

**Hurstville Security and Neighborhood
Improvement District
New Orleans, Louisiana**

Annual Financial Statements And
Report On Applying Agreed-Upon Procedures

For The Year Ended December 31, 2019

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Required Supplementary Information (Part I)

Hurstville Security and Neighborhood Improvement District
New Orleans, Louisiana
Management's Discussion And Analysis
For The Year Ended December 31, 2019

Our discussion and analysis of the Hurstville Security and Neighborhood Improvement District's (the "Security District's") financial performance provides an overview of the financial activities for the fiscal year ended December 31, 2019. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

Financial Highlights

The financial statements included in this report provide insight into the financial status for the year.

- The Security District's operations increased total net position by \$24,048 and resulted in ending net position of \$111,057, or an increase of 27.6%.
- Revenues increased by \$11,734 in relation to the prior year, and expenses (or spending) decreased by \$22,311, mainly due to decreased patrol and patrol administrative expenses and insurance expenses.
- The interest earned on the savings account was \$1,140 for the year.

Overview Of The Financial Statements

This annual report consists of three parts: Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary and other information, including other reports and schedules by certified public accountants and management. The Security District's operations are conducted through a general fund.

The basic financial statements are divided into the two following types:

Government-Wide Financial Statements

The statements in this section include the Statement Of Net Position and the Statement Of Activities.

The Statement Of Net Position includes all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by private businesses. The difference between total assets and total liabilities is net position, which may provide a useful indicator of whether the financial position of the Security District is improving or deteriorating.

The Statement Of Activities presents information showing how the Security District's assets changed as a result of current year operations. The statement is also prepared using the accrual basis of accounting. In this method, all revenues and expenditures are recognized regardless of when the cash is received or disbursed.

Hurstville Security and Neighborhood Improvement District
 New Orleans, Louisiana
 Management's Discussion And Analysis
 For The Year Ended December 31, 2019

Fund Financial Statements

Due to the nature of organization and its present operations, the Security District uses only the governmental type of fund. The basic services of the Security District are reported in the general fund, which focuses on how money flows into and out of the Security District and the balance left at the end of the year. The revenues and expenditures of the general fund are reported (in the statement of revenues, expenditures and changes in fund balance) using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. Governmental fund information (presented in the balance sheet) helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's program. We describe the relationship (or difference) between the governmental activities (reported in the Statement Of Net Position and the Statement Of Activities) and governmental funds in reconciliations immediately following the fund financial statements.

Financial Analysis Of The Security District

Summary Statement Of Net Position
 As Of December 31, 2019 And 2018

	<u>2019</u>	<u>2018</u>
Current and other assets		
Total assets	<u>\$ 129,752</u>	<u>\$ 107,739</u>
Current liabilities		
Total liabilities	<u>18,695</u>	<u>20,730</u>
Net Position		
Unrestricted	<u>111,057</u>	<u>87,009</u>
Total Net Position	<u>\$ 111,057</u>	<u>\$ 87,009</u>

Unrestricted net position are net assets that do not have any limitations on how these amounts may be used or expended within the lawful purpose of the District.

As noted above, the net position of the Security District increased by \$24,048 or 27.6% during the year.

Hurstville Security and Neighborhood Improvement District
 New Orleans, Louisiana
 Management's Discussion And Analysis
 For The Year Ended December 31, 2019

Summary Statement Of Activities
 For The Years Ended December 31, 2019 And 2018

	2019	2018
Revenues	\$ 373,845	\$ 362,111
Expenditures	349,797	372,108
Change In Net Position	\$ 24,048	\$ (9,997)

Revenues increased by \$11,734 or 3.2%, while total expenditures decreased by \$22,311 or 6.0%. Revenues received in 2019 are as expected based on the number of parcels billed by the City, but with an increase in the parcel fee rate from \$480 per parcel to \$505 per parcel. Expenditures decreased largely due to a decrease in patrol hours throughout the year compared to 2018.

Budgetary Highlights

The original budget was amended during the year, to revise the beginning fund balance to actual due to accruals and to decrease the patrol expenses.

The variances between budgeted and actual amounts are summarized as follows:

Revenue – Overall unfavorable variance of \$4,302, or -1.1%, due to:

- Actual parcel fee revenue was lower than anticipated in the budget
- Interest earnings slightly higher than those included in the budget

Expenditures – Overall unfavorable variance of \$5,697 or -1.7%, due to:

- Higher patrol and lower insurance than provided for in the amended budget.

Economic Factors And Next Year's Budget And Rates

For 2020 the Security District's budget indicates the current fee of \$505 per parcel of real property to remain the same, and maintains the same number of taxable properties from the original 2019 budget numbers of 763 parcels. Expenses are anticipated to be higher compared with the 2020 budget due to the addition of enhanced security. Overall, the Security District expects that next year's results will be reasonably reflective of the budgeted amounts.

Hurstville Security and Neighborhood Improvement District
New Orleans, Louisiana
Management's Discussion And Analysis
For The Year Ended December 31, 2019

Contacting The Security District's Financial Management

This report is designed to provide our residents of the Security District and others with a general overview of the Security District's finances and to show the Security District's accountability for the money it received. Any questions about this report or requests for additional information may be directed to the Security District's Executive Director, Ms. Shelley Landrieu, located at 5329 Dryades Street, Unit A, New Orleans, Louisiana 70115.

Financial Section

PEDELAHORE & CO., LLP
Certified Public Accountants

Independent Accountant's Review Report

To the Board of Commissioners
Hurstville Security and Neighborhood Improvement District
New Orleans, Louisiana

We have reviewed the accompanying financial statements of the governmental activities of Hurstville Security and Neighborhood Improvement District (the Security District), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Security District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to the Security District's financial data and making inquiries of the Security District's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and budgetary comparison information as listed on pages 2 through 5 and page 23, be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. We have not audited, reviewed, or compiled the required supplementary information and we do not express an opinion, a conclusion, nor provide any form of assurance on it.

Supplementary Information

The accompanying schedule as listed on page 25 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report, dated September 28, 2020, on the results of our agreed-upon procedures.

A handwritten signature in blue ink that reads "Pedelatorre & Co., LPA". The signature is written in a cursive style.

Metairie, Louisiana
September 28, 2020

Hurstville Security and Neighborhood Improvement District
Statement Of Net Position
December 31, 2019

	Statement A
<u>Assets</u>	
Cash	\$ <u>129,752</u>
Total Assets	<u>129,752</u>
 <u>Liabilities</u>	
Accounts payable	12,995
Accrued expenses	<u>5,700</u>
Total Liabilities	<u>18,695</u>
 <u>Net Position</u>	
Unrestricted	<u>111,057</u>
Total Net Position	<u>\$ 111,057</u>

See accompanying notes and independent accountant's review report.

Hurstville Security and Neighborhood Improvement District

Statement Of Activities

For The Year Ended December 31, 2019

Statement B

Expenditures

Patrol and security services	\$ 265,019
Insurance	50,147
Administration fee and overhead	26,752
Accounting services	3,900
Lighting program	3,009
Website	<u>970</u>

Total Expenditures 349,797

Revenues

Parcel fees (net of collection fees)	372,705
Interest earned	<u>1,140</u>

Total Revenues 373,845

Change In Net Position 24,048

Net Position At Beginning Of Year 87,009

Net Position At End Of Year \$ 111,057

See accompanying notes and independent accountant's review report.

Hurstville Security and Neighborhood Improvement District
Balance Sheet
General Fund - Governmental Fund
December 31, 2019

	Statement C
<u>Assets</u>	
Cash	\$ <u>129,752</u>
Total Assets	\$ <u><u>129,752</u></u>
<u>Liabilities And Fund Balance</u>	
Accounts payable	\$ 12,995
Accrued expenses	<u>5,700</u>
Total Liabilities	<u>18,695</u>
Fund balance - unassigned	<u>111,057</u>
Total Liabilities And Fund Balance	\$ <u><u>129,752</u></u>

See accompanying notes and independent accountant's review report.

Hurstville Security and Neighborhood Improvement District
Reconciliation Of The Governmental Funds Balance Sheet
To The Government-Wide Statement Of Net Position
December 31, 2019

	Statement D
Fund Balance - Governmental Fund (Statement C)	\$ 111,057
Amount reported for governmental activities in the statement of net position (government-wide financial statements) are different because:	
There are no differences noted	<u> -</u>
Net Position Of Governmental Activities (Statement A)	<u><u>\$ 111,057</u></u>

See accompanying notes and independent accountant's review report.

Hurstville Security and Neighborhood Improvement District
Statement Of Revenues, Expenditures, And
Changes In Fund Balance
General Fund - Governmental Fund
For The Year Ended December 31, 2019

	Statement E
Revenues	
Parcel fees (net of collection fees)	\$ 372,705
Interest earned	<u>1,140</u>
 Total Revenues	 <u>373,845</u>
 Expenditures	
Patrol and security services	265,019
Insurance	50,147
Administration fee and overhead	26,752
Accounting services	3,900
Lighting program	3,009
Website	<u>970</u>
 Total Expenditures	 <u>349,797</u>
 Net Change In Fund Balance	 24,048
 Fund Balance At Beginning Of Year	 <u>87,009</u>
 Fund Balance At End Of Year	 <u><u>\$ 111,057</u></u>

See accompanying notes and independent accountant's review report.

Hurstville Security and Neighborhood Improvement District
Reconciliation Of The Statement Of Revenues, Expenditures
And Changes In Fund Balances Of Governmental Funds
To The Statement Of Activities
For The Year Ended December 31, 2019

	Statement F
Net Change In Fund Balance - Governmental Fund (Statement E)	\$ 24,048
Amounts reported for governmental activities in the statement of activities (government-wide financial statements) are different because:	
There are no differences.	<hr style="width: 10%; margin: 0 auto;"/> -
Change In Net Position Of Governmental Activities (Statement B)	<u>\$ 24,048</u>

See accompanying notes and independent accountant's review report.

Hurstville Security and Neighborhood Improvement District
Notes To Financial Statements
For The Year Ended December 31, 2019

Note 1. Introduction

The Hurstville Security and Neighborhood Improvement District (the “Security District”) is a special taxing district created by Act 151 of Regular Session of 2007 of the Louisiana Legislature (Louisiana Revised Statute 33:9091.11), for the purpose of promoting and encouraging the security in the area included within the Security District and promoting and encouraging the beautification and overall betterment of the district.

The Security District is governed by a Board consisting of nine members (commissioners) who are residents within the Security District. The commissioners are appointed by certain organizations within the Security District, the mayor, and the state senator, state representative and city council member representing the Security District. Commissioners are appointed on a rotating and staggered schedule of four-year terms, and serve without compensation.

The boundaries of the Security District are areas within the following perimeter: Magazine Street (both sides) from Valmont Street to Nashville Avenue (downtown side only), to Hurst Street (river side only), to Arabella Street (downtown side only), to St. Charles Avenue (lake side only), including the parcel at the corner of the river side of St. Charles Avenue and the downtown side of Arabella Street, to Nashville Avenue (downtown side only), to Loyola Avenue (both sides), to Octavia Street (both sides), to Liberty Street (both sides), to Jefferson Avenue (uptown side only), to Prytania Street (excluding all municipal numbers in this portion of Prytania Street), to Valmont Street (both sides) to Magazine Street. The Security District includes approximately 767 taxable properties.

The District has no employees and has contracted out the administrative function of the organization to an independent contractor that provides an office and professional staff. Patrol services are also provided by independent contractors.

As approved by a majority of voters of the Security District on November 17, 2007, and renewed with a vote on February 1, 2014, the operations of the Security District has been funded beginning in 2008 by the imposition of a special parcel fee on all taxable real property within the Security District.

Hurstville Security and Neighborhood Improvement District
Notes To Financial Statements
For The Year Ended December 31, 2019

Note 2. Summary Of Significant Accounting Policies

Basis of Presentation

The financial statements of the Security District 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 financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments*, issued in June 1999.

Reporting Entity

The Hurstville Security and Neighborhood Improvement District is the basic level of government, which has financial accountability and control over all affairs of the Security District related to promoting and encouraging the security of the Hurstville area in Orleans Parish. The Security District is not included in any other governmental "reporting entity" as defined by the Governmental Accounting Standards Board (GASB) pronouncement, because the majority of Board members are appointed by the public, and said Board has decision making authority, the authority to set rates (within legally prescribed limits), the power to designate management, the ability to significantly influence operations, and has primary accountability for fiscal matters. In addition, there are no component units as defined in GASB Statement No. 14, *The Financial Reporting Entity*, which are included in the Security District's reporting entity.

Fund Accounting

Due to the nature of the organization and its present operations, all revenues and expenditures of the Security District are accounted for in the General Fund, a governmental fund type. This fund is the general operating fund of the Security District. It is used to account for all financial resources of the Security District.

Basis of Accounting

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities report information about the Security District as a whole. These statements include all the financial

Hurstville Security and Neighborhood Improvement District
Notes To Financial Statements
For The Year Ended December 31, 2019

Note 2. Summary Of Significant Accounting Policies (continued)

activities of the Security District. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange transactions occur regardless of when cash is received or disbursed. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

Fund Financial Statements

The amounts reflected in the General Fund Statements, are accounted for using a current financial resources measurement focus. Measurement focus refers to what is being measured; basis of accounting refers to timing of when revenues and expenditures are recognized in the accounts and reported in the financial statements.

All revenues and expenditures of the Security District are accounted for in the General Fund (a governmental fund type). Governmental funds use a current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual, i.e., when they become measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred, if measurable.

Reconciliation

Explanation of certain differences, if any, and the related reconciliations between the fund financial statements and government-wide financial statements are presented on pages 12 and 14.

Budget Practices

The proposed budget, prepared on the modified accrual basis of accounting, is submitted to the Board of Commissioners prior to the beginning of each fiscal year. The budget is made available for public inspection and is then legally

Hurstville Security and Neighborhood Improvement District
Notes To Financial Statements
For The Year Ended December 31, 2019

Note 2. Summary Of Significant Accounting Policies (continued)

adopted by the Board. The budget is established and controlled by the Security District, and is amended during the year, as necessary. All budgetary appropriations lapse at the end of the year and must be re-appropriated for the following year to be expended.

Deposits and Investments

All deposits are at a single financial institution. Under state law, the Security District may deposit funds in demand deposits, interest bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

At December 31, 2019, the Security District had cash (book balances) totaling \$129,752 in non-interest and interest bearing demand deposits. These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities. At December 31, 2019, the Security District had \$133,037 in interest bearing checking account deposits (collected bank balance). Of this total, 100% was either secured by federal deposit insurance or collateralized with a pledge of securities held in the Security District's name.

Net Position

In the government-wide financial statements, the difference between the Security District's assets and liabilities is recorded as net position, which is currently presented in one component called unrestricted. Unrestricted net position consists of net assets that are not legally segregated for a specific future use.

Hurstville Security and Neighborhood Improvement District
Notes To Financial Statements
For The Year Ended December 31, 2019

Note 2. Summary Of Significant Accounting Policies (continued)

Governmental Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

1. Non-spendable – amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.
2. Restricted – amounts that can be spent only for specific purposes because of state or federal laws or because of constraints externally imposed by creditors, grantors, or citizens.
3. Committed – amounts that can be used only for specific purposes determined by a formal action of the Board of Commissioners.
4. Assigned – amounts that are intended to be used for specific purposes but do not meet the criteria to be classified as restricted or committed.
5. Unassigned – all amounts not included in other spendable classifications.

Risk Management

The Security District is exposed to various risk of loss related to torts; and theft of, damage to and destruction of assets. To handle such risk of loss, the Security District maintains commercial insurance policies covering general liability, property insurance and worker's compensation.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

Note 3. Parcel Fees

Annually, the Security District submits a plan to the City Council of New Orleans to levy and collect a parcel fee, not to exceed a maximum per year of \$550, plus annual increases of twenty-five dollars for each year after 2015, per improved parcel of land located within the boundaries of the Security District.

Hurstville Security and Neighborhood Improvement District
Notes To Financial Statements
For The Year Ended December 31, 2019

Note 3. Parcel Fees (continued)

The City of New Orleans levies and collects the special fees for the Security District in the same manner and at the same time as ad valorem taxes on property subject to taxation by the City of New Orleans are levied and collected. Specifically, with regards to the Security District, the special parcel fees are levied on January 1 of the current year based on a flat fee per improved parcel of land. Parcel fees are due January 1 and become delinquent on February 1. The City is permitted to retain one percent (1%) of the amount collected as a collection fee.

By statute, parcel fees are to be paid over to the Security District from the City of New Orleans within sixty days of collection. The Security District records the parcel fees as revenues in the year the taxes become due.

Note 4. Pension Plan

The Security District has no employees and is not a member of any retirement plan.

Note 5. Litigation And Claims

The Security District is not involved in any litigation and management is not aware of any claims against the District.

Note 6. Compensation Paid To Board Members And Agency Head

The members of the Board of Commissioners of the Security District receive no compensation for their services.

The President (agency head or chief executive officer) of the governing Board of Commissioners of the Security District serves without compensation, remuneration, benefits or otherwise.

Note 7. Other Commitments And Contingencies

The Security District has an agreement with an independent contractor that provides administrative and support services to the Security District. A new two-year contract went into effect as of January 2018 with an increase to \$2,100 per month. Total expenditures under this contract for 2019 were \$25,200.

Hurstville Security and Neighborhood Improvement District
Notes To Financial Statements
For The Year Ended December 31, 2019

Note 8. Related Party Matter

An immediate family member of one of the Security District's commissioners may be considered to have an outside business interest and/or having substantial economic interest with one of the vendors of the Security District.

Note 9. Date Of Management's Review

In preparing the financial statements, the Security District has evaluated events and transactions for potential recognition or disclosure through September 28, 2020, the date the financial statements were available to be issued.

Required Supplementary Information (Part II)

Hurstville Security and Neighborhood Improvement District
Statements Of Revenues, Expenditures, And
Changes In Fund Balance
Budget And Actual - General Fund
For The Year Ended December 31, 2019

	Budgeted Amounts		Actual Amounts	Variance	%
	Original	Final		Favorable (Unfavorable)	
Revenues					
Parcel fees (net of fees)	\$ 377,648	\$ 377,647	\$ 372,705	\$ (4,942)	
Interest earned	500	500	1,140	640	
Total Revenues	<u>378,148</u>	<u>378,147</u>	<u>373,845</u>	<u>(4,302)</u>	-1.1
Expenditures					
Patrol and security services	300,000	251,500	265,019	(13,519)	
Administration fee and overhead	27,000	27,000	26,752	248	
Insurance	58,000	58,000	50,147	7,853	
Accounting services	3,400	3,300	3,900	(600)	
Website	1,000	1,000	970	30	
Lighting program	3,300	3,300	3,009	291	
Total Expenditures	<u>392,700</u>	<u>344,100</u>	<u>349,797</u>	<u>(5,697)</u>	-1.7
Net Change In Fund Balance	(14,552)	34,047	24,048	(9,999)	
Fund Balance At Beginning Of Year	<u>20,511</u>	<u>87,009</u>	<u>87,009</u>	<u>-</u>	
Fund Balance At End Of Year	<u>\$ 5,959</u>	<u>\$ 121,056</u>	<u>\$ 111,057</u>	<u>\$ (9,999)</u>	

See accompanying notes and independent accountant's review report.

Other Supplementary Information

Hurstville Security and Neighborhood Improvement District
New Orleans, Louisiana
 Supplementary Information
 For The Year Ended December 31, 2019

Schedule Of Compensation, Benefits And Other Payments To Agency Head, Political
 Subdivision Head Or Chief Executive Officer

The schedule of compensation, benefits and other payments to agency head, political subdivision head or chief executive officer is presented in compliance with Act 706 of the 2014 Session of the Louisiana Legislature.

The Security District has no employees and the 2019 Chairman, Mr. Brian Klebba, (agency head, political subdivision head or chief executive officer) of the governing board of commissioners serves without compensation, remuneration, benefits or otherwise.

Accordingly, there are no applicable payments to report.

<u>Purpose</u>	<u>Amount</u>
Salary	\$ -
Benefits	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-

See accompanying notes and independent accountant's review report.

Other Reports

PEDELAHORE & CO., LLP

Certified Public Accountants

Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Board of Commissioners
Hurstville Security and Neighborhood Improvement District
New Orleans, Louisiana

We have performed the procedures enumerated below, which were agreed to by Hurstville Security and Neighborhood Improvement District (the Security District) and the Louisiana Legislative Auditor (the specified parties), related to the Security District's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the year ended December 31, 2019, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The Security District's management is responsible for its financial records and compliance with those applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Public Bid Law

1. Obtain documentation for all expenditures made during the year for material and supplies exceeding \$30,000, and public works exceeding \$157,700. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551 - 39:1775 (state procurement code) or R.S. 38:2211-2296 (the public bid law), whichever is applicable; and report whether the expenditures were made in accordance with these laws.

There were no expenditures meeting the above criteria.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the ethics law)

See alternative procedures listed under #5 below.

3. Obtain a list of all employees paid during the fiscal year.
4. Report whether any employees' names appear on both lists obtained in Procedures 2 and 3.

#'s 3 and 4 are not applicable; the Security District has no employees.

5. Obtain a list of all disbursements made during the year; and a list of outside business interest of board members, employees, and board members' and employees' immediate families. Report whether any vendors appear on both lists.

In lieu of procedures 2 and 5, a list of vendors obtained from the District's disbursements was provided to all board members. This list consisted of thirty-three (31) vendors/payees, twenty-two (22) of whom are contracted patrol officers. Except for one board member, who indicated that a family member had a potential business/substantial economic interest with one of the Security District's vendors, all board members confirmed that they and their immediate family members reviewed the listing and indicated that no "outside business interest" coincided with the vendors/payees listed. (These alternative procedures were reviewed and accepted by the Louisiana Legislative Auditor (LLA) as adequate alternative procedures.)

Budgeting

6. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget and the budget amendments during the year.

7. Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.

We traced the adoption of the original budget to the minutes of the meeting held on July 5, 2018, where the budget was approved. Subsequent budget amendments and approval by the Board were traced to minutes of the meeting held on September 30, 2019.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceeded budgeted amounts by 5% or more.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. There were no unfavorable variances of 5% or more.

Accounting and Reporting

9. Obtain the list of all disbursements made during the fiscal year. Randomly select six disbursements, and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and:

- (a) Report whether the six disbursements agree to the amount and payee in the supporting documentation;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) Report whether the six disbursements were coded to the correct fund and general ledger account.

All of the payments were properly coded to the correct fund and general ledger accounts.

- (c) Report whether the six disbursements were approved in accordance with management's policies and procedures.

Inspection of the cancelled checks for each of the six disbursements indicated that all checks were properly signed by authorized officials, with two signatures when required. Management has asserted that the supporting documentation was presented and approved at the time the checks were signed. Inspection of the invoices indicated that the check stub was attached to the invoice to demonstrate that the invoice was paid and approved, or the invoice was initialed and marked with the date paid.

Meetings

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:11 through 42:28 (the open meetings law); and report whether there were any exceptions.

The Security District is required to give notice of each meeting by posting a copy of the notice at the principal office of the public body holding the meeting, or if no such office exists, at the building in which the meeting is to be held; or by publication of the notice in an official journal of the public body no less than twenty-four hours before the meeting.

We noted that the minutes contained confirmations that the appropriate public notice of all meetings were posted more than twenty-four hours before the meeting. Inquiry of the Executive Director revealed that the

notices for all meetings were posted either at the district office or at the meeting locations.

Debt

11. Obtain bank deposits slips for the fiscal year, and scan the deposit slips in order to identify and report whether there are any deposits that appear to be proceeds of banks loans, bonds, or like indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission, and report any exceptions.

We inspected copies of all bank statements for the fiscal year and noted no deposits that appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

12. Obtain the list of payroll disbursements and meeting minutes of the governing board, if applicable. Scan the documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advances, or gifts.

A reading of the minutes of the Security District for the year indicated no approval for the types of payments noted. The Security District has no employees, and the disbursements tested (at item #9 above) and a scan of the general ledger disbursements revealed no evidence of bonuses, advances or gifts.

State Audit Law

13. Report whether the agency provided for a timely report in accordance with R.S.24:513.

The Security District provided for a timely report.

14. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A.(2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

The Security District did not enter any contracts that utilized state funds or were subject to the public bid law.

Prior Comments and Recommendations

15. Obtain and report management's representation as to whether any prior-year suggestions, recommendation, and/or comments have been resolved.

Our prior year report, dated June 17, 2019 did not include any suggestions, recommendations, comments or unresolved matters

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance with the specified requirements. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on the District's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



Metairie, Louisiana
September 28, 2020

Other Schedules and Information

Hurstville Security and Neighborhood Improvement District
Summary Schedule Of Current And Prior Year Findings
Year Ended December 31, 2019

We have reviewed the basic financial statements of Hurstville Security and Neighborhood Improvement District as of and for the year ended December 31, 2019, and have issued our report thereon dated September 28, 2020. In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have also issued a report, dated September 28, 2020, on the results of our agreed-upon procedures.

Current Year Findings:

Review Procedures

There were no findings noted for the year ended December 31, 2019

Agreed-Upon Procedures

There were no findings noted for the year ended December 31, 2019

Management Letter

None issued.

Prior Year Findings:

Review Procedures

There were no findings noted for the year ended December 31, 2018

Agreed-Upon Procedures

There were no findings noted for the year ended December 31, 2018

Management Letter

None issued.

**LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)**

February 20, 2020 (Date Transmitted)

Pedelahore & Co., LLP
3445 N. Causeway Blvd., Suite 300
Metairie, LA 70002

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of December 31, 2019 and for the year then ended, and as required by Louisiana Revised Statute (R.S) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the 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 R.S. 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 R.S. 42:1119.

Yes No

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

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 R.S. 44:1, 44:7, 44:31, and 44:36.

Yes No

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes No

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes No

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A(2); and that were subject to public bid law (R.S. 38:2211, et seq.) while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes No

We have complied with R.S. 24:513A.(3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes [] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R. S. 42:11 through 42:28.

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 R.S. 39:1410.60-1410.65.

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, R.S. 14:138, and AG opinion 79-729.

Yes [] No []

Prior Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes [] No []

General

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes [] No []

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes [] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes [] No []

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes [] No []

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or 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 your report.

Yes [] No []

