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

Financial Statements
As of and For the Year Ended December 31, 1998

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 7-21-99

**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, 1998**

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REPORT REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

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John L. Luffey, MBA, CPA
Francis I. Huffman, CPA
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Carolyn A. Clarke, CPA

INDEPENDENT AUDITORS' 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, 1998, 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 audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the component unit financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of December 31, 1998, 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 20, 1999, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

**Ouachita 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 Supplemental Information listed 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.

Ruffey, Huffman & Moore (APAC)

May 20, 1999

**OUACHITA CIVIL DEFENSE AGENCY
A COMPONENT UNIT OF THE OUACHITA PARISH POLICE JURY
WEST MONROE, LOUISIANA
ALL FUND TYPES AND ACCOUNT GROUPS**

**COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 1998**

	GOVERNMENTAL FUND TYPE - GENERAL FUND	ACCOUNT GROUPS		TOTAL (MEMORANDUM ONLY)
		GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	
ASSETS				
Assets				
Cash (Note 2)	\$ 29,105	\$ -	\$ -	\$ 29,105
Accounts receivable (Note 3)	3,355	-	-	3,355
General Fixed Assets	-	153,823	-	153,823
Amount to be provided for retirement of Long-Term Obligations	-	-	5,595	5,595
TOTAL ASSETS	\$ 32,460	\$ 153,823	\$ 5,595	\$ 191,878
LIABILITIES AND FUND EQUITY				
Liabilities				
Accounts Payable	\$ 7,333	\$ -	\$ -	\$ 7,333
Accrued Liabilities	17	-	-	17
Compensated absences payable (Note 7)	-	-	5,595	5,595
Total Liabilities	7,350	-	5,595	12,945
Fund Equity				
Investment in General Fixed Assets	-	153,823	-	153,823
Fund Balance - Unreserved	25,110	-	-	25,110
Total Fund Equity	25,110	153,823	-	178,933
TOTAL LIABILITIES AND FUND EQUITY	\$ 32,460	\$ 153,823	\$ 5,595	\$ 191,878

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
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, 1998**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Federal Grants	\$ 81,170	\$ 23,003	\$ (58,167)
Intergovernmental Grants:			
City of Monroe	31,427	31,427	-
City of West Monroe	8,058	8,058	-
Ouachita Parish Police Jury	41,097	41,097	-
Interest earnings	1,150	1,452	302
Other	-	4,452	4,452
Total Revenues	<u>162,902</u>	<u>109,489</u>	<u>(53,413)</u>
 Expenditures			
Public Safety	<u>177,792</u>	<u>107,977</u>	<u>69,815</u>
Total Expenditures	<u>177,792</u>	<u>107,977</u>	<u>69,815</u>
 Excess (Deficiency) of Revenues Over Expenditures	 (14,890)	 1,512	 16,402
 Fund Balance at Beginning of Year	 <u>23,598</u>	 <u>23,598</u>	 <u>-</u>
 FUND BALANCE AT END OF YEAR	 <u>\$ 8,708</u>	 <u>\$ 25,110</u>	 <u>\$ 16,402</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, 1998**

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

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

1. Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the primary government to impose its will on that organization
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government.

**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, 1998**

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

The accompanying financial statements present information only on the funds maintained by the 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 means 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.

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 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

**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, 1998**

current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

D. ACCOUNT GROUPS

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

H. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that

**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, 1998**

affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

I. 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 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, 1998, the agency had cash and cash equivalents (bank and book balances) totaling \$29,105.

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, 1998, the agency had \$29,105 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, 1998:

Class of Receivable:	
EMA Reimbursements	<u>\$3,355</u>

**OUACHITA CIVIL DEFENSE AGENCY
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WEST MONROE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1998**

Note 4 - RETIREMENT SYSTEM

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

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

Funding Policy. State statute requires employees covered by Plan A to contribute 9.50 percent of their annual covered salary and the Agency is required to contribute at an actuarially determined rate. The current actuarially determined rate is 7.75 percent of annual covered payroll. Contributions to the System include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge Parishes. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Agency are established by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Agency contributions to the System under Plan A for the years ending December 31, 1998, 1997 and 1996 were \$4,326, \$4,271 and \$3,541, respectively.

The Parochial Employees' Retirement System issues an annual publicly available financial report that includes financial statements and required supplementary

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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, 1998**

information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (504) 928-1361.

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 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, 1998, employees had earned and accumulated annual leave totaling \$5,595.

Note 6 - GENERAL FIXED ASSETS

Computer Equipment	\$ 28,138
Office Furniture	12,968
Communication Equipment	80,695
Agency Vehicle	<u>32,022</u>
 TOTAL	 \$ <u>153,823</u>

**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, 1998**

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

	Balance 1/01/98	Additions	Deletions	Balance 12/31/98
Compensated Absences	\$ <u>5,504</u>	\$ <u>3,957</u>	\$ <u>3,866</u>	\$ <u>5,595</u>

Note 8 - RISK FINANCING ACTIVITIES

Through its primary government (the Police Jury), OCDA participates in the Parish Government Risk Management Agency, a public entity risk pool providing group health and life insurance programs. In addition, OCDA participates in the self insurance program created by the Police Jury for the purpose of self funding potential insurance losses for property and vehicle insurance, workers compensation and comprehensive general liability claims. The self insurance plan is administered by a third party, with claims in excess of the self-insured amount of \$530,000 being paid from the internal service funds. The Police Jury is using internal service funds to account for its risk financing activities. At December 31, 1998 the balance available in the self insurance funds to pay liabilities if and when they arise is \$3,200,000.

Note 9 - LEASE COMMITMENTS AND RENTAL EXPENSE

Operating Leases

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

Note 10 - COMMITMENTS AND CONTINGENCIES

The worldwide challenge facing organizations, commonly referred to as the Year 2000 (Y2K) issue, is the result of problems that may be encountered with date-related transactions on systems that have historically recognized years using two digits vs. four digits, e.g. 98 versus 1998. These systems will potentially recognize the "00" as the year 1900 instead of 2000. On the surface, the Y2K problem sounds simple enough; however, the implications of this problem are far reaching and could impact a full range of business services and activities.

**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, 1998**

The Agency has conducted a study of its own systems and operations. Based on this study, the Agency recognizes and plans to initiate a project to take all necessary and reasonable steps to get the mission critical systems and operations Y2K compliant in a timely manner. The project will include confirming the Y2K preparedness of significant third parties.

The timetable for the planned completion of the internal Y2K modification is management's estimate. The estimate was based on numerous assumptions as to future events. There can be no guarantee that the estimate will prove accurate, and actual results could differ from those estimated if these assumptions prove inaccurate. Additionally, there can be no absolute guarantee that significant third parties will successfully and timely convert their systems.

SUPPLEMENTARY INFORMATION

**OUACHITA CIVIL DEFENSE AGENCY
A COMPONENT UNIT OF THE OUACHITA PARISH POLICE JURY
WEST MONROE, LOUISIANA**

**SUPPORTING SCHEDULE OF EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 1998**

Public Safety:

Salaries	\$	55,818
Retirement		4,326
Group Insurance		7,191
Payroll Taxes		596
Travel		1,797
Printing		693
Rent		4,012
Utilities		4,950
Postage		568
Telephone		7,852
Office Supplies		2,057
Janitorial & Maintenance		2,229
Miscellaneous		8,955
Insurance		1,473
Vehicle Operations		1,680
Xerox Expense		1,980
Audit Fee		1,800
		1,800

TOTAL EXPENDITURES	\$	<u><u>107,977</u></u>
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**OUACHITA CIVIL DEFENSE AGENCY
A COMPONENT UNIT OF THE OUACHITA PARISH POLICE JURY
WEST MONROE, LOUISIANA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 1998**

<u>Federal Grantor/ Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Expenditures</u>
Federal Emergency Management Agency/ Louisiana Office of Military Affairs/ Emergency Management Assistance Program	83.534	<u>23,003</u>
TOTAL		\$ <u>23,003</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

**OUACHITA CIVIL DEFENSE AGENCY
A COMPONENT UNIT OF THE OUACHITA PARISH POLICE JURY
WEST MONROE, LOUISIANA**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 1998**

Note 1 - General

The accompanying Schedule of Expenditures of Federal Awards presents the activities of all Federal awards of the Ouachita Civil Defense Agency (OCDA). The OCDA reporting entity is defined in Note 1 to the OCDA'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 OCDA's financial statements.

***REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS***



Luffey
Huffman
& Monroe

(A Professional Accounting Corporation)
CERTIFIED PUBLIC ACCOUNTANTS

John L. Luffey, MBA, CPA
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**INDEPENDENT AUDITORS' REPORT ON
COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF
COMPONENT UNIT FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

**Ouachita 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 December 31, 1998, and have issued our report thereon dated May 20, 1999. We conducted our audits 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 Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

Compliance

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

Internal Control over Financial Reporting

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

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

internal control over financial reporting that might be considered 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. 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 Ouachita Civil Defense Agency in a separate letter dated May 20, 1999.

This report is intended for the information of management of the Agency, other entities 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.

Ruffey, Huffman & Mason (APAC)

May 20, 1999



Luffey
Huffman
& Monroe

(A Professional Accounting Corporation)
CERTIFIED PUBLIC ACCOUNTANTS

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Francis I. Huffman, CPA
L. Fred Monroe, CPA
Esther Atteberry, CPA
Carolyn A. Clarke, CPA

OUACHITA CIVIL DEFENSE AGENCY Monroe, Louisiana

In planning and performing our audit of the component unit financial statements of the **Ouachita Civil Defense Agency** (the Agency - a component unit of the Ouachita Parish Police Jury) for the year ended December 31, 1998, we considered its internal control in order to determine our auditing procedures for purposes of expressing our opinion on the component unit financial statements and not to provide assurance on the internal control or overall compliance with laws and regulations.

However, during our audit we became aware of certain matters that are opportunities for strengthening internal controls and the overall environment for compliance with laws and regulations. This letter will summarize our comments and suggestions regarding those matters. This letter does not affect our report dated May 20, 1999 on the component unit financial statements of the Agency.

Executive Committee Meetings

Finding:

In our examination of the minutes of the Executive Committee of the Agency and conversation with the Agency's Director, we determined the Executive Committee has not convened since September, 1997. Although daily operations are managed by a director, the Executive Committee is ultimately responsible for oversight of the Agency. Lack of adequate oversight increases the opportunities for fiscal mismanagement.

Recommendation:

We recommend that the Board of Directors convene at least quarterly to oversee the operations of the Agency to increase the overall control environment and to demonstrate proper stewardship over public funds.

Management's Corrective Action Plan:

The Civil Defense Council will meet at least quarterly effective with the quarter beginning July 1, 1999.

Luffey, Huffman & Monroe (APAC)
May 20, 1999