

**Upper Hurstville Security District**  
**New Orleans, Louisiana**

Annual Financial Statements  
And Accompanying Compilation Report

For The Year Ended December 31, 2014

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**Section I**

**PEDELAHORE & CO., LLP**  
*Certified Public Accountants*

Independent Accountant's Compilation Report

To the Board of Commissioners  
Upper Hurstville Security District  
New Orleans, Louisiana

We have compiled the accompanying financial statements of Upper Hurstville Security District (the Security District) as of and for the year ended December 31, 2014, as listed in the table of contents. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

The management of the Security District is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist the management of the Security District in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

As permitted under the requirements of Louisiana Revised Statute 24:513, the District has not adopted the provision of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Government*, as of and for the year ended December 31, 2014. The effects of this departure from generally accepted accounting principles have not been determined.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusion about the Security District's financial position and changes in fund balance. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The supplementary information contained on page 9 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and, accordingly, do not express an opinion or provide any assurance on such supplementary information.

*Pedhazore & Co., LLP*

June 11, 2015

**Section II**

**Financial Statements – Governmental Funds**

# Upper Hurstville Security District

## Balance Sheet

December 31, 2014

### Assets

Cash	\$ 1,444
Receivables - Due from Board of Liquidation, City Debt	132,100
Prepaid expenses	<u>436</u>
Total assets	<u>\$ 133,980</u>

### Liabilities And Fund Balance

Refundable parcel fees	\$ 16,490
Accounts payable	<u>7,105</u>
Total liabilities	<u>23,595</u>
Fund balance	
Nonspendable - prepaid items	436
Unassigned	<u>109,949</u>
Total fund balance	<u>110,385</u>
Total liabilities and fund balance	<u>\$ 133,980</u>

See independent accountant's compilation report.

**Upper Hurstville Security District**  
**Statement Of Revenues, Expenditures And**  
**Changes In Fund Balance**  
For The Year Ended December 31, 2014

<b>Revenues</b>	
Parcel Fees (net of collection fees)	\$ 152,479
Interest earned	<u>497</u>
 Total revenues	 <u>152,976</u>
 <b>Expenditures</b>	
Patrol and security services	169,491
Administration and office	9,686
Insurance	2,190
Project NOLA camera incentive	2,000
Signage	<u>1,610</u>
 Total expenditures	 <u>184,977</u>
 <b>Net Change In Fund Balance</b>	 <b>(32,001)</b>
 Fund Balance At Beginning Of Year	 <u>142,386</u>
 <b>Fund Balance At End Of Year</b>	 <b><u>\$ 110,385</u></b>

See independent accountant's compilation report.



**Upper Hurstville Security District**  
**Statements Of Revenues, Expenditures, And**  
**Changes In Fund Balance**  
**Budget And Actual - General Fund**  
**For The Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u>	<u>%</u> <u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable</u> <u>(Unfavorable)</u>	
<b>Revenues</b>					
Parcel fees (net of fees)	\$ 153,584	\$ 153,584	\$ <b>152,479</b>	\$ (1,105)	
Interest earned	<u>456</u>	<u>456</u>	<u><b>497</b></u>	<u>41</u>	
Total Revenues	<u>154,040</u>	<u>154,040</u>	<u><b>152,976</b></u>	<u>(1,064)</u>	-0.7
<b>Expenditures</b>					
Patrol and security services	165,000	165,000	<b>169,491</b>	(4,491)	
Administration and office	12,250	12,250	<b>9,686</b>	2,564	
Insurance	2,200	2,200	<b>2,190</b>	10	
Project NOLA camera incentive	24,000	24,000	<b>2,000</b>	22,000	
Signage	<u>-</u>	<u>-</u>	<u><b>1,610</b></u>	<u>(1,610)</u>	
Total Expenditures	<u>203,450</u>	<u>203,450</u>	<u><b>184,977</b></u>	<u>18,473</u>	9.1
<b>Net Change In Fund Balance</b>	(49,410)	(49,410)	<b>(32,001)</b>	17,409	
Fund Balance At Beginning Of Year	<u>128,239</u>	<u>142,386</u>	<u><b>142,386</b></u>	<u>-</u>	
<b>Fund Balance At End Of Year</b>	<u>\$ 78,829</u>	<u>\$ 92,976</u>	<u><b>\$ 110,385</b></u>	<u>\$ 17,409</u>	

See independent accountant's compilation report.

## Supplementary Information

**Upper Hurstville Security District**  
**New Orleans, Louisiana**  
Supplementary Information  
For The Year Ended December 31, 2014

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 President, Mr. Patrick Talley (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 independent accountant's compilation report.

**Other Schedules**

**Upper Hurstville Security District**  
Summary Schedule Of Current And Prior Year Findings  
For The Year Ended December 31, 2014

Current Year Findings:

Section I – Compilation

There were no findings noted for the year ended December 31, 2014.

Section II – Management Letter

Finding 2014-1: Consideration for a Cooperative Endeavor Agreement in conjunction with Camera Rebate Program.

Refer to management letter (contained herein pages 12-13) for details of finding and management’s responses.

Status: *Resolved.*

Prior Year Findings:

Section I – Compilation

There were no findings noted for the year ended December 31, 2013.

Section II – Management Letter

Finding 2013-1: Revenue and Budgetary Monitoring

Condition: Refundable parcel fees are included as a liability in the financial statements due to an error in 2009 by the City of New Orleans in the collection and distribution of parcel fees paid in excess of those belonging to the Security District.

Status: *Resolved.* Security District discussions with the City indicate that the City is maintaining a listing of parcel fees erroneously collected and distributed, along with those refunds still to be repaid and those refunded. The Security District has indicated that beginning in January of 2015, the City began withholding current parcel fee collections in order to offset prior erroneous distributions to the District.

# PEDELAHORE & CO., LLP

*Certified Public Accountants*

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MEMBER  
AMERICAN INSTITUTE OF CPA'S  
SOCIETY OF LOUISIANA CPA'S

June 11, 2015

Board of Commissioners  
Upper Hurstville Security District  
5500 Prytania St., Box106  
New Orleans, Louisiana 70115

Dear Commissioners:

We have performed our compilation of Upper Hurstville Security District's basic financial statements as of and for the year ended December 31, 2014. In conjunction with our compilation engagement we have the following information to report to you.

## **Finding 2014-1: Consideration for a Cooperative Endeavor Agreement in conjunction with Camera Rebate Project**

**Condition:** The Upper Hurstville Security District (the Security District) has recently established a project which provides for a partial rebate to residents/businesses of the district upon purchase of a security camera that is monitored by Project NOLA. This partial rebate is limited to the 1<sup>st</sup> and 2<sup>nd</sup> purchasers on each block, and is subject to specified conditions and agreements.

**Recommendation:** We suggest that management consider seeking an Attorney General Opinion as to whether a CEA (Cooperative Endeavor Agreement) is needed in addition to the current agreements and conditions already in place, to ensure compliance with Article VII, Sec. 14 of the LA Constitution concerning the expenditures (i.e. rebates) in connection with this project.

**Management's Response:** Management disagrees that Article VII, Sec. 14 of the LA Constitution is applicable here in that there are no violations of state or federal law and there are no weaknesses in internal control material to the financial statements.

Management does not consider the camera rebates to be loans, pledges, or donations. The purpose of the ProjectNOLA/camera rebate comports with the purpose of the Security District, in that the cameras enhance the overall security and protection of all of the residents within the Security District. As defined in Act No. 148, "The district is established for the primary object and purpose of promoting and encouraging security in the area included within the district and promoting and encouraging the overall betterment of the district."

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The requirements to qualify for the rebate include (1) the camera be pointed toward the public streets and sidewalks, and (2) the footage is available for law enforcement. Additionally, Management has ensured against default by requiring the completed purchase and installation of the cameras be inspected by a UHSD commissioner for approval prior to issuance of any rebate. With these requirements, Management's opinion is that the cost of the rebate (\$100-200) is low enough to offset the community benefit for at least a year.

For the reasons listed herein, Management does not feel a Cooperative Endeavor Agreement or an Attorney General Opinion is necessary. Management will however, review its records to ensure inclusion of sufficient support that all requirements are met for each rebate issued.

We would be pleased to further discuss these comments and recommendations with you.

Sincerely,

A handwritten signature in cursive script that reads "Pedelahore & Co., LLP".

Pedelahore & Co., LLP  
Certified Public Accountants