

**OUACHITA CIVIL DEFENSE AGENCY
(A COMPONENT UNIT OF THE OUACHITA PARISH POLICE JURY)
West Monroe, Louisiana**

**Notes to the Financial Statements
As of and For the Year Ended December 31, 1996**

indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

Note 2 - CASH AND 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, 1996, the agency had cash and cash equivalents (bank and book balances) totaling \$33,612.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting book 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, 1996, the agency had \$33,612 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, 1996:

Class of Receivable:	
EMA Reimbursements	<u>\$ 9,168</u>

Note 4 - RETIREMENT SYSTEM

Prior to January 1, 1993, the employees of the agency were participants in the State Employees' Retirement System, a multiple-employer cost-sharing, public employee retirement system (PERS), controlled and administered by a separate Board of Finance. Effective January 1, 1993, they changed to the Parochial Employees' Retirement System of Louisiana.

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OUACHITA CIVIL DEFENSE AGENCY
West Monroe, Louisiana

In planning and performing our audit of the component unit financial statements of the Ouachita Civil Defense Agency (a component unit of the Ouachita Parish Police Jury - the Agency) for the year ended December 31, 1996, we noted a matter regarding compliance with laws and regulations that is an opportunity for enhancing the overall compliance environment at the Agency. This letter will summarize our comments and suggestions relating to that matter. This letter does not affect our report dated May 23, 1997 on the component unit financial statements of the Agency.

Compliance with the Local Government Budget Act -

In performing our compliance tests relating to compliance with LRS 79:1501 (commonly cited as the Local Government Budget Act), we noted that actual expenditures exceeded budgeted expenditures for the year ended December 31, 1996 by 13.59%. The Local Government Budget Act calls for amending the originally adopted budget in the event that total actual revenues and other sources are failing to meet budgeted amounts by five percent or more or if expenditures and other uses are exceeding the total budgeted for those amounts by five percent or more. The unfavorable variance noted above appears to be in violation of the parameters of the Local Government Budget Act for a final budget.

We understand that the budget of the Agency is included in the overall budget review process used by the Ouachita Parish Police Jury, whereby final revised fiscal budgets are adopted in early to mid-December. However, it would appear that closer involvement with the Executive Committee of the Agency by the Treasurer's office is needed to more accurately forecast year-to-date and remaining expenditure requirements. We recommend that the Treasurer's office institute budget-to-actual reporting on a monthly basis from the Police Jury's accounting system and inform the Executive Committee of material variances which should be considered in the adoption of the Agency's final revised operating budget.

Luffy, Huppman & Monroe

May 23, 1997

OUACHITA CIVIL DEFENSE AGENCY
(A COMPONENT UNIT OF THE OUACHITA PARISH POLICE JURY)

COMPONENT UNIT FINANCIAL REPORT
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1986

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INDEPENDENT AUDITORY REPORT

**Ouachita Civil Defense Agency
West Monroe, Louisiana**

We have audited the component unit financial statements of Ouachita Civil Defense Agency (the Agency), a component unit of the Ouachita Parish Police Jury, as of and for the year ended December 31, 1996, 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 generally accepted auditing standards; the standards for financial and compliance 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.

As discussed in Note 1, the financial statements present only the Agency and are not intended to present fairly the financial position of the Ouachita Parish Police Jury reporting entity and the results of its operations and the cash flows of its proprietary fund types in conformity with generally accepted accounting principles.

In our opinion, the component unit financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of December 31, 1996, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards we have also issued a report dated May 23, 1997, on our consideration of the Agency's internal control structure and a report dated May 23, 1997, on its compliance with laws and regulations.

**Orleans Civil Defense Agency
West Monroe, Louisiana**

Our audit was made for the purpose of forming an opinion on the component unit financial statements taken as a whole. The supplementary information listed as Schedules in the Table of Contents is presented for additional analysis and is not a required part of the basic financial statements of the Agency. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Rufus W. Hoffman & Assoc.

May 23, 1997

**QUACHITA CIVIL DEFENSE AGENCY
WEST MONROE, LOUISIANA
ALL FUND TYPES AND ACCOUNT GROUPS**

COMBINED BALANCE SHEET, DECEMBER 31, 1996

	EXPERIMENTAL FUND TYPE - GENERAL FUND	ACCOUNT GROUPS		TOTAL DEBTS/CLAIMS (GPEL)
		GENERAL FUNDS ASSETS	GENERAL LONG TERM LIABILITIES	
ASSETS				
Assets				
Cash (Note 2)	\$ 31,700	\$ 0	\$ 0	\$ 31,700
Accounts receivable (Note 3)	2,300	0	0	2,300
Equipment, Furniture and Fixtures (Note 4)	0	150,000	0	150,000
Amounts to be provided for retirement of Long-Term Obligations	0	0	2,000	2,000
TOTAL ASSETS	\$ 34,000	\$ 150,000	\$ 2,000	\$ 186,000
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts Payable	\$ 1,000	\$ 0	\$ 0	\$ 1,000
Accrued Payables	1,300	0	0	2,300
Compensation accruals payable (Note 5)	0	0	2,000	2,000
Total Liabilities	2,300	0	2,000	4,300
Fund Equity				
Investments in General Fund Assets	0	150,000	0	150,000
Fund Balance - Unreserved	31,700	0	0	31,700
Total Fund Equity	31,700	150,000	0	181,700
TOTAL LIABILITIES AND FUND EQUITY	\$ 34,000	\$ 150,000	\$ 2,000	\$ 186,000

The accompanying notes are an integral part of these notes.

**OUACHITA CIVIL DEFENSE AGENCY
WEST MONROE, LOUISIANA
GOVERNMENTAL FUND TYPE - GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASES) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 1996**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Federal Grants	\$ 26,670	\$ 35,403	\$ 4,743
Intergovernmental Grants			
State of Louisiana	0	2,080	2,080
City of Monroe	26,224	26,224	0
City of West Monroe	2,960	0	(2,960)
Ouachita Parish Police Jury	34,683	34,683	0
Use of money and property - interest earnings	1,162	1,775	613
Other	0	1,017	1,017
Total Revenues	<u>87,594</u>	<u>99,344</u>	<u>1,440</u>
Expenditures			
Public Safety	86,608	89,683	(3,265)
Capital Outlay	3,842	3,842	0
Total Expenditures	<u>90,450</u>	<u>93,525</u>	<u>(3,265)</u>
Excess (Deficiency) of Revenues Over Expenditures	7,124	(4,181)	(11,225)
Fund Balance at Beginning of Year	<u>42,299</u>	<u>42,299</u>	<u>0</u>
FUND BALANCE AT END OF YEAR	\$ <u>49,423</u>	\$ <u>38,118</u>	\$ <u>(11,225)</u>

The accompanying notes are an integral part of this statement.

**OUACHITA CIVIL DEFENSE AGENCY
(A COMPONENT UNIT OF THE OUACHITA PARISH POLICE JURY)
West Monroe, Louisiana**

**Notes to the Financial Statements
As of and For the Year Ended December 31, 1996**

INTRODUCTION

The Ouachita Civil Defense Agency (OCDA) was organized by ordinances adopted by the City of Monroe, the City of West Monroe, the Town of Sterling, and the Ouachita Parish Police Jury. The mayors of the two cities and the town along with the president of the Police Jury comprise the Executive Council of OCDA. The Executive Council appoints the OCDA director who serves as the operating manager.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying component unit financial statements of the OCDA have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Ouachita Parish 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.

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OUACHITA CIVIL DEFENSE AGENCY
West Monroe, Louisiana

**Component Unit Financial Statements, Supplemental Information
and Independent Auditor's Reports**

As of and For the Year Ended December 31, 1986

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewed, and by 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 8/1/88

**OUACHITA CIVIL DEFENSE AGENCY
(A COMPONENT UNIT OF THE OUACHITA PARISH POLICE JURY)
West Monroe, Louisiana**

**Notes to the Financial Statements
As of and For the Year Ended December 31, 1996**

current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are used to present a summary of sources and uses of "available spendable resources" during a period.

The account group is not a "Fund". It is concerned only with the measurement of financial position. It is not involved with measurement of results of operations.

E. FIXED ASSETS

Fixed Assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. No depreciation has been provided on general fixed assets. Fixed assets are recorded at their cost or estimated cost at date of purchase.

F. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

G. BUDGETING 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 scheduled December meeting. The budgetary data included in the accompanying financial statements includes the originally adopted budget and any amendments thereto.

H. TOTAL COLUMNS ON COMBINED STATEMENTS

Total columns on the Combined Statements are captioned "Miscellaneous Only" 10-

OUACHITA CIVIL DEFENSE AGENCY
WEST MONROE, LOUISIANA

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 1994

Federal Grantor/ Pass-Through Grantor/Program Title	CFDA Number	Revenue	Expenditures
Federal Emergency Management Agency/ Louisiana Office of Military Affairs/ Emergency Management Assistance Program	83.531	\$ 35,413	\$ 35,413
TOTAL		\$ 35,413	\$ 35,413

**OUACHITA CIVIL DEFENSE AGENCY
(A COMPONENT UNIT OF THE OUACHITA PARISH POLICE JURY)
West Monroe, Louisiana**

**Notes to the Financial Statements
As of and For the Year Ended December 31, 1996**

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 50 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, 1989, 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, 1989. Final-average salary is the employee's average salary over the 36 consecutive or joint 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 benefits accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

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 8.0 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 11:125, the employee 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, 1996, were \$3,541. Contributions to the State Employees Retirement System for the fifteen months ending December 31, 1989 and for the year ending September 30, 1994 were \$6,263 and \$7,446, 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 70804-4619, or by calling (504) 925-1361.

**OUACHITA CIVIL DEFENSE AGENCY
(A COMPONENT UNIT OF THE OUACHITA PARISH POLICE JURY)
West Monroe, Louisiana**

**Notes to the Financial Statements
As of and For the Year Ended December 31, 1996**

Note 5 - COMPENSATED ABSENCES

Employees of OCDA 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 leave earned. This terminal payment of all not exceed the value of 300 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, 1996, employees had earned and accumulated annual leave totaling \$3,391.

Note 6 - GENERAL FIXED ASSETS

Computer Equipment	\$ 38,138
Office Furniture	12,968
Communication Equipment	80,685
Agency Vehicle	<u>33,032</u>
TOTAL	<u>\$ 164,823</u>

During the year ended December 31, 1996, general fixed assets increased \$3,842 due to the purchase of computer equipment.

Note 7 - SUMMARY OF CHANGES IN GENERAL LONG-TERM OBLIGATIONS

	Balance 1/01/96	Additions	Deletions	Balance 12/31/96
Compensated Absences	<u>\$ 3,247</u>	<u>\$ 3,064</u>	<u>\$ 3,330</u>	<u>\$ 3,391</u>

SUPPLEMENTARY INFORMATION

QUACHITA CIVIL DEFENSE AGENCY
WEST MINNIE, LOUISIANA
SUPPORTING SCHEDULE OF EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 1996

Public Safety:	
Salaries	\$ 51,829
Retirement	3,541
Group Insurance	7,489
Payroll Taxes	742
Travel	2,046
Printing	283
Rent	6,036
Utilities	6,886
Postage	1,685
Telephone	4,741
Office Supplies	1,898
Interest & Maintenance	2,559
Miscellaneous	2,593
Insurance	3,205
Vehicle Operations	1,186
Misc. Expense	2,145
Audit Fee	1,651
Capital Outlay	<u>3,842</u>
Total Expenditures	<u>\$ 101,645</u>

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON A FINANCIAL STATEMENT
AUDIT CONDUCTED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

**OUACHITA CIVIL DEFENSE AGENCY
West Monroe, Louisiana**

We have audited the component unit financial statements of Ouachita Civil Defense Agency (the Agency), a component unit of the Ouachita Parish Police Jury, as of and for the year ended December 31, 1996, and have issued our report thereon dated May 23, 1997.

We conducted our audit in accordance with generally accepted auditing standards; the standards for financial and compliance audits contained in Government Auditing Standards issued by the Comptroller General of the United States; and the Louisiana Government 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.

The management of Ouachita Civil Defense Agency is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the component unit financial statements of the Ouachita Civil Defense Agency for the year ended December 31, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk 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 structure. Accordingly, we do not express such an opinion.

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**INDEPENDENT AUDITORS' REPORT
ON COMPLIANCE BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT ACCOUNTING STANDARDS**

OUACHITA CIVIL DEFENSE AGENCY
West Monroe, Louisiana

We have audited the component unit financial statements of Ouachita Civil Defense Agency (the Agency), a component unit of the Ouachita Parish Police Jury, as of and for the year ended December 31, 1996, and have issued our report thereon dated May 23, 1997.

We conducted our audit in accordance with generally accepted auditing standards, the standards for financial and compliance 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Ouachita Civil Defense Agency is the responsibility of agency management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Ouachita Civil Defense Agency's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the component unit financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of non-compliance that are required to be reported under Government Auditing Standards.

We noted an immaterial instance of non-compliance that we have reported to management of the Agency in a separate letter dated May 23, 1997.

This report is intended for the information of the Agency, its component unit agency, other agencies granting funds to the Agency, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Ruffey, Huffman & Monroe

May 23, 1997

**OUACHITA CIVIL DEFENSE AGENCY
(A COMPONENT UNIT OF THE OUACHITA PARISH POLICE JURY)
West Monroe, Louisiana**

**Notes to the Financial Statements
As of and For the Year Ended December 31, 1996**

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.

Under Louisiana Revised Statute 18:127, the president of the police jury directs operations of the Agency and is required to maintain a parish office of emergency preparedness. Simultaneously, 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 its scope of public services 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 OCDA 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.

C. FUND ACCOUNTING

The accounts of the OCDA are organized on the basis of funds and account groups, 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, liabilities, fund equity, revenues and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the manner by which spending activities are controlled. OCDA operates only one governmental fund, as follows:

General Fund --The operating fund of OCDA is used to account for all financial resources.

B. ACCOUNT GROUPS

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net

Orleans Civil Defense Agency
Metairie, Louisiana

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors and irregularities in amounts that would be material in relation to the component unit 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 structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the Agency, its cognizant state agency, other agencies granting funds to the Agency and the Legislative Auditor for the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Ruffin, Hoffman & Moore

May 23, 1987