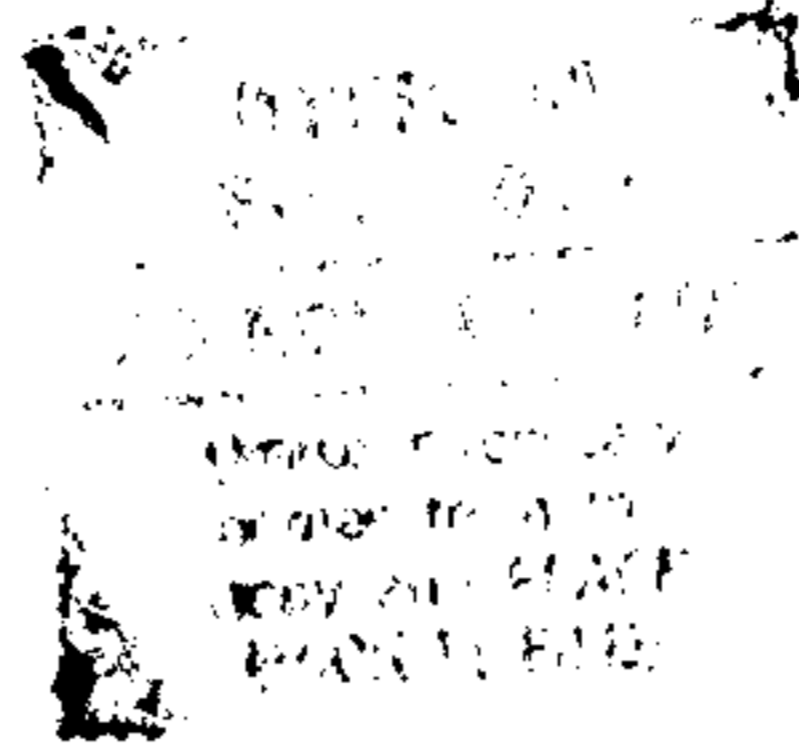


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## Caddo-Bossier

# Office of Emergency Preparedness

### General Purpose Financial Statements

As Of And For The Year Ended

December 31, 1997

**Donald J. Nici**

Certified Public Accountant

910 Pierremont Road, Suite 410 Shreveport, LA 71106

(318)861-8425

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**Caddo-Bossier**  
**Office of Emergency Preparedness**  
General Purpose Financial Statements  
As Of And For The Years Ended  
December 31, 1996 and 1995

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# Donald J. Nici

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Certified Public Accountant

910 Pierremont Road  
Suite 410  
Shreveport, LA 71106  
(318)861-8425

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To the Executive Council  
Caddo-Bossier Office of Emergency Preparedness  
Shreveport, Louisiana

We have compiled the general purpose financial statements of the Caddo-Bossier Office of Emergency Preparedness as of and for the year ended December 31, 1997 in accordance with Statement on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying general purpose financial statements and, accordingly, do not express an opinion or any other form of assurance on them.



Donald J. Nici, CPA

June 29, 1998

**Caddo-Bossier Office of Emergency Preparedness**  
Shreveport, Louisiana

All Fund Types and Account Groups  
Balance Sheets

December 31, 1997

	General Fund	Property and Equipment Group	Totals (Memo Only)
<b>Assets</b>			
Cash	\$153,964		\$153,964
Investments	58,463		58,463
Receivables:			
Grants	15,104		15,104
Due from Other Agencies	7,850		7,850
Property and Equipment			
Equipment		177,433	177,433
Vehicles		109,523	109,523
<b>Total Assets</b>	<b>\$235,382</b>	<b>\$286,956</b>	<b>\$522,337</b>
<b>Liabilities and Fund Balances</b>			
Liabilities			
Accounts Payable	\$1,361	\$	\$1,361
Accrued Expenses	32,963		32,963
<b>Total Liabilities</b>	<b>34,324</b>		<b>34,324</b>
Restricted Fund Balances			
Operating	201,057		201,057
Property and Equipment		286,956	286,956
<b>Total Fund Balances</b>	<b>201,057</b>	<b>286,956</b>	<b>488,013</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$235,382</b>	<b>\$286,956</b>	<b>\$522,337</b>

See Accountant's Compilation Report and the accompanying notes

**Caddo-Bossier Office of Emergency Preparedness**  
Shreveport, Louisiana

Statement of Revenues, Expenditures and Changes in Fund Balances  
for the Year Ended December 31, 1997

	General Fund (Operating)	Property and Equipment Group	Totals (Memo Only)
<u>Revenues</u>			
Local Appropriation	\$203,600	\$	\$203,600
Federal Grant	71,196		71,196
Community Support	32,050		32,050
Interest	7,514		7,514
Other	5,089	150	5,239
<b>Total Revenues</b>	<b>319,449</b>	<b>150</b>	<b>319,599</b>
<u>Expenditures</u>			
Personnel	157,846		157,846
Insurance	12,077		12,077
Public Affairs	4,266		4,266
Warning & Communication	16,207		16,207
Travel	6,141		6,141
Employee Retirement	13,970		13,970
Maintenance	6,587		6,587
Supplies	7,542		7,542
Professional Services	6,100		6,100
Rent	14,300		14,300
Other	116		116
Capital Outlays	22,529		22,529
<b>Total Expenditures</b>	<b>267,680</b>		<b>267,680</b>
Excess(Deficiency) of Revenue Over Expenditures	\$51,769	\$150	\$51,919
<u>Other Financing Sources(Uses)</u>			
Transfers to Property and Equipment Group From General Fund		22,529	22,529
Transfers to General Fund from Property and Equipment Group	150	(150)	0
Cost of Property Retired		(950)	(950)
<b>Total Other Financing Sources</b>	<b>150</b>	<b>21,429</b>	<b>21,579</b>
<u>Changes in Fund Balances</u>			
Excess (Deficiency) of Revenue and Other Financing Sources Over Expenditures and Other Financing Uses	51,919	21,579	73,498
Beginning Fund Balance	149,138	265,376	414,515
Ending Fund Balance	<b>\$201,057</b>	<b>\$286,956</b>	<b>\$488,013</b>

See Accountant's Compilation Report and the accompanying notes.

## Caddo-Bossier Office of Emergency Preparedness

Shreveport, Louisiana

### Statement of Revenues, Expenditures and Changes in Fund Balances Budget(GAAP Basis) and Actual for the Year Ended December 31, 1997

	General Fund		Variance
	Budget	Actual	Favorable (Unfavorable)
<b>Revenues</b>			
Local Appropriation	\$203,604	\$203,600	(\$4)
Federal Grant	66,396	71,196	4,800
Community Support		32,050	32,050
Interest		7,514	7,514
Other		5,089	5,089
Total Revenues	270,000	319,449	49,449
<b>Expenditures</b>			
<b>Personnel</b>			
Salaries and Fees	184,400	156,921	27,479
Insurance	7,800	8,343	(543)
Employee Retirement	14,600	13,970	630
Payroll Taxes	800	925	(125)
<b>Travel and Education</b>			
Travel	8,600	4,162	4,438
Gasoline	2,400	1,979	421
Seminars and Workshops	2,300	3,211	(911)
Capital Outlays	4,717	22,529	(17,812)
<b>All Other Cost</b>			
Warning & Communication	4,500	7,287	(2,787)
Supplies	6,000	6,692	(692)
Maintenance	2,700	6,587	(3,887)
Public Affairs	3,800	4,266	(466)
Canteen	900	849	51
Professional Services	3,000	6,100	(3,100)
General Insurance	4,000	3,734	266
Telephones	4,000	5,710	(1,710)
Rent	15,000	14,300	700
Rent	483	116	367
Total Expenditures	270,000	267,680	2,320
Excess(Deficiency) of Revenue Over Expen	\$0	\$51,769	\$51,769
<b>Changes in Fund Balances</b>			
Transfers to General Fund		150	
Transfers to Property Group			
Cost of Property Retired			
Beginning Fund Balance		149,138	
Ending Fund Balance		\$201,057	

See Accountant's Compilation Report and the accompanying notes.

**Caddo-Bossier Office of Emergency Preparedness**  
Bossier City, Louisiana

Notes to the Financial Statements  
December 31, 1997

**Note 1 Summary of Significant Accounting Policies**

Caddo-Bossier Office of Emergency Preparedness is an interjurisdictional quasi-government agency originally established by resolutions and ordinances of the parishes of Bossier and Caddo and the cities of Shreveport and Bossier City in 1953 as the Caddo-Bossier Civil Defense Agency under the authority granted by Chapter 4, Title 29, Section 608B, Louisiana Civil Defense Law, Act 38 of 1950 as amended. In November 1993, their name was changed to Caddo-Bossier Office of Emergency Preparedness to reflect their new mission as established by the Louisiana Emergency Assistance and Disaster Act of 1993 to carry out the emergency preparedness functions of the parishes of Bossier and Caddo and the cities of Shreveport and Bossier City.

**Reporting Entity**

The Caddo-Bossier Office of 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.

**Basis of Presentation**

The financial statements of the agency 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. The more significant of the agency's accounting policies are described below.

## **Fund Accounting**

The accounts of the agency are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund or account group are summarized by providing a separate set of self-balancing accounts which include its assets, liabilities, fund equity, revenues and expenditures. Because of the small size of the agency, they only require a general fund and a property and equipment account group. The General Fund is the general operating fund of the agency. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund. The Property and Equipment Account Group is used to account for fixed assets used in governmental fund type operations for control purposes. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date of donation. No depreciation is recorded on general fixed assets.

## **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. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. A one-year availability period is used for revenue recognition for governmental fund revenues. Expenditures are recorded when the related fund liability is incurred.



## **Revenues**

The Cities of Shreveport, Bossier City and the Parishes of Caddo and Bossier provide the agency with annual appropriations. The appropriations are payable to the agency in equal quarterly installments. The agency recognizes each installment as revenue at the beginning of each quarter as they become available. Revenues represented by reimbursements under federal grants are recognized and recorded when program expenditures are incurred in accordance with program guidelines. Investment earnings are recorded as earned since they are both measurable and available. Other revenues are recognized as they become measurable and susceptible to collection.

## **Expenditures**

Expenditures are generally recorded and reported when the related fund liability is both incurred and measurable. Salaries and related payroll costs are recorded as they are incurred. Utilities, telephone costs, and other expenses are recorded as they become due or are incurred and are measurable. Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses). These transactions are recorded as they occur.

## **Budgets and Budgetary Accounting**

The agency adopts an annual budget for the General Fund, including capital outlays for the Property and Equipment Group. The budget is prepared in accordance with the basis of accounting utilized by the fund for its financial reporting.

## **Cash, Cash Equivalents and Investments**

Cash includes cash on hand and amounts in demand deposits, interest bearing demand deposits, and money market accounts. *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, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the agency may invest in United States bonds, treasury notes, or any other obligation backed by the federal government or one of its agencies. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

### **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.

### **Compensated Absences**

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources would be reported in the general long-term debt account group.

### **Total Columns on Statements - Overview**

The total columns on the statements are captioned "Memo only" to indicate that they are presented only to facilitate financial analysis. Data in these columns neither presents financial position or results of operation, in conformity with generally accepted accounting principles, nor is such data comparable to a consolidation.

### **Schedule of Per Diem**

The agency does not pay members of the executive council or any other individuals a per diem allowance for attendance at meetings or other official functions. Therefore, a schedule of Per Diem Paid to the Executive Council is not presented.

### **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.

## Note 2 Cash and Cash Equivalents

Cash consists principally of interest bearing demand deposits at commercial banks. These balances, as reflected in the bank's records, are insured by the Federal Deposit Insurance Corporation up to \$100,000 on each account. At December 31, 1997 and 1996, the agency had cash and cash equivalents as follows:

	<u>1997</u>	<u>1996</u>
Petty Cash	\$ 150	\$ 75
Interest Bearing Demand Deposits	144,874	85,802
Demand Deposits	3,946	5,192
Money Market Accounts	<u>4,994</u>	<u>10,984</u>
Total	<u>\$ 153,964</u>	<u>\$ 102,053</u>

These deposits are stated at cost which approximates market. Under state law, these deposits 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 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 Investments

The agency is invested in guaranteed mortgage obligations of Freddie Mac (FHLMC) and Fannie Mae (FNMA). Investments are carried at amortized cost, unless a material sustained loss in market value occurs. As of December 31, 1997, a material decline in the market value of the investments had occurred. The agency feels that although the decline is material, the decline is not permanent and the investments market value will recover in the future. The agency, at the present time, does not intend to sell these investments until maturity at which time they will receive the full face value of the securities. The amortized cost and market value for each period is as follows:

	<u>1997</u>	<u>1996</u>
Cost	<u>\$ 58,463</u>	<u>\$ 48,442</u>
Market Value	<u>\$ 54,960</u>	<u>\$ 44,480</u>

#### **Note 4 Pension**

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. Enrollment is mandatory for full-time permanent employees. Because, the required information disclosure by GASB 25 and GASB 27 of pension plan information would not be meaningful to the general purpose financial statements of Caddo-Bossier Office of Emergency Preparedness 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 year ended December 31, 1997.

#### **Pension Benefits**

*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 five 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 ten or more years of creditable service in the Retirement System. Employees become vested in the system after 10 years of creditable service.*

Benefit provisions are established by Shreveport City Ordinance. 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% 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% 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.

#### **Funding Sources**

Covered employees are required to contribute 9% of their salary to the City Plan while the employer is required to contribute 9.15% of the covered employees' salaries. The employer and employee contribution obligations are established by the Shreveport City Ordinance. Employee or employer contributions may be amended by City of Shreveport ordinance.

Other than the annual contributions, required by the System and recorded as expenditures from the Operating Fund, the agency does not guarantee any of the benefits granted by the retirement system. The agency does not provide any other post retirement benefits.

**Note 5 Compensated Absences**

The agency operates under the Caddo-Bossier Office of Emergency Preparedness Merit Program. 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 length of service. Upon separation from service, employees may be paid for annual leave up to five hundred hours. Employees are not paid for accrued sick leave upon separation from service, but accrued sick leave may be applied against total employment years at retirement. The amounts of accrued leave included in the agency's balance sheet at December 31, 1997 and 1996 were \$32,893 and \$31,835, respectively.

**Note 6 Related Party Transactions**

Shreveport, Bossier City, Caddo and Bossier Parishes provide appropriations for the agency. An analysis of the funding received under these appropriations follows.

Year Ended December 31,	1997	1996
City of Shreveport	\$ 119,800	\$ 107,000
Bossier City	32,200	29,000
Caddo Parish	30,500	26,900
Bossier Parish	<u>20,200</u>	<u>18,000</u>
Total	<u>\$202,700</u>	<u>\$180,900</u>

During the years ended December 31, 1997 and 1996, the agency made payments of \$13,970 and \$13,219 respectively, to the City of Shreveport Employees Retirement System representing the agency's required contributions on its covered employees' salaries.

**Note 7 Litigation and Claims**

At December 31, 1996, there were no lawsuits or claims pending against the agency.

**Note 8 Subsequent Events**

No other material events affecting this agency have occurred between the close of the fiscal period and the issuance of these financial statements.

**Note 9 Commitments and Contingencies**

The agency participated in the pass-through grants as disclosed in Schedule 1. These grants are subject to program compliance audits by the grantor, and certain audits of prior years have not been conducted. The amount of expenditures, if any, which may be disallowed by the grantor cannot be determined at this time. The agency feels such disallowances, if any, will be immaterial.

In November 1996, the agency relocated their administrative offices to the Bossier City Municipal Complex located at 620 Benton Rd, Bossier City. In 1997, the City of Bossier City and the Caddo-Bossier Office of Emergency Preparedness entered into a rental agreement whereby the agency will pay a monthly rental of \$1,300.00 beginning March 1, 1997 for a period of 20 months and a monthly rental of \$300.00 thereafter.

## **Additional Information**

# Donald J. Nici

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**Certified Public Accountant**

910 Pierremont Road  
Suite 410  
Shreveport, LA 71106  
(318)861-8425

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To the Executive Council  
Caddo-Bossier Office of Emergency Preparedness  
Shreveport, Louisiana

We compiled the general purpose financial statements of the Caddo-Bossier Office of Emergency Preparedness as of and for the year ended December 31, 1997 and have issued our report thereon dated June 29, 1998. A compilation is limited to presenting in the form of financial statements information that is the representation of management. We did not audit or review the general purpose financial statements.

We have performed the procedures enumerated below, which were agreed to by the management of Caddo-Bossier Office of Emergency Preparedness solely to assist you in evaluating management's responses to the accompanying Louisiana Attestation Questionnaire in connection with the compilation of the your financial statements as of and for the year ended December 31, 1997. This agreed upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report.

Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

## **Public Bid Law**

Procedure: Select all expenditures made during the year for material and supplies exceeding \$5,000, or public works exceeding \$50,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).



Finding: No expenditure for material and supplies exceeding \$5,000, or public works exceeding \$50,000 were made during the year ended December 31, 1997.

### **Code of Ethics for Public Officials and Public Employees**

#### Procedures:

- a. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.
- b. Obtain from management a listing of all employees paid during the period under examination.
- c. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (b) were also included on the listing obtained from management in agreed-upon procedure (a) as immediate family members.

Finding: No employees included on listing obtained from management were also included on the listing of the immediate family members of each board member.

### **Budgeting**

#### Procedures:

- a. Obtain a copy of the legally adopted budget and all amendments.
- b. Trace the budget adoption and amendments to the minute book.
- c. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by more than 5%.

Finding: The original budget adopted by the Executive Council was not advertised for public review prior to adoption and was not formally amended during the year even though certain revenues and expenditures exceeded the budget by more than 5%. Total revenues and expenditures did not exceed the budget by more than 5%.

Response: In response to our findings, management responded that as a interjurisdictional quasi-government agency they did not feel that they were

subject to public review of their budgets in as much as the appropriation from each parish and municipality is already subject to budget review through each individual parish and city budget as an individual line item. Management has agreed to publish their proposed budget prior to adoption each year that the estimated budget exceeds \$250,000.

### **Accounting and Reporting**

Procedure: Randomly select 6 disbursements made during the period under examination and (a) trace to supporting documentation as to proper amount and payee, (b) determine if payments were properly coded to the correct fund and general ledger account, and (c) determine whether payments received approval from proper authorities.

Finding: The 6 randomly selected disbursements selected during the year ended December 31, 1997 were traced to supporting documentation and had the proper amount and payee, were properly coded to the correct fund and general ledger account, and all payments were approved for payment.

### **Meetings**

Procedure: Examine evidence indication that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Finding: There was no indication that agendas for meetings were posted or advertised to the public.

Response: As a quasi-government agency representing two parishes and two cities, management did not feel that they were required to hold open meetings. Quarterly Executive Council meetings are held to brief the parishes and cities on the agencies operations. Management will begin immediately to advertise all meeting in the future as required by the open meetings law.

### **Debt**

Procedure: Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of banks loans, bonds, or like indebtedness.

Finding: Deposits for the period do not appear to proceeds of bank loans, bonds, or like indebtedness.

## **Advances and Bonuses**

Procedure: Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advance, or gifts.

Finding: Payroll records do not indicate that any payments were made to any employee which may constitute bonuses, advance, or gifts.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on the accompanying Louisiana Attestation Questionnaire. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the management and Executive Council of the Caddo-Bossier Office of Emergency Preparedness, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.



Donald J. Nici, CPA

June 29, 1998

April 22, 1998

**LOUISIANA ATTESTATION QUESTIONNAIRE**

Donald J. Nici  
910 Pierremont Rd., Suite 410  
Shreveport, LA 71106

In connection with your compilation of our financial statements as of December 31, 1997, and for the period then ended, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of April 22, 1996.

**Public Bid Law**

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes  No

**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes  No

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes  No

**Budgeting**

**We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:43.**

Yes  No

**Accounting and Reporting**

**All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.**

Yes  No

**We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.**

Yes  No

**We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.**

Yes  No

**Meetings**

**We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.**

Yes  No

**Debt**

***It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 47:1410.60.***

Yes  No

**Advances and Bonuses**

**It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.**

Yes  No

**Pass Through Grants**

**We have complied with the contractual provisions under which we have received federal, state and local funds.**

Yes  No

**We have discussed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.**

**We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.**

Paul A. Agnitti Director

4-30-98 Date

Mike A. Penabazco Assistant Director

4-30-98 Date

D. Johns Executive Assistant

4-30-98 Date

# Donald J. Nici

Certified Public Accountant

910 Pierremont Road  
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(318)861-8425

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To the Executive Council  
Caddo-Bossier Office of Emergency Preparedness  
Shreveport, Louisiana

We compiled the general purpose financial statements of the Caddo-Bossier Office of Emergency Preparedness as of and for the year ended December 31, 1995 and have issued our report thereon dated June 28, 1996. A compilation is limited to presenting in the form of financial statements information that is the representation of management. We did not audit or review the general purpose financial statements.

Certain matters involving the internal control structure and its operation were considered to be reportable conditions under standards established by the American Institute of Certified Public Accountants in "Independent Auditors Report on Internal Control Structure Based on an Audit of General Purpose Financial Statements performed in accordance with Government Auditing Standards" dated June 26, 1997. Reportable conditions involve matters coming to the auditor's attention relating to *significant deficiencies in the design or operation of the internal control structure that, in the auditor's judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.*

We have reviewed the previously included reportable conditions and consider the following item to be a reportable condition under standards established by the American Institute of Certified Public Accountants.

## Budgeting

Finding: The budgets are not amended as the year progresses. Variances in budget line items greater than 5% require amending the budget. We recommend that the agency review its budgets at least quarterly, and amend them as necessary.

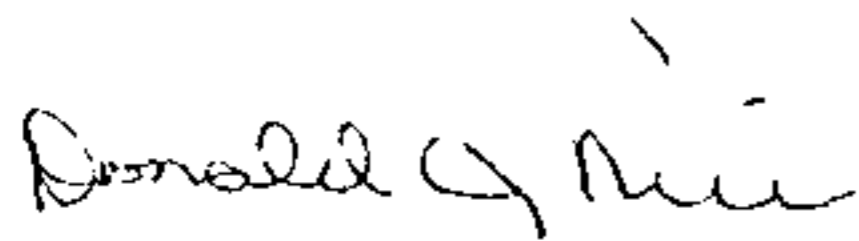
Response: Management agreed to formally review and adopt amendments to the budget as required.

A material weakness is a reportable 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 or irregularities in amounts that would be material in relation to the general purpose financial statements may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

The management of Caddo-Bossier Office of Emergency Preparedness 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.

We did not test the operation of the internal control structure policies and procedures in connection with our compilation of the financial statements and, accordingly, we do not express an opinion or offer any other form of assurance on the internal control structure policies and procedures.



Donald J. Nici, CPA

June 28, 1996