

OFFICIAL  
FILE COPY  
DO NOT SIGN OVER

When receiving  
copies from this  
copy and PLACE  
INBOX in FILE

21  
RECEIVED  
FISCAL OFFICER  
80-110-4 10/30/03

985 018 22  
5994

## OUACHITA COMMUNITY ENHANCEMENT ZONE, INC.

Monroe, Louisiana

Component Unit Financial Statements, Supplemental Information  
and Independent Auditors' Reports

As of and For the Year Ended December 31, 1997

Under provisions of state law, this report is a public document. A report of the report has been referred to the council, or council, and other appropriate public entities. The report is available for public inspection at the State House office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date: AUG 12 1998

OUACHITA COMMUNITY ENHANCEMENT ZONE, INC.  
(A COMPONENT UNIT OF THE OUACHITA PARISH POLICE JURY)

COMPONENT UNIT FINANCIAL REPORT  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1997

Table of Contents

---

	Page
Independent Auditors' Report .....	1
Combined Balance Sheet - All Fund Types and Account Group .....	2
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual .....	4
Notes to Financial Statements .....	5
<b>SUPPLEMENTAL INFORMATION</b>	
Schedule of Operating Expenditures .....	12
Schedule of Expenditures of Federal Awards .....	13
Notes to Schedule of Expenditures of Federal Awards .....	14
<b>OTHER REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS</b>	
Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards .....	16

---



Luffey  
Huffman  
& Monroe

An Professional Accounting Corporation  
CERTIFIED PUBLIC ACCOUNTANTS

3000 Lakeside Drive, Suite 200  
Baton Rouge, LA 70802  
1 First Monroe Drive  
Baton Rouge, LA 70802  
George R. Owen, CPA

## **INDEPENDENT AUDITORS' REPORT**

**To the Board of Directors  
Ouachita Community Enhancement Zone, Inc.  
Monroe, Louisiana**

We have audited the component unit financial statements of **Ouachita Community Enhancement Zone, Inc. (OCEZ)**, a component unit of the Ouachita Parish Police Jury, as of and for the year ended December 31, 1997, as identified in the accompanying Table of Contents. These financial statements are the responsibility of OCEZ'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 and the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those 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 component unit financial statements referred to above present fairly, in all material respects, the financial position of OCEZ as of December 31, 1997, 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 our report dated May 15, 1998, on our consideration of OCEZ's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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 purposes of additional analysis and is not a required part of the basic financial statements of OCEZ. Such information has been subjected to

**Orachita Community Enhancement Zone, Inc.  
Monroe, Louisiana**

the auditing procedures applied in the audit of the component unit financial statements and, in our opinion, is fairly stated in all material respects in relation to the component unit financial statements taken as a whole.



**May 15, 1998**

**OUACHITA COMMUNITY ENHANCEMENT ZONE, INC.  
MONROE, LOUISIANA  
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP  
DECEMBER 31, 1997**

	<b>GOVERNMENTAL FUND TYPE - GENERAL FUNDS</b>	<b>ACCOUNT GROUP - GENERAL LONG-TERM OBLIGATIONS</b>	<b>TOTAL (PERIODICALLY ADJUSTED)</b>
<b>ASSETS</b>			
<b>ASSETS</b>			
Due from other governments (Note 3)	\$ 1,100	\$ -	\$ 1,100
Amount to be provided for accrued compensated absences	-	1,000	1,000
<b>TOTAL ASSETS</b>	<b>\$ 1,100</b>	<b>\$ 1,000</b>	<b>\$ 2,100</b>
<b>LIABILITIES AND FUND EQUITY</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 1,100	\$ -	\$ 1,100
Accrued compensated absences (Note 4)	-	1,000	1,000
<b>Total Liabilities</b>	<b>1,100</b>	<b>1,000</b>	<b>2,100</b>
<b>Fund Equity</b>			
Fund Balance - unreserved	-	-	-
<b>Total Fund Equity</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 1,100</b>	<b>\$ 1,000</b>	<b>\$ 2,100</b>

The accompanying notes are an integral part of this statement.

**OLACHITA COMMUNITY ENHANCEMENT ZONE, INC.  
MONROE, LOUISIANA  
GOVERNMENTAL FUND TYPE - GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 1997**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNPAYABLE)</u>
<b>Revenues</b>			
Federal Grants	\$ 188,875	\$ 88,079	\$ (28,796)
Interest earnings	557	-	(557)
<b>Total Revenues</b>	<u>189,432</u>	<u>88,079</u>	<u>(29,353)</u>
<b>Expenditures</b>			
Economic Development and Assistance	99,340	80,079	19,261
Capital Outlay	9,534	-	9,534
<b>Total Expenditures</b>	<u>108,874</u>	<u>80,079</u>	<u>28,795</u>
<b>Excess of Revenues Over Expenditures</b>	556	-	(556)
<b>Fund Balance at Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 556</u>	<u>\$ -</u>	<u>\$ (556)</u>

The accompanying notes are an integral part of this statement.

**OUACHITA COMMUNITY ENHANCEMENT ZONE, INC.,  
(A COMPONENT UNIT OF THE OUACHITA PARISH POLICE JURY)  
Monroe, Louisiana**

**Notes to the Financial Statements  
As of and For the Year Ended December 31, 1997**

**INTRODUCTION**

The Ouachita Community Enhancement Zone, Inc. (OCEZ) was incorporated October 15, 1986 by various citizens of Ouachita Parish, Louisiana. Its Board of Directors is elected from its membership and one additional board member is appointed by each of the City of Monroe, the City of West Monroe, the Ouachita Parish School Board, the Monroe City School Board and the Ouachita Parish Police Jury. The corporation is a tax-exempt private non-profit organization pursuant to section 501(c)(3) of the Internal Revenue Code. The purpose of the organization is to develop and implement programs that empower Enterprise Community residents spiritually, economically, socially, educationally and culturally, as well as to assume their civic responsibilities.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION**

Although it is a not-for-profit corporation, the accompanying component unit financial statements of the OCEZ have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units as permitted under GAAP. 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 (c) other organizations for which the nature and significance of their relationships 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:

**OUACHITA COMMUNITY ENHANCEMENT ZONE, INC.**  
**(A COMPONENT UNIT OF THE OUACHITA PARISH POLICE JURY)**  
Monroe, Louisiana

**Notes to the Financial Statements**  
**As of and For the Year Ended December 31, 1997**

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, or
  - 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 the nature or significance of the relationship.

The Ouachita Parish Police Jury and OCEZ have entered into a Cooperative Indefinite Agreement under which the Police Jury provides funding from a Federal grant to the OCEZ. The OCEZ, as subrecipient, carries out the economic development activities specified in the grant award. The Police Jury approves OCEZ's budget, advances operating funds to the OCEZ and maintains the payroll and accounting records for OCEZ. Although the OCEZ is governed by a separate board, the OCEZ has fiscal dependency on the Police Jury and therefore it is considered a component unit of the Ouachita Parish Police Jury reporting entity.

The accompanying financial statements present information only on the funds maintained by the OCEZ 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 OCEZ are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. A fund is a separate accounting entity with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.



**OUACHITA COMMUNITY ENHANCEMENT ZONE, INC.**  
**(A COMPONENT UNIT OF THE OUACHITA PARISH POLICE JURY)**  
**Monroe, Louisiana**

**Notes to the Financial Statements**  
**As of and For the Year Ended December 31, 1997**

Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. OCCEZ operates one governmental fund type, the General Fund, which is used as the general operating fund to account for all financial resources.

**B. ACCOUNT GROUP**

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Obligations Account Group, not in the governmental funds. The account group is not a "fund". It is concerned only with the measurement of financial position. It is not involved with the measurement of results of operations.

**E. BASIS OF ACCOUNTING**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

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.

**F. BUDGETING PRACTICES**

Preliminary budgets based on the modified accrual basis of accounting are prepared annually by OCCEZ. 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.

**OUACHITA COMMUNITY ENHANCEMENT ZONE, INC.**  
**(A COMPONENT UNIT OF THE OUACHITA PARISH POLICE JURY)**  
**Monroe, Louisiana**

**Notes to the Financial Statements**  
**As of and For the Year Ended December 31, 1997**

**GL. TOTAL COLUMNS ON COMBINED STATEMENTS**

Total columns on the Combined Statements are captioned "Memorandum Only" to 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 CASH EQUIVALENTS**

The Police Jury maintains cash and investment accounts from funds received pursuant to a Federal Grant that are used to finance the operating mission of the OCEZ. These deposits are stated at cost, which approximates market, on the books of the Police Jury. 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.

**Note 3 - DUE FROM OTHER GOVERNMENTS**

Due From Other Governments consisted of the following at December 31, 1997:

Due from Ouachita Parish Police Jury	\$ 1,380
--------------------------------------	----------

**Note 4 - RETIREMENT PROGRAM**

All permanent employees of OCEZ working at least 38 hours per week are eligible to participate in a retirement program under a plan administered by a third party. No distributions may be requested by an employee before the employee attains the age of 59 1/2 years unless the employee has separated from the service of OCEZ, incurred a disability, or encountered certain financial hardships. The plan provides for distributions of the assets of the participant account by a lump-sum payment, installment payments over a period certain not to exceed the life expectancy of the employee or the joint and

**OUACHITA COMMUNITY ENHANCEMENT ZONE, INC.**  
**(A COMPONENT UNIT OF THE OUACHITA PARISH POLICE JURY)**  
**Monroe, Louisiana**

**Notes to the Financial Statements**  
**As of and For the Year Ended December 31, 1997**

last survivor life expectancy of the employee and his or her beneficiary, or by the purchase and distribution of an annuity contract providing annuity payments over the life of the of the employee and his or her spouse.

*Funding Policy.* Employees covered by the Plan contribute 3.50 percent of their annual covered salaries and OCEZ contributes an actuarially determined rate. The current actuarially determined rate is 7.75 percent of annual covered payroll. OCEZ's contributions to the Plan for the year ended December 31, 1997 were \$2,943.

**Note 5 - COMPENSATED ABSENCES**

OCEZ has adopted the same compensated absence policies as the Police Jury. 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 1080 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 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, 1997, employees had earned and accumulated annual leave totaling \$1,979.

**Note 6 - SUMMARY OF CHANGES IN GENERAL LONG-TERM OBLIGATIONS**

	<u>Balance</u> <u>1/01/97</u>		<u>Increases</u>		<u>Decreases</u>		<u>Balance</u> <u>12/31/97</u>		
Compensated Absences	\$		-	\$	1,979	\$	-	\$	1,979

**OUACHITA COMMUNITY ENHANCEMENT ZONE, INC.**  
**(A COMPONENT UNIT OF THE OUACHITA PARISH POLICE JURY)**  
**Monroe, Louisiana**

**Notes to the Financial Statements**  
**As of and For the Year Ended December 31, 1997**

**Note 7 - RELATED PARTY TRANSACTIONS**

During the year, OCCEZ paid \$1,487 to the Ouachita Parish Police Jury for services rendered in connection with accounting, payroll, payment of invoices, and other administrative matters.

**Note 8 - NONMONETARY TRANSACTIONS**

OCCEZ's office facilities are located in a building that is owned by a local financial institution. The office space, utilities, and use of certain items of furniture, fixtures, and equipment are being utilized by OCCEZ at no cost. The estimated fair value of these non-monetary transactions has not been determined.

## SUPPLEMENTAL INFORMATION

**OUACHITA COMMUNITY ENHANCEMENT ZONE, INC.**  
**MONROE, LOUISIANA**  
**SCHEDULE OF OPERATING EXPENDITURES**  
**FOR THE YEAR ENDED DECEMBER 31, 1997**

**Economic Development and Assistance -**

Administrative Salary	\$	32,188
Salaries - Others		5,648
Medicare Payroll Tax		565
Retirement		715
Life Insurance		50
Vanguard Retirement		2,226
Group Insurance		1,266
Employee Assistance Program Fees		16
Workers' Compensation		114
Unemployment Payments		448
Advertising and Legal Notices		3,642
Subscription to Newspapers		41
Membership Dues		208
Printing		287
Postage and Box Rent		592
Freight Charges		38
Telephone Service		625
On-Line Computer Services		114
Maintenance of Property & Equipment		1,633
Maintenance Contract - Building & Grounds		387
Auditing Services		528
Office Supplies		1,493
Computer Supplies and Software		708
Materials & Supplies - Material		35
Materials & Supplies - Various		563
Travel and Mileage Reimbursement		18,572
Meals		488
Tuition Fees		88
Registration Seminar Fees		5,838
Official Fees		77
Bank Service Charges		100
Library Reference Materials		28
Indirect Cost Allocation		<u>1,487</u>
<b>Total Expenditures</b>	<b>\$</b>	<b><u>102,879</u></b>

QUACHITA COMMUNITY ENHANCEMENT ZONE, INC.  
MONROE, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 1997

<u>Federal Grantor/ Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Expenditures</u>
U. S. Department of Housing and Urban Development/ Louisiana Department of Social Services/ Empowerment Zone	14.244	\$ <u>88,879</u>
<b>TOTAL</b>		\$ <u>88,879</u>

The accompanying notes are an integral part of this statement.

**OUACHITA COMMUNITY ENHANCEMENT ZONE, INC.**  
**(A COMPONENT UNIT OF THE OUACHITA PARISH POLICE JURY**  
**Monroe, Louisiana**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended December 31, 1997**

**Note 1 - General**

The accompanying Schedule of Expenditures of Federal Awards presents the activities of all Federal awards of the Ouachita Community Enhancement Zone, Inc. (OCEZ). The OCEZ reporting entity is defined in Note 1 to the OCEZ's financial statements. All federal awards passed through other government agencies are included on the schedule.

**Note 2 - Basis of Accounting**

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the OCEZ's financial statements.



**INDEPENDENT AUDITORS' REPORT REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**



**Luffey  
Huffman  
& Monroe**

MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS  
**CERTIFIED PUBLIC ACCOUNTANTS**

John J. Luffey, CPA, CMA  
Francis J. Huffman, CPA  
L. Scott Monroe, CPA  
Edward A. Manning, CPA  
Georgene A. Gustin, CPA

**INDEPENDENT AUDITORS' 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 Board of Directors  
QUACHITA COMMUNITY ENHANCEMENT ZONE, INC.  
Monroe, Louisiana**

We have audited the primary government financial statements of the *Quachita Community Enhancement Zone, Inc. (QCEZ)* as of and for the year ended December 31, 1997, and have issued our report thereon dated May 15, 1998. We conducted our audit in accordance with generally accepted auditing standards; 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 Louisiana Society of Certified Public Accountants and the Louisiana Legislative Auditor.

**Compliance**

As part of obtaining reasonable assurance about whether QCEZ'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*. However, we noted certain immaterial instances of noncompliance that we have reported to management of QCEZ in a separate letter dated May 15, 1998.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered QCEZ'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 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

**Ouachita Community Enhancement Zone, Inc.  
Monroe, Louisiana**

low level the risk that misstatements in amounts that would be material in relation to the component and 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. However, we noted other matters involving the internal control over financial reporting that we have reported to management of OCEZ in a separate letter dated May 15, 1999.

This report is intended for the information of management of OCEZ, Federal granting agencies and pass-through entities, other entities granting funds to OCEZ and the Legislative Auditor for the state of Louisiana. However, this report is a matter of public record and its distribution is not limited.



May 15, 1999



**Luffey  
Huffman  
& Monroe**

AN INDEPENDENT ACCOUNTING CORPORATION  
CERTIFIED PUBLIC ACCOUNTANTS

John L. Luffey, MBA, CPA  
Eugene L. Huffman, CPA  
L. Phillip Moran, CPA  
Dennis A. Monroe, CPA  
Gregory A. Chisley, CPA

To the Board of Directors  
**QUACHITA COMMUNITY ENHANCEMENT ZONE, INC.**  
Monroe, Louisiana

In planning and performing our audit of the component unit financial statements of the Quachita Community Enhancement Zone, Inc. (a component unit of the Quachita Parish Police Jury - OCEZ) for the year ended December 31, 1997, we considered its internal control 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 internal control.

However, during the course of our audit we became aware of certain matters that are opportunities for strengthening internal controls. This letter will summarize our comments and suggestions regarding those items and include management's corrective action plan. This letter does not affect our report dated May 15, 1998 on the component unit financial statements of OCEZ.

#### **Minutes of Meetings Held by the Board of Directors**

We examined OCEZ's Minute Book and minutes of meetings held by its Board of Directors. During this examination, we noted that there were no minutes of any meetings held during the months of March, April, or May, 1997 and, of the minutes examined, there was no indication of the terms under which the Executive Director or his Administrative Assistant were employed.

#### **Management's Corrective Action Plan**

During the months of March, April and May 1997, the OCEZ held regular meetings. The Secretary took minutes of those meetings; however, because there was not an office location for the OCEZ at that time, the Secretary was keeping the minutes at her home. The Secretary has misplaced the minutes of the meetings for those months and is still in the process of trying to locate them. Since the hiring of the OCEZ Executive Director, all of the minutes to the meetings are safekept at the office of the OCEZ.

The discussion of the hiring of the Executive Director took place during the April and May 1997 meetings, the minutes of which are not readily available. The Executive Director was given the authority to hire the Administrative Assistant, who was introduced to the Board of Directors at the October, 1997 meeting.

#### **Approval of By-Laws**

Our examination of the minutes of meetings held by the Board of Directors indicated that the By-Laws were approved and adopted. However, we were unable to locate a finalized version of them in OCEZ's records.

#### **Management's Corrective Action Plan**

The OCEZ Board of Directors adopted by-laws at its April 16, 1998 meeting. At the current date the Director has only been able to obtain 8 of the 14 Board members' signatures on the by-laws. The remaining signatures will be obtained in the near future and the by-laws will be safekept at the OCEZ office.

#### **Participation in Parish Government Risk Management Insurance Pool**

OCEZ has been charged with certain expenses resulting from participation in an insurance risk pool of the Police Jury. Eligible participants in such risk pools are limited to agencies, boards, commissions, and instrumentalities of the State or local government. Inasmuch as OCEZ is none of these, it is not eligible to participate.

#### **Management's Corrective Action Plan**

Under the terms of the Cooperative Endeavor Agreement dated December 9, 1996 between the Police Jury and OCEZ, the OCEZ is required to obtain certain insurance coverage. As of December 31, 1997, no such insurance coverage had been obtained. However, an independent insurance agent has now been contacted and plans are in motion to obtain the required insurance coverage independent of any insurance risk pools of the Police Jury.

.....

This letter is intended solely for the information and use of the Board of Directors of OCEZ, its management and the Legislative Auditor for the State of Louisiana. This restriction is not intended to limit distribution of this report, which is a matter of public record.



**May 15, 1998**