental Expense

Operating Leases

The Agency leases various items of equipment under lease agreements that are subject to annual reappropriation clauses. Generally, as equipment leases expire, they are replaced with other leases.

**Ouachita Parish Homeland Security and Emergency Preparedness Agency
(A Component Unit of the Ouachita Parish Police Jury)**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2003**

Note 10 – Name Change

The Agency's name was changed on July 7, 2003 from the Ouachita Civil Defense Agency to the Ouachita Parish Homeland Security and Emergency Preparedness Agency by resolution of the Ouachita Parish Police Jury.

**REQUIRED SUPPLEMENTAL INFORMATION
(PART B)**

**Ouachita Parish Homeland Security and Emergency Preparedness Agency
(A Component Unit of the Ouachita Parish Police Jury)**

**Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual**

Governmental Activities

For the Year Ended December 31, 2003

	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
Expenditures				
Public Safety:				
Advertising and Legal Notices	-	547	530	17
Indirect Cost Allocation	-	5,935	5,935	-
Insurance	3,529	3,750	3,749	1
Janitorial and Maintenance	2,563	870	364	506
Materials and Supplies	4,204	4,425	4,340	85
Payroll Taxes and Related Benefits	18,737	16,440	15,923	517
Postage	841	500	478	22
Professional Services	2,563	2,400	2,400	-
Rental-Copier	2,030	2,140	1,896	244
Rental-Equipment	-	6,000	4,172	1,828
Salaries	85,786	81,250	81,422	(172)
Telephone	11,495	10,775	8,707	2,068
Travel and Other Expenses	2,614	7,300	2,652	4,648
Utilities	630	-	-	-
Vehicle Operations	-	2,801	2,127	674
Total Operating Services	<u>134,992</u>	<u>145,133</u>	<u>134,695</u>	<u>10,438</u>
Capital Outlay	<u>5,935</u>	<u>8,018</u>	<u>5,243</u>	<u>2,775</u>
Total Expenditures	<u>140,927</u>	<u>153,151</u>	<u>139,938</u>	<u>13,213</u>
General Revenues				
Federal Grants	30,489	50,049	50,905	856
State Grant	-	-	699	699
Intergovernmental Grants:				
City of Monroe	43,750	43,750	43,750	-
City of West Monroe	11,450	11,450	11,450	-
Ouachita Parish Police Jury	57,250	57,250	57,250	-
Interest earnings	-	-	196	196
Total Revenues	<u>142,939</u>	<u>162,499</u>	<u>164,250</u>	<u>1,751</u>
Excess of Revenues Over Expenditures	2,012	9,348	24,312	14,964
Fund Balance/Net Assets at Beginning of Year	<u>24,680</u>	<u>24,680</u>	<u>24,680</u>	<u>-</u>
Fund Balance/Net Assets at End of Year	<u>\$ 26,692</u>	<u>\$ 34,028</u>	<u>\$ 48,992</u>	<u>\$ 14,964</u>

SUPPLEMENTARY INFORMATION - GRANT ACTIVITY



Francis I. Huffman, CPA
L. Fred Monroe, CPA
Esther Atteberry, CPA

John L. Luffey, MBA, CPA (1963-2002)

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

**Ouachita Parish Homeland Security and
Emergency Preparedness Agency
West Monroe, Louisiana**

We have audited the component unit financial statements of **Ouachita Parish Homeland Security and Emergency Preparedness Agency** (the Agency) (a component unit of the Ouachita Parish Police Jury), as of December 31, 2003, and have issued our report thereon dated April 30, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

Compliance

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

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Agency's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the component unit financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be considered material weaknesses. A material

**Ouachita Parish Homeland Security
and Emergency Preparedness Agency
West Monroe, Louisiana**

weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the Ouachita Parish Police Jury, Members of the Executive Committee of the Ouachita Parish Homeland Security and Emergency Preparedness Agency, management of the Ouachita Parish Homeland Security and Emergency Preparedness Agency and other entities granting funds to the Agency and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



(A Professional Accounting Corporation)

April 30, 2004

**OUACHITA AGENCY OF HOMELAND SECURITY
AND EMERGENCY PREPAREDNESS AGENCY
WEST MONROE, LOUISIANA
STATUS OF PRIOR AUDIT FINDING**

Executive Committee Meetings:

It was determined in the 2002 audit that the Executive Committee had convened only twice since June, 1999. The corrective action plan was that the Board of Directors would convene at least quarterly to oversee the operations of the Agency to increase the overall control environment and to demonstrate proper stewardship over public funds.

Status:

The Executive Committee met three times in 2003. Two of these three meetings were included as part of the Ouachita Council of Governments since the three members of the Agency are also members of the Ouachita Council of Governments. The second quarter's meeting was not held due to the office being in transition between directors.