

**CADDO-BOSSIER OFFICE OF HOMELAND SECURITY
AND EMERGENCY PREPAREDNESS**

BOSSIER CITY, LOUISIANA

FINANCIAL STATEMENTS

DECEMBER 31, 2006

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 9/5/07

CADDO-BOSSIER OFFICE OF EMERGENCY PREPAREDNESS
BOSSIER CITY, LOUISIANA

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Independent Auditor's Report

To the Executive Council
Caddo-Bossier Office of Homeland Security
and Emergency Preparedness
Bossier City, Louisiana

I have audited the accompanying financial statements of Caddo-Bossier Office of Homeland Security and Emergency Preparedness, Bossier City, Louisiana, as of and for the year ended December 31, 2006 as listed in the table of contents. These financial statements are the responsibility of the Caddo-Bossier Office of Homeland Security and Emergency Preparedness management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my 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, the provisions of Office Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the provisions of Louisiana Revised Statutes 24:513 and the *Louisiana Governmental Audit Guide*. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Caddo-Bossier Office of Homeland Security and Emergency Preparedness as of December 31, 2006, and the results of its operations for the year ended December 31, 2006, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated June 29, 2007 on my consideration of Caddo-Bossier Office of Homeland Security and Emergency Preparedness internal control over financial reporting and my 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 my audit.

The accompanying Schedule of Expenditures of Federal Awards as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organization," and the supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements.

The required supplementary information as listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. I 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, I did not audit the information and express no opinion on it.

The accompanying supplemental information listed in the table of contents under Supplemental Information is presented for the purposes of additional analysis and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

 **Richard C
McCallister**

Richard C. McCallister

June 29, 2007

Digitally signed by
Richard C. McCallister
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C. McCallister, CPA,
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**REQUIRED SUPPLEMENTAL INFORMATION
PART I**

CADDO-BOSSIER HOMELAND SECURITY
AND OFFICE OF EMERGENCY PREPAREDNESS

MANAGEMENT'S DISCUSSION AND ANALYSIS

The purpose of Management's discussion and analysis (MD&A) is to provide an overview of the financial activities of the Caddo-Bossier Homeland Security and Office of Emergency Preparedness office based on currently known facts, decisions or conditions.

The basic financial statements include government-wide and government fund statements. The government-wide Statement of Net Assets and Statement of Activities present information for all the activities of the Caddo-Bossier Homeland Security and Office of Emergency Preparedness office from an economic resources measurement focus using the accrual basis of accounting. Primarily for our office the difference between these statements and Governmental Funds statements is that assets are capitalized and depreciated over their estimated useful life versus expensed in the Governmental Funds statements.

The office at December 31, 2006 had \$478,068 in cash on hand and net capital assets of \$477,854 with total assets being \$1,002,590 a decrease of \$18,542 over December 31, 2005. This office is debt free other than normal trade payables.

	<u>2006</u>
Current assets	524,736
Capital assets	477,854
Total assets	<u>1,002,590</u>
Current liabilities	28,159
Total liabilities	<u>28,159</u>
Net Assets	
Invested in capital assets	477,854
Restricted	132,648
Unrestricted	363,929
Total net assets	<u><u>974,431</u></u>

The revenues from operational grants and appropriations remained fairly constant with that of prior years. Revenue from one time and special grants will vary from year to year. Total operational expenses excluding capital outlays and depreciation were relatively constant with the prior years. Investment earnings of \$5,076 remained consistent with prior years. Net assets decreased by \$12,404 over the prior year.

	<u>Governmental Activities</u>
	<u>2006</u>
Revenues	
Program Revenues	
Grants & Appropriations	393,974
General Revenues	
Interest	5,221
Total Revenues	<u>399,195</u>
Expenses	
Personal services	209,577
Other operating	214,862
Total Expenses	<u>424,439</u>
Change in fund balance	<u>(25,244)</u>

Capital outlays totaled \$210,848 for the year primarily from grant funds. No major capital outlays are budgeted for 2007 from general funds but at least \$125,000 will come from grants.

The adopted general fund budget was not amended during the year and revenues and expenditures were in line with budget. For the upcoming fiscal year, the general operating budget anticipates operating expenses of \$498,800 and revenues of \$498,800. Overall the office remains fiscally strong.

This financial report is designed to provide citizens and taxpayers with a general overview of the finances for those funds maintained by the Caddo-Bossier Homeland Security and Office of Emergency Preparedness and to show accountability for those funds. If you have any questions about this report, contact the Caddo-Bossier Homeland Security and Office of Emergency Preparedness.

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

CADDO-BOSSIER OFFICE OF HOMELAND SECURITY
AND EMERGENCY PREPAREDNESS
STATEMENT OF NET ASSETS
DECEMBER 31, 2006

ASSETS

Cash	512,260
Accounts receivable grants - Note 4	12,476
Capital assets, net of accumulated depreciation - Note 5	<u>477,854</u>
 Total assets	 <u><u>1,002,590</u></u>

LIABILITIES

Accounts payable	16,268
Accrued expenses	<u>11,891</u>
 Total Liabilities	 <u><u>28,159</u></u>
 Net assets	
Invested in capital assets, net of related debt	477,854
Restricted for MMRS grants	132,648
Unrestricted	<u>363,929</u>
 Total net assets	 <u><u>974,431</u></u>

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

CADDO-BOSSIER OFFICE OF HOMELAND SECURITY
AND EMERGENCY PREPAREDNESS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2006

		<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>
Functions/Programs	<u>Expenses</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Government activities:				
Public Safety	2,498,422	2,295,237	185,560	(17,625)
Total	<u>2,498,422</u>	<u>2,295,237</u>	<u>185,560</u>	<u>(17,625)</u>
General Revenues:				
Investment earnings				5,076
Miscellaneous				145
Total general revenues				<u>5,221</u>
Change in net assets				(12,404)
Net assets-beginning				<u>986,835</u>
Net assets-ending				<u><u>974,431</u></u>

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

GOVERNMENTAL FUNDS FINANCIAL STATEMENTS

CADDO-BOSSIER OFFICE OF HOMELAND SECURITY
AND EMERGENCY PREPAREDNESS
GOVERNMENTAL FUNDS BALANCE SHEET
DECEMBER 31, 2006

	<u>General Fund</u>	<u>Metro Medical Response System</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>			
Cash	379,612	132,648	512,260
Accounts receivable grants - Note 4	<u>12,476</u>	<u> </u>	<u>12,476</u>
 Total assets	 <u><u>392,088</u></u>	 <u><u>132,648</u></u>	 <u><u>524,736</u></u>

LIABILITIES AND FUND BALANCES

Liabilities			
Accounts payable	16,268	<u> </u>	16,268
Accrued expenses	<u>11,891</u>	<u> </u>	<u>11,891</u>
 Total Liabilities	 <u><u>28,159</u></u>	 <u><u>-</u></u>	 <u><u>28,159</u></u>
 Fund balances			
Reserved for MMRS grants	<u> </u>	132,648	132,648
Unreserved	<u>363,929</u>	<u> </u>	<u>363,929</u>
Total fund balances	<u><u>363,929</u></u>	<u><u>132,648</u></u>	<u><u>496,577</u></u>
 Total liabilities and fund balance	 <u><u>392,088</u></u>	 <u><u>132,648</u></u>	

Amounts reported for *governmental activities* in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and are not reported in the fund financial statements

	<u><u>477,854</u></u>
Net assets of governmental activities	<u><u>974,431</u></u>

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

**CADDO-BOSSIER OFFICE OF HOMELAND SECURITY
AND EMERGENCY PREPAREDNESS
GOVERNMENTAL FUNDS REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2006**

	General Fund	Homeland Security Grant Program	FEMA Katrina Grant Program	Metro Medical Response System	Other Governmental Funds	Total Governmental Funds
<u>REVENUES</u>						
Intergovernmental revenues:						
Federal grants	91,993	1,437,214	409,266	199,240	41,103	2,178,816
Local grants	301,981					301,981
Investment earnings	5,076					5,076
Miscellaneous	145					145
						-
Total revenues	<u>399,195</u>	<u>1,437,214</u>	<u>409,266</u>	<u>199,240</u>	<u>41,103</u>	<u>2,486,018</u>
<u>EXPENDITURES</u>						
Public Safety:						
Personnel	209,577	22,881	6,888	47,268	23,970	310,584
Grants paid		1,301,178	401,501	133,845		1,836,524
Insurance	5,604					5,604
Public affairs	2,443				-	2,443
Warning and communication	78,335					78,335
Office expense	17,223	243	231	1,268	6,637	25,602
Dues and publications	1,260			75		1,335
Travel	11,817			10,344	2,689	24,850
Employee retirement	26,848	3,284	596	6,550	-	37,278
Maintenance	11,371			4,131	598	16,100
Telephone	15,591			1,489	-	17,080
Training and education	4,403		50	432	3,348	8,233
Professional services	14,679	22,572		15,000	3,000	55,251
Miscellaneous	-					-
Capital outlays	25,288	87,056		97,643	861	210,848
						-
Total expenditures	<u>424,439</u>	<u>1,437,214</u>	<u>409,266</u>	<u>318,045</u>	<u>41,103</u>	<u>2,630,067</u>
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>	(25,244)	-	-	(118,805)	-	(144,049)
<u>FUND BALANCE-BEGINNING</u>	<u>389,173</u>	<u>-</u>	<u>-</u>	<u>251,452</u>	<u>-</u>	<u>640,625</u>
<u>FUND BALANCE-END</u>	<u>363,929</u>	<u>-</u>	<u>-</u>	<u>132,647</u>	<u>-</u>	<u>496,576</u>

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

**CADDO-BOSSIER OFFICE OF HOMELAND SECURITY
AND EMERGENCY PREPAREDNESS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Caddo-Bossier Office of Homeland Security and Emergency Preparedness have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. This office does not use encumbrance accounting. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. FINANCIAL REPORTING ENTITY

The Caddo-Bossier Office of Homeland Security and Emergency Preparedness is an independent agency governed by a four-member Board. The Board consists of the mayors of Shreveport and Bossier City and the presidents of the Caddo Parish Commission and the Bossier Parish Police Jury. The agency operates autonomously from these four governmental units. It controls hiring and retention of employees; has authority over its own budgeting; is responsible for its deficits; and collects and disburses its own funds. Therefore, the agency reports as an independent reporting entity.

C. GOVERNMENT-WIDE ACCOUNTING

In accordance with Governmental Accounting Standards No. 34, the Caddo-Bossier Office of Emergency Preparedness has presented a Statement of Net Assets and Statement of Activities. This office has no component units. Fiduciary funds are reported separately when applicable. Government-wide accounting is designed to provide a more comprehensive view of the government's operations and financial position as a single economic entity.

Policies specific to the Statement of Net Assets and Statement of Activities are as follows:

Application of FASB Statements and Interpretations

Reporting on governmental-type activities are based on FASB Statements and interpretations issued after November 31, 1989, except where they conflict or contradict GASB pronouncements.

Capitalizing Assets

Tangible and/or intangible assets used in operations with initial useful life that extends beyond one year and a cost of at least \$100 are capitalized. Capital assets are recorded at their historical cost and are depreciated using the straight-line method of depreciation over their estimated useful lives. They are reported net of accumulated depreciation on the Statement of Net Assets. This office does not own any infrastructure assets. Vehicles are

depreciated with a useful life of four years. Furniture and equipment estimated lives vary from five to twelve years. Building improvements are estimated at twenty-five.

D. FUND ACCOUNTING

The Agency uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. Funds of the agency are all classified as Governmental Funds. Governmental funds account for the Agency's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds of the Agency include:

General Fund – The general operating fund of the district and accounts for all financial resources, except those required to be accounted for in other funds.

E. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by the type of financial statement presentation.

The Statement of Net Assets and Statement of Activities are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of governmental-type activities are included in the Statement of Net Assets. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred in the Statement of Activities. In these statements, capital assets are reported and depreciated in the fund.

The governmental funds are reported using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the fiscal period. Available means collected within the current year or expected to be collected within 60 days following year-end. All revenue sources met this criterion. Operating statements of these funds present increases and decreases in net current assets. Expenditures for capital assets are reported as current expense, and such assets are not depreciated.

F. BUDGETS

The Agency uses the following budget practices:

1. Budgets are prepared on the modified accrual basis of accounting and were adopted for the General Fund for 2006.
2. The Agency's Executive Director prepares the proposed budget and submits it to the Chairman of the Board no later than fifteen days prior to the beginning of each fiscal year.
3. The Board adopts the budget by majority vote.
4. Budgetary amendments are made by the Executive Director and do not require approval of the Board.
5. All budgetary appropriations lapse at year-end.
6. Formal budgetary integration is not employed; however, periodic budget comparisons are made as a part of interim reporting. Budgeted amounts included in the accompanying financial statements include the originally adopted budget amounts and all subsequent budget amendments.

The Agency did not comply with the provision in state law requiring that proposed budgets be advertised as available for public inspection prior to adoption and inclusion of beginning and ending fund balances.

G. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is generally used in governmental funds. Based on the size of the accounts and the methods utilized for payments, the Agency does not employ encumbrance accounting.

H. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Agency may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under the laws of the United States.

I. INVESTMENTS

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the Agency's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

J. USE OF 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.

K. COMPENSATED ABSENCES

Vested or accumulated vacation leave is reported as an expenditure/expense and a liability of the governmental when earned.

L. NET ASSETS/FUND BALANCES

In the Statement of Net Assets, the difference between a government's assets and liabilities is recorded as net assets. The three components of net assets are as follows:

Invested in capital assets, net of related debt

This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction, or improvement of capital assets.

Restricted net assets

Net assets that are restricted by external sources such as banks or by law are reported separately as restricted net assets. When assets are required to be retained in perpetuity, these non-expendable net assets are recorded separately from expendable net assets. These are components of restricted net assets.

Unrestricted net assets

This category represents net assets not appropriable for expenditures or legally segregated for a specific future use.

In the Balance Sheet of governmental funds, fund balances are segregated as follows:

Reserved

These resources are segregated because their use is earmarked for a specific purpose.

Unreserved

This category represents that portion of equity not appropriable for expenditures or legally separated to a specific future use.

2. CASH AND CASH EQUIVALENTS

The Office of Emergency Preparedness classifies demand and time deposits as cash. The collected balances of the deposits with financial institutions at December 31, 2006 was \$518,917 and was collateralized as follows:

Amount insured by FDIC	\$100,000
Amount collateralized with securities, held by pledging financial institution's trust department in the agency's name (GASB Category 3)	<u>762,492</u>
Total collateral	<u><u>\$862,492</u></u>

These deposits are stated at cost, which approximates market. Book value of deposits differs from collected balances and equals \$512,260. Under state law, these deposits must be secured by federal deposit insurance or the pledge of the securities owned by the fiscal agent bank. The 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 pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Even though pledged securities are considered uncollateralized under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Agency that the fiscal agent has failed to pay deposited funds upon demand.

3. RECEIVABLES

The following is a summary of receivables at December 31, 2006:

Louisiana Office of Homeland Security	\$12,440
Miscellaneous	<u>36</u>
Total	<u><u>\$12,476</u></u>

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2006 is as follows:

<u>Assets at Cost</u>	Balance			Balance
<u>Description</u>	<u>01/01/06</u>	<u>Additions</u>	<u>Retirements</u>	<u>12/31/06</u>
Equipment	\$397,594	\$151,204		\$548,798
Building Imp	146,003			146,003
Vehicles	17,785	61,144	17,785	61,144
Totals	<u>561,382</u>	<u>212,348</u>	<u>17,785</u>	<u>755,945</u>
<u>Accumulated Depreciation</u>				
Equipment	187,167	66,784		253,951
Building Imp	10,220	5,840		16,060
Vehicles	17,785	8,080	17,785	8,080
Totals	<u>215,172</u>	<u>80,704</u>	<u>17,785</u>	<u>278,091</u>
Net capital assets	<u>\$346,210</u>	<u>\$131,644</u>	<u>\$ -</u>	<u>\$477,854</u>

5. PENSION PLAN

Plan Description – The agency covers its full time permanent employees with the City of Shreveport Employees Retirement System. The System is independent of the Caddo-Bossier Office of Emergency Preparedness. The City of Shreveport Employees Retirement System (City Plan) is a cost sharing multiple employer defined benefit pension plan, which is administered by the City of Shreveport.

To be eligible for retirement benefits, employees must have 30 years of service regardless of age, or be age 65 and have 10 years of service and if hired before January 1, 1979 be 55 years of age with 20 years of service. Employees hired after January 1, 1979, may retire at age 55 with 25 years of service or age 60 with 20 years of service. Disability retirement requires 5 years or more of creditable service in order for an employee to be eligible to receive benefits. Death benefit requirements specify that an employee must have been in active service with 10 or more years of creditable service in the Retirement System. Employees become vested in the system after 10 years of creditable service.

Shreveport City Ordinance establishes benefit provisions. Benefits available to employees hired before January 1, 1996, consist of an annuity, which is the actuarial equivalent of the employee's accumulated contributions; plus annual pension, which together with the annuity, provides total retirement allowance equal to 3 percent of average compensation times years of creditable service. Beginning January 1, 1996, the retirement allowance was increased to 3 1/3 percent of average compensation times years of creditable service for 1996 and future years of service. For a service retirement benefit prior to age 65 with less than 20 but more than 10 years of service, the benefit is reduced by 1/4 percent for each month below age 65.

If a member dies after retirement and leaves a surviving spouse to whom he/she had been married for at least one year immediately preceding death, such spouse receives 50 percent of the member's retirement for the rest of his/her life. A disability benefit is available if a member is unable to engage in any substantial, gainful activity by reason of medically determined physical or mental impairment, which is likely to be permanent. The Deferred Retirement Option Plan allows members who have met eligibility requirements to defer receipt of benefits until termination at which time the participant will be eligible to receive the deferred benefits.

The City of Shreveport issues an annual publicly available financial report that includes financial statements and required supplementary information. Readers are referred to the Notes to the General Purpose Financial Statements contained in the Comprehensive Annual Financial Report of the City of Shreveport for the years ended December 31, 2004.

Funding Policy - Covered employees are required to contribute 9 percent of their salary to the City Plan while the employer is required to contribute 9.15 percent of the covered employees' salaries. The Shreveport City Ordinance establishes the employer and employee contribution obligations. City of Shreveport Ordinance may amend employee or employer contributions. Employer contributions to the plan were \$18,792 on covered payroll of \$205,384.

Caddo Bossier Office of Emergency Preparedness does not guarantee any of the benefits granted under the plan.

6. COMPENSATED ABSENCES

Full time employees may earn from one hundred thirty to two hundred twenty-five hours of annual leave and sick leave per year depending on their length of service. Upon separation of service, employees may be paid for annual leave up to five hundred hours. Employees are not paid for accrued sick leave upon separation of service, but accrued sick leave may be applied against total employment years at retirement. The amount of accrued leave at December 31, 2006 was \$11,891 and is included as a liability of the general fund and statement of net assets.

7. RISK MANAGEMENT

The agency covers its risks of loss through the purchase of commercial insurance. Operations do not expose the agency to any significant risks.

**REQUIRED SUPPLEMENTAL INFORMATION
PART II**

CADDO-BOSSIER OFFICE OF HOMELAND SECURITY
AND EMERGENCY PREPAREDNESS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budget (1)</u>	<u>Actual</u>	<u>Variance</u>
<u>REVENUES</u>			
Intergovernmental revenues:			
Federal Grants	109,953	91,993	(17,960)
Local Grants	304,140	301,981	(2,159)
Miscellaneous	-	145	145
Interest	-	5,076	5,076
	<hr/>	<hr/>	<hr/>
Total revenues	414,093	399,195	(14,898)
	<hr/>	<hr/>	<hr/>
<u>EXPENDITURES</u>			
Public Safety:			
Personnel	251,250	209,577	41,673
Insurance	7,600	5,604	1,996
Public affairs	1,500	2,443	(943)
Office expense	6,000	17,223	(11,223)
Dues and publications	1,000	1,260	(260)
Warning and communication	77,940	78,335	(395)
Travel	9,800	11,817	(2,017)
Employee retirement	20,250	26,848	(6,598)
Maintenance	13,000	11,371	1,629
Telephone	14,000	15,591	(1,591)
Training and education	5,200	4,403	797
Professional services	13,200	14,679	(1,479)
Miscellaneous	3,000	-	3,000
Capital outlays	12,000	25,288	(13,288)
	<hr/>	<hr/>	<hr/>
Total expenditures	435,740	424,439	11,301
	<hr/>	<hr/>	<hr/>
<u>EXCESS OF REVENUES</u>			
<u>OVER (UNDER) EXPENDITURES</u>	(21,647)	(25,244)	(3,597)
	<hr/>	<hr/>	<hr/>
<u>FUND BALANCE-BEGINNING OF YEAR</u>	-	389,173	389,173
	<hr/>	<hr/>	<hr/>
<u>FUND BALANCE-END OF YEAR</u>	-	363,929	363,929
	<hr/>	<hr/>	<hr/>

(1) Modified accrual basis of accounting.

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

**CADDO-BOSSIER OFFICE OF HOMELAND SECURITY
AND EMERGENCY PREPAREDNESS**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2006**

<u>FEDERAL GRANTOR PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>GRANT NUMBER</u>	<u>FEDERAL EXPENDITURES (1)</u>
Department of Homeland Security			
Emergency Mgt Performance Grants	97.042	72600878100	\$ 91,993
Homeland Security Grant Program (A)	16.001	2003-MU-T3-0022	39,759
Homeland Security Grant Program (A)	97.008	2004-MU-T3-0022	1,237,676
Homeland Security Grant Program (A)	97.008	2005-MU-T3-0022	159,780
Metropolitan Medical Response System	97.071	233-01-0053	318,045
Citizens Corps Grant	97.054	N/A	32,078
Fed Asst to Ind & HH-Disaster Housing Oper	97.049	N/A	1,437,214

(1) Prepared on the accrual basis of accounting.

SUPPLEMENTAL INFORMATION

Richard C. McCallister

Certified Public Accountant

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

To the Executive Council
Caddo-Bossier Office of Homeland Security
and Emergency Preparedness
Bossier City, Louisiana

I have audited the financial statements of Caddo-Bossier Office of Homeland Security and Emergency Preparedness, Bossier City, Louisiana, as of and for the year ended December 31, 2006 and have issued my report thereon dated June 29, 2007. I have conducted my audit in accordance with generally accepted auditing standards, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States.

Compliance

As part of obtaining reasonable assurance about whether Caddo-Bossier Office of Homeland Security and Emergency Preparedness financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* and is listed as finding 2006-1 in the accompanying Schedule of Audit Findings and Questioned Costs.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Caddo-Bossier Office of Homeland Security and Emergency Preparedness internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. My

consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the 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. I noted no matters involving the internal control structure over financial reporting and its operation that I consider to be a material weakness.

This report is intended for the information of the audit committee, management, and federal awarding agencies and pass-through entities. However, this report is a matter of public record, and its distribution is not limited.

 **Richard C
McCallister**
Signature
value

Digitally signed by
Richard C. McCallister
DN: cn=Richard C.
McCallister,
o=Richard C.
McCallister, CPA,
c=US
Date: 2007.06.29
07:48:21 -0500

Richard C. McCallister
Shreveport, Louisiana
June 29, 2007

Richard C. McCallister

Certified Public Accountant

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

To the Executive Council
Caddo-Bossier Office of Homeland Security
and Emergency Preparedness
Bossier City, Louisiana

Compliance

I have audited the compliance of the Caddo-Bossier Office of Homeland Security and Emergency Preparedness, Bossier City, Louisiana, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended December 31, 2006. The Caddo-Bossier Office of Homeland Security and Emergency Preparedness major federal program is identified in the summary of auditor's results. Compliance with the requirement of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Caddo-Bossier Office of Homeland Security and Emergency Preparedness management. My responsibility is to express an opinion on Caddo-Bossier Office of Homeland Security and Emergency Preparedness compliance based on my audit.

I conducted the audit of compliance in accordance with auditing standard 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; the provisions of Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and provisions of Louisiana Revised Statutes 24:513 and the *Louisiana Governmental Audit Guide*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Caddo-Bossier Office of Homeland Security and Emergency Preparedness compliance with those requirements and performing such other procedures as I consider necessary in the circumstances. I believe the audit provides a reasonable basis for my opinion. My audit does not provide legal determination on Caddo-Bossier Office of Homeland Security and Emergency Preparedness compliance with those requirements. In my opinion, Caddo-Bossier Office of Homeland Security and Emergency Preparedness complied, in all material respects, with requirements referred to above that are applicable to its major federal program for the year ended December 31, 2006.

Internal Control Over Compliance

The management of Caddo-Bossier Office of Homeland Security and Emergency Preparedness is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered Caddo-Bossier Office of Homeland Security and Emergency Preparedness internal

control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance, but nor for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Caddo-Bossier Office of Homeland Security and Emergency Preparedness' internal control over compliance.

A *control deficiency* is an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not prevent or detect by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

My consideration of internal control over compliance was for the limited purpose describe in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weakness, as defined above.

Caddo-Bossier Office of Homeland Security and Emergency Preparedness' response to the findings identified in my audit are described in the accompanying schedule of findings and questioned costs. I did not audit Entity's response and accordingly, I express no opinion on it.

This report is intended solely for the information and use of the management and Executive Council of the Caddo-Bossier Office of Homeland Security and Emergency Preparedness, the Legislative Auditor of the State of Louisiana, and the federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

 Digitally signed by Richard C. McCallister
DN: cn=Richard C. McCallister, o=Richard C. McCallister, c=US
Date: 2007.06.29 07:46:37 -0500

Richard C. McCallister
Shreveport, Louisiana
June 29, 2007

CADDO-BOSSIER OFFICE OF EMERGENCY PREPAREDNESS

SUMMARY OF AUDITOR'S RESULTS
For the Year Ended December 31, 2006

Type of auditor's issued:	<u>Unqualified</u>
Internal control over financial reporting:	
Material weaknesses identified?	<u>No</u>
Reportable conditions identified not considered to be material weaknesses?	<u>No</u>
Noncompliance material to financial statements noted?	<u>Yes</u>
Internal control over major federal award programs:	
Material weaknesses identified?	<u>No</u>
Reportable conditions identified not considered to be material weaknesses?	<u>No</u>
Type of report on compliance for major programs:	<u>Unqualified</u>
Audit findings related to major programs:	<u>None</u>
Major programs:	
Homeland Security Grant Programs:	16.001 and 97.008
Metropolitan Medical Response System:	97.071
Federal Assistant to Individuals and HH - Disaster Housing Operations:	97.049
Dollar threshold:	<u>300,000</u>
Low risk auditee:	<u>No</u>

CADDO-BOSSIER OFFICE OF EMERGENCY PREPAREDNESS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2006

COMPLIANCE WITH LAWS, REGULATIONS, CONTRACTS, AND GRANTS

2006-1 Failure to comply with Louisiana Budget Law

The budgets were not advertised for inspection by the public and not complete.

The office goes through an extensive budget process to obtain approval for their operational funding by local agencies. Their budgeted amounts are included in the budget of those agencies. The director did not feel that separate budget advertising was required. Also the budget needs to include beginning and ending fund balances.

The office needs to follow the required Louisiana Budget Process.

CADDO-BOSSIER OFFICE OF EMERGENCY PREPAREDNESS
MANAGEMENT'S SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2006

COMPLIANCE WITH LAWS, REGULATIONS, CONTRACTS, AND GRANTS

2005-01 Failure to advertise budgets for inspection by the public

Budgets are still not advertised for public inspection.

**Caddo-Bossier Office of Homeland Security
and Emergency Preparedness
PO Box 192
Shreveport, LA 71161
(318) 425-5353 or Fax (318) 425-5940**

June 30, 2007

Legislative Auditor
State of Louisiana
Baton Rouge, Louisiana

The Caddo-Bossier Office of Homeland Security and Emergency Preparedness respectfully submits the following corrective action plan for the year ended December 31, 2006.

Name and address of the accounting firm:

Richard C. McCallister, CPA
PO Box 44046
Shreveport, LA 71134

The findings from December 31, 2006 included in the schedule of Financial Statements Findings are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

2006-1 Failure to comply with Louisiana Budget Law

The budgets will be advertised for public inspection in accordance with Louisiana Budget Law and will be further developed to meet state requirements.

Sincerely,


Charles
S Davis

Charles S. Davis
Executive Director

Digitally signed by
Charles S Davis
DN: cn=Charles S
Davis,
ou=Caddo-Bossier
Office of
Homeland
Security and Emp
Prep, c=US
Date: 2007.06.29
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