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Caddo-Bossier

Office of Emergency Preparedness

General Purpose Financial Statements

As Of And For The Years Ended

December 31, 1997 and 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 ~~1999 04 1999~~

Donald J. Nici

Certified Public Accountant

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Caddo-Bossier
Office of Emergency Preparedness

General Purpose Financial Statements
As Of And For The Years Ended
December 31, 1997and 1998

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INDEPENDENT AUDITOR'S REPORT

June 24, 1999

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

I have audited the accompanying general purpose financial statements of the Caddo-Bossier Office of Emergency Preparedness, as of and for the years ended December 31, 1997 and 1998, as listed in the table of contents. These general purpose financial statements are the responsibility of Caddo-Bossier Office of Emergency Preparedness management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Caddo-Bossier Office of Emergency Preparedness, as of December 31, 1997 and 1998, and the results of its operations and changes in fund balances for the years ended December 31, 1997 and 1998 in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued my report dated June 24, 1999, on my consideration of Caddo-Bossier Office of Emergency Preparedness' internal control over financial reporting and my test of its compliance with certain provisions of laws, regulations, contracts and grants.

My audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of State, Local Governments and Non-Profit Organizations, and is not a required part of the general purpose financial statements of Caddo-Bossier Office of Emergency Preparedness. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and in my opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

My audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The YEAR 2000 ISSUE Required Supplementary Information on page 19 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it. In addition, we do not provide assurance that Caddo-Bossier Office of Emergency Preparedness is or will become year 2000 compliant, or that Caddo-Bossier Office of Emergency Preparedness' year 2000 remediation efforts will be successful in whole or in part, or that parties with which Caddo-Bossier Office of Emergency Preparedness does business are or will become year 2000 compliant.



Donald J. Nici, CPA

Caddo-Bossier Office of Emergency Preparedness

Bossier City, Louisiana

All Fund Types and Account Groups

Balance Sheets

December 31, 1997 and 1998

	1997			1998		
	General Fund Operating	Property and Equipment Group	Totals (Memo Only)	General Fund Operating	Property and Equipment Group	Totals (Memo Only)
Assets						
Cash	\$153,998		\$153,998	\$121,788		\$121,788
Investments	58,463		58,463	58,484		58,484
Receivables:						
Grants	15,104		15,104	27,125		27,125
Due from other agenci	7,850		7,850	7,850		7,850
Other						
Property and Equipment						
Equipment		177,433	177,433		163,022	163,022
Vehicles		109,523	109,523		117,355	117,355
Total Assets	\$235,415	\$286,956	\$522,371	\$215,247	\$280,377	\$495,623
Liabilities and Fund Balances						
Liabilities						
Accounts Payable	\$653		\$653	\$7,281		\$7,281
Accrued Expenses	33,310		33,310	38,185		38,185
Total Liabilities	33,964		33,964	45,466		45,466
Restricted Fund Balances						
Operating	201,452		201,452	169,781		169,781
Property and Equipment		286,956	286,956		280,377	280,377
Total Fund Balances	201,452	286,956	488,407	169,781	280,377	450,158
Total Liabilities and Fund Balances	\$235,415	\$286,956	\$522,371	\$215,247	\$280,377	\$495,623

See accountant's report and notes to financial statements

Caddo-Bossier Office of Emergency Preparedness
Bossier City, Louisiana

Statement of Revenues, Expenditures and Changes in Fund Balances
for the Years Ended December 31, 1997 and 1998

	1997			1998		
	General Fund (Operating)	Property and Equipment Group	Totals (Memo Only)	General Fund (Operating)	Property and Equipment Group	Totals (Memo Only)
<u>Revenues</u>						
Local Appropriation	\$203,600	\$	\$203,600	\$203,600	\$	\$203,600
Federal Grant	71,196		71,196	72,437		72,437
Community Support	32,050		32,050	32,600		32,600
Interest	7,514		7,514	7,392		7,392
Other	5,122	150	5,272	5,880	5,756	11,636
Total Revenues	319,482	150	319,632	321,910	5,756	327,665
<u>Expenditures</u>						
Personnel	157,846		157,846	178,839		178,839
Insurance	12,077		12,077	13,412		13,412
Public Affairs	4,266		4,266	3,329		3,329
Warning & Communication	15,839		15,839	75,856		75,856
Travel	6,141		6,141	6,463		6,463
Employee Retirement	13,970		13,970	15,387		15,387
Maintenance	6,583		6,583	4,037		4,037
Supplies	7,669		7,669	10,657		10,657
Professional Services	6,100		6,100	4,470		4,470
Rent	14,300		14,300	11,700		11,700
Capital Outlays	22,529		22,529	35,186		35,186
Total Expenditures	267,319		267,319	359,336		359,336
Excess(Deficiency) of Revenue Over Expenditures	\$52,163	\$150	\$52,313	(\$37,426)	\$5,756	(\$31,671)
<u>Other Financing Sources(Uses)</u>						
Transfers to Property and Equipment Group From General Fund		22,529	22,529		35,186	35,186
Transfers to General Fund from Property and Equipment Group	150	(150)		5,756	(5,756)	
Cost of Property Retired		(950)	(950)		(41,765)	(41,765)
Total Other Financing Sources	150	21,429	21,579	5,756	(12,334)	(6,579)
<u>Changes in Fund Balances</u>						
Excess (Deficiency) of Revenue and Other Financing Sources Over Expenditures and Other Financing Uses	52,313	21,579	73,892	(31,671)	(6,579)	(38,249)
Beginning Fund Balance	149,138	265,376	414,515	201,452	286,956	488,407
Ending Fund Balance	\$201,452	\$286,956	\$488,407	\$169,781	\$280,377	\$450,158

See accountant's report and notes to financial statements

Caddo-Bossier Office of Emergency Preparedness

Bossier City, Louisiana

**Statement of Revenues, Expenditures and Changes in General Fund Balances
Budget(GAAP Basis) and Actual
for the Years Ended December 31, 1997 and 1998**

	1997			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Local Appropriation	\$203,604	\$203,600	(\$4)	\$203,604	\$203,600	(\$4)
Federal Grant	66,396	71,196	4,800	66,396	72,437	6,041
Community Support	30,000	32,050	2,050	30,000	32,600	2,600
Interest		7,514	7,514		7,392	7,392
Other		5,122	5,122		5,880	5,880
Total Revenues	300,000	319,482	19,482	300,000	321,910	21,910
Expenditures						
Personnel						
Salaries and Fees	184,400	156,921	27,479	184,400	177,839	6,561
Insurance	7,800	8,343	(543)	7,800	9,960	(2,160)
Employee Retirement	14,600	13,970	630	14,600	15,387	(787)
Payroll Taxes	800	925	(125)	800	1,001	(201)
Travel and Education						
Travel	8,600	4,162	4,438	8,600	4,538	4,062
Gasoline	2,400	1,979	421	2,400	1,926	474
Seminars and Workshops	2,300	3,179	(879)	2,300	3,692	(1,392)
Capital Outlays	4,717	22,529	(17,812)	4,717	35,186	(30,469)
All Other Cost						
Warning & Communication	34,500	7,354	27,146	34,500	66,833	(32,333)
Supplies	6,483	6,807	(324)	6,483	9,870	(3,387)
Maintenance	2,700	6,583	(3,883)	2,700	4,037	(1,337)
Public Affairs	3,800	4,266	(466)	3,800	3,329	471
Canteen	900	862	38	900	785	115
Professional Services	3,000	6,100	(3,100)	3,000	4,470	(1,470)
General Insurance	4,000	3,734	266	4,000	3,452	548
Telephones	4,000	5,307	(1,307)	4,000	5,331	(1,331)
Rent	15,000	14,300	700	15,000	11,700	3,300
Total Expenditures	300,000	267,319	32,681	300,000	359,336	(59,336)
Excess(Deficiency) of Revenue Over	\$0	\$52,163	\$52,163	\$0	(\$37,426)	(\$37,426)
Changes in Fund Balances						
Transfers to General Fund		150			5,756	
Beginning Fund Balance		149,138			201,452	
Ending Fund Balance		\$201,452			\$169,781	

See accountant's report and notes to financial statements

Caddo-Bossier Office of Emergency Preparedness
Notes to the General Purpose Financial Statements
December 31, 1998

Note 1 Summary of Significant Accounting Policies

Caddo-Bossier Office of Emergency Preparedness is an inter-jurisdictional 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

Notes to the General Purpose Financial Statements continued

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.

Notes to the General Purpose Financial Statements continued

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 1998, the agency had cash and cash equivalents as follows:

	1997	1998
Petty Cash	\$ 150	\$ 150
Interest Bearing Demand Deposits	48,770	27,162
Demand Deposits	3,946	6,243
Money Market Accounts	<u>101,132</u>	<u>88,232</u>
	<u>\$ 153,998</u>	<u>\$ 121,788</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, 1998, a decline in the market value of the investments had occurred. The agency feels that 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>1998</u>
Cost	<u>\$ 58,463</u>	<u>\$ 58,484</u>
Market Value	<u>\$ 54,960</u>	<u>\$ 58,190</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, interested 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, 1998.

Pension Benefits

To be eligible for retirement benefits, employees must have 30 years of service regardless of age, or have attained age 65 and have 10 years of service and if hired before January 1, 1979 have attained age 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.

Total Payroll and Amount Contributed

Payroll of agency employees covered by the pension plan in 1997 and contributions made by the agency were as follows:

	Payroll	Employer	Payroll
City of Shreveport Employees' Retirement System	\$152,793	\$13,970	9.15%
Agency employees not covered by a pension plan	<u>2,000</u>	<u>0</u>	
	<u>\$154,793</u>	<u>\$13,970</u>	<u>9.03%</u>

Notes to the General Purpose Financial Statements continued

Payroll of agency employees covered by the pension plan in 1998 and contributions made by the agency were as follows:

	Payroll	Amount Contributed- Employer	Percent of Total Covered Payroll
City of Shreveport Employees' Retirement System	\$168,159	\$15,387	9.15%
Agency employees not covered by a pension plan	<u>4,380</u>	<u>0</u>	
	<u>\$172,539</u>	<u>\$15,387</u>	<u>8.92%</u>

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 1998 were \$32,892 and \$36,980, 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	1998
City of Shreveport	\$ 119,800	\$ 119,800
Bossier City	32,200	32,200
Caddo Parish	30,500	31,400
Bossier Parish	<u>20,200</u>	<u>20,200</u>
Total	<u>\$202,700</u>	<u>\$203,600</u>

During the years ended December 31, 1997 and 1998, the agency made payments of \$13,970 and \$15,387 respectively, to the City of Shreveport Employees Retirement System representing the agency's required contributions on its covered employees' salaries. Additionally, during the years ended December 31, 1997 and 1998 the agency made payments of \$14,300 and \$11,700 to the city of Bossier City for administrative office space.

Note 7 Litigation and Claims

At December 31, 1998, there were no lawsuits or claims pending against the agency.

Note 8 Subsequent Events

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

Notes to the General Purpose Financial Statements continued

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 any such disallowance, if any, will be immaterial.

Additional Information

Caddo-Bossier Office of Emergency Preparedness

Bossier City, Louisiana

Schedule of Federal Financial Assistance
For the Years Ended December 31, 1997 and 1998

Federal Grantor Pass-Through Grantor Program Title	Federal CFDA Number	Cash Received	Accrual Beginning	Accrual Ending	Accrual Basis	
					Grant Revenue	Federal Expenditures
<u>1997</u>						
Other Financial Assistance:						
Federal Emergency Management Agency Louisiana Military Department						
Emergency Management Assistance	83.503	78,892	22,800	15,104	71,196	71,196
Hazardous Material Transportation	83.102	1,746	1,746		0	0
Maintenance and Services Assistance	83.532	1,230	1,230		0	0
		<u>81,868</u>	<u>25,776</u>	<u>15,104</u>	<u>71,196</u>	<u>71,196</u>
Total Federal Financial Assistance						
<u>60,416</u> <u>15,104</u> <u>27,125</u> <u>72,437</u>						
<u>1998</u>						
Other Financial Assistance:						
Federal Emergency Management Agency Louisiana Military Department						
Emergency Management Assistance	83.503	60,416	15,104	15,104	60,416	60,416
Hazardous Material Transportation	83.102		7,004		7,004	7,004
Maintenance and Services Assistance	83.532				0	0
Enhanced Hazardous Materials Assistance	83.534		5,017		5,017	5,017
		<u>60,416</u>	<u>27,125</u>	<u>27,125</u>	<u>72,437</u>	<u>72,437</u>
Total Federal Financial Assistance						
<u>60,416</u> <u>15,104</u> <u>27,125</u> <u>72,437</u>						

See the auditor's report on Schedule of Federal Financial Assistance

Donald J. Nici

Certified Public Accountant

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

June 24, 1999

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

I have audited the general purpose financial statements of Caddo-Bossier Office of Emergency Preparedness as of and for the years ended December 31, 1997 and 1998, and have issued my report thereon dated June 24, 1999. I conducted my audit in accordance with generally accepted auditing standards, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Caddo-Bossier Office of Emergency Preparedness' general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance that is required to be reported under Government Auditing Standards.

• Budgeting

- ◊ Finding: The budgets were not amended on a regular basis resulting in variances greater than 5% from budget.
- ◊ Recommendation: State law requires that the approved budget is amended anytime expenditures vary from budget by more than 5%. I recommend that the budgets are reviewed and amended quarterly in compliance with state law.
- ◊ Response: The budgets will be amended on a quarterly basis for variances greater than 5%.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Caddo-Bossier Office of Emergency Preparedness' internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving internal control over financial reporting and its operation that I considered to be a material weakness.

This report is intended solely for the information and use of the Executive Committee, management, the State of Louisiana Legislative Auditor, the Louisiana Military Department and the sponsoring parishes and cities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Donald J. Nici".

Donald J. Nici, CPA

Donald J. Nici

Certified Public Accountant

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

June 24, 1999

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

Compliance

I have audited the compliance of Caddo-Bossier Office of Emergency Preparedness with the types of compliance requirements described in the U.S. Office of Management and Budget(OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended December 31, 1997 and 1998. Compliance with laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Caddo-Bossier Office of Emergency Preparedness management. My responsibility is to express an opinion on Caddo-Bossier Office of Emergency Preparedness' compliance based on our audit.

I conducted my 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 provisions of OMB Circular A-133 Audits of States, Local Governments and Non-Profit Organizations. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the type of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Caddo-Bossier Office of Emergency Preparedness' compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on Caddo-Bossier Office of Emergency Preparedness' compliance with those requirements.

In my opinion, Caddo-Bossier Office of Emergency Preparedness complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 1997 and 1998.

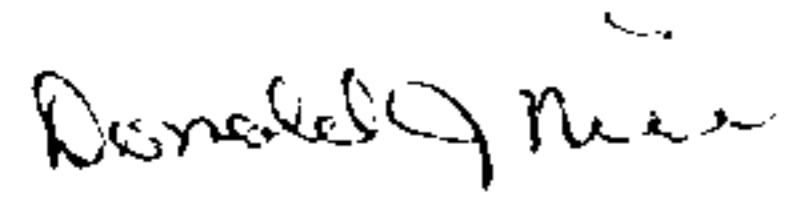
Internal Control Over Compliance

The management of Caddo-Bossier Office of Emergency Preparedness is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered Caddo-Bossier Office of Emergency Preparedness' internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

My consideration of the internal control over compliance 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 low level the risk that noncompliance

with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving internal control over compliance and its operation that I considered to be a material weakness.

This report is intended solely for the information and use of the Executive Committee, management, the State of Louisiana Legislative Auditor, the Louisiana Military Department and the sponsoring parishes and cities and is not intended to be and should not be used by anyone other than these specified parties.



Donald J. Nici, CPA

Required Supplementary Information

Unaudited

Caddo-Bossier Office of Emergency Preparedness
Required Supplementary Information
December 31, 1998
Unaudited

YEAR 2000 ISSUE

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the government's operations as early as fiscal year 1999.

Caddo-Bossier Office of Emergency Preparedness has completed an inventory of computer systems and other electronic equipment that may be affected by the year 2000 issue and that are necessary to conducting agency operations. Based on this inventory, Caddo-Bossier Office of Emergency Preparedness updated all computer systems and other electronic equipment necessary. Additionally, management has tested and validated all systems as of this date and is conducting an on-going program of testing to insure that their systems are not adversely affected.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Caddo-Bossier Office of Emergency Preparedness is or will be Year 2000 ready, that Caddo-Bossier Office of Emergency Preparedness' remediation efforts will be successful in whole or in part, or that parties with whom Caddo-Bossier Office of Emergency Preparedness does business will be year 2000 ready.