

ANNUAL FINANCIAL REPORT
MID-CITY SECURITY DISTRICT
NEW ORLEANS, LOUISIANA
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2018



ERICKSEN KRENTEL^{LLP}
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Mid-City Security District

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of Mid-City Security District (the District), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Louisiana Governmental Audit Guide* 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 we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



To the Members of the Board
Mid-City Security District
June 19, 2019

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of Mid-City Security District, as of December 31, 2018, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 7 and page 19 be presented to supplement the basic financial statements. Such information, although not a 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 for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of compensation, benefits, and other payments to agency head is presented for purposes of additional analysis as required by Act 706 of the 2014 Louisiana Legislative Session and is not a required part of the basic financial statements.



To the Members of the Board
Mid-City Security District
June 19, 2019

The schedule of compensation, benefits, and other payments to agency head is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, and other payments to agency head is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated **June 19, 2019**, on our consideration of Mid-City Security District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mid-City Security District's internal control over financial reporting and compliance.

June 19, 2019
New Orleans, Louisiana

Certified Public Accountants

REQUIRED SUPPLEMENTARY INFORMATION

MID-CITY SECURITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2018

As financial management of Mid-City Security District (the District), we offer readers of these financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ending December 31, 2018. This discussion and analysis is designed to assist the reader on focusing on the significant financial issues and activities and to identify any significant changes in financial position. We encourage readers to consider the information presented here in conjunction with the audited financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The assets of the District exceeded its liabilities by \$435,873 at December 31, 2018. The net position increased by \$24,070 from the previous year. All of the District's net position is restricted for crime prevention and security in the District.

The District's total revenues increased to \$1,037,372 from \$1,035,563. Expenditures for the relevant period increased to \$1,013,302 from \$970,415.

Included in the District's total revenue was interest earned on bank accounts and/or certificates of deposits in the amount of \$6,012 and \$6,513 during the years ended December 31, 2018 and 2017.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Management's Discussion and Analysis introduces the District's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The District also includes in this report required additional supplemental information.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The District's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the District's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the Statement of Net Position. This is the government-wide statement of position presenting information that includes all of the District's assets and liabilities, with the difference reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating.

The second government-wide statement is the Statement of Activities, which reports how the District's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid.

The government-wide financial statements are presented on pages 8 & 9 of this report.

MID-CITY SECURITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2018

FUND FINANCIAL STATEMENTS

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the District's most significant funds rather than the District as a whole.

Governmental funds are reported in the fund financial statements and encompass the same function reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the District's governmental funds, including object classifications. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 10 – 13 of this report.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 14 of this report.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budgetary comparison schedules for the general fund. Required supplemental information can be found on page 19 of this report.

FINANCIAL ANALYSIS

Net position may serve, over time, as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$435,873. The following table provides a summary of the District's net position:

MID-CITY SECURITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2018

SUMMARY OF NET POSITION
AS OF DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Current and other assets	\$ 458,318	\$ 459,713
Total assets	<u>458,318</u>	<u>459,713</u>
Current liabilities	<u>22,445</u>	<u>47,910</u>
Total liabilities	<u>22,445</u>	<u>47,910</u>
Net position:		
Restricted	<u>435,873</u>	<u>411,803</u>
Total net position	<u>\$ 435,873</u>	<u>\$ 411,803</u>

The District's cash balance increased as of December 31, 2018 mainly due to a decrease in parcel fees receivable of \$9,666 and net income of \$24,069. This also contributed to an increase in the District's total net position as of December 31, 2018. All of the District's net position is restricted for crime prevention and security within the District.

CHANGE IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Revenues:		
Parcel fees	\$ 1,031,360	\$ 1,029,050
Interest	<u>6,012</u>	<u>6,513</u>
Total revenues	<u>1,037,372</u>	<u>1,035,563</u>
Expenses:		
Crime prevention and security	<u>1,013,302</u>	<u>970,415</u>
Total expenses	<u>1,013,302</u>	<u>970,415</u>
Increase (decrease) in net position	<u>\$ 24,070</u>	<u>\$ 65,148</u>
Ending net position	<u>\$ 435,873</u>	<u>\$ 411,803</u>

Parcel fees increased by \$2,310 in 2018 as compared to 2017. Expenses for the District increased by \$42,887 in 2018 as compared to 2017. The expenses were higher in 2018 mainly due to the purchase of a new vehicle.

MID-CITY SECURITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2018

BUDGETARY HIGHLIGHTS

During the year ended December 31, 2018, revenues were less than the amounts included in the budget, resulting in an unfavorable variance of (3.26%) or (\$34,315). During the year ended December 31, 2018, expenditures were less than the amounts included in the budget, resulting in a favorable variance of 1.64% or \$17,253.

ECONOMIC FACTORS AND A LOOK AT NEXT YEAR

The District's tax base has remained relatively stable over the past ten years with its first increase in fees of 10% in 2016. The District remains committed to promoting and encouraging the security in the area included within the district in the City of New Orleans. The District is to serve the citizens through collaboration and transparency on behalf of the great state of Louisiana and Mid-City New Orleans and is committed to fiscal responsibility and maintaining the trust from the citizens with their tax dollars.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Ms. Becker Rutledge, Mid-City Security District, 111 Veterans Blvd., Suite 407, Metairie, LA 70005.

BASIC FINANCIAL STATEMENTS

MID-CITY SECURITY DISTRICT
NEW ORLEANS, LOUISIANA
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2018

	<u>Governmental Activities</u>
<u>ASSETS:</u>	
Cash and cash equivalents	\$ 425,131
Receivables	19,687
Prepaid insurance	<u>13,500</u>
Total assets	<u>458,318</u>
 <u>LIABILITIES:</u>	
Accounts payable	<u>22,445</u>
Total liabilities	<u>22,445</u>
 <u>NET POSITION:</u>	
Restricted for crime prevention and security	<u>435,873</u>
Total net position	<u><u>\$ 435,873</u></u>

The accompanying notes are an integral part of this statement

MID-CITY SECURITY DISTRICT
NEW ORLEANS, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues Charges for Services</u>	<u>Net (Expense) Revenues and Change in Net Position</u>
<u>Governmental activities:</u>			
Crime prevention and security	\$ 1,013,302	\$ 1,031,360	\$ 18,058
		General revenues:	
		Interest income	6,012
		Total general revenues	6,012
		Change in net position	24,070
		Net position - beginning	411,803
		Net position - ending	\$ 435,873

The accompanying notes are an integral part of this statement

MID-CITY SECURITY DISTRICT
NEW ORLEANS, LOUISIANA
BALANCE SHEET - GOVERNMENTAL FUND
AS OF DECEMBER 31, 2018

	<u>General Fund</u>
<u>ASSETS:</u>	
Cash and cash equivalents	\$ 425,131
Receivables, net	19,687
Prepaid insurance	<u>13,500</u>
 Total assets	 <u>\$ 458,318</u>
 <u>LIABILITIES:</u>	
Accounts payable	<u>\$ 22,445</u>
 Total liabilities	 <u>22,445</u>
 <u>FUND BALANCE:</u>	
Nonspendable: prepaid expenses	13,500
Restricted for crime prevention and security	<u>422,373</u>
 Total fund balance	 <u>435,873</u>
 Total liabilities and fund balance	 <u>\$ 458,318</u>

The accompanying notes are an integral part of this statement

MID-CITY SECURITY DISTRICT
NEW ORLEANS, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2018

Fund balance - governmental fund	\$ 435,873
Amounts reported for governmental activities in the Statement of Net Position are different because:	
There are no differences.	<u> -</u>
Net position of governmental activities	<u>\$ 435,873</u>

The accompanying notes are an integral part of this statement

MID-CITY SECURITY DISTRICT
NEW ORLEANS, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>General Fund</u>
<u>REVENUES:</u>	
Parcel fees	\$ 1,031,360
Interest income	<u>6,012</u>
Total revenues	<u>1,037,372</u>
<u>EXPENDITURES:</u>	
General Government:	
Patrol and security services	926,744
Police cars and equipment	37,731
Insurance	19,946
Operations	4,485
Accounting and legal fees	14,185
City collection fee	<u>10,211</u>
Total expenditures	<u>1,013,302</u>
Excess of revenues over expenditures	24,070
FUND BALANCE, BEGINNING	<u>411,803</u>
FUND BALANCE, ENDING	<u><u>\$ 435,873</u></u>

The accompanying notes are an integral part of this statement

MID-CITY SECURITY DISTRICT
NEW ORLEANS, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

Net change in fund balance - government fund	\$	24,070
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p> <p>There are no differences.</p>		
		-
Change in net position of governmental activities	\$	24,070

The accompanying notes are an integral part of this statement

MID-CITY SECURITY DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Mid-City Security District (the District) was created as a public body by Acts of the Louisiana Legislature, 2008, No. 925, La. R.S. 33:9091.14 to aid in crime prevention and to add to the security of District residences by providing for an increase in the presence of law enforcement personnel in the District. The Board of Commissioners is constituted by five (5) appointed members. The Mid-City Neighborhood Organization shall appoint four members, one of whom shall be from the City Park Triangle. The Parkview Neighborhood Association shall appoint one member. All members appointed shall be qualified voters and residents of the District. Board members appointed serve three-year terms. Board members are not compensated or reimbursed for expenses.

The District services all parcels located in the geographic area it serves. The District has no paid employees and contracts with the City of New Orleans for on-duty police officers for patrolling.

The governing authority of the City of New Orleans is authorized to impose and collect a parcel fee within the District. For these services, the City of New Orleans imposes a 1% collection fee based on the gross amount of the parcel fee collected. The amount of the parcel fee is determined by an adopted resolution of the board of commissioners of the District. The fee shall be a flat fee per improved parcel of land not less than \$200 and not to exceed \$250 per year for each improved residential parcel and not less than \$300 and not to exceed \$375 for each improved commercial parcel. The enabling legislation authorizing the fee expires on December 31, 2019, but can be extended by an act of the Legislature.

Basis of Presentation

The accompanying general-purpose financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental and financial reporting principles. The more significant government accounting principles are described below.

Basic Financial Statements – Government-Wide Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. There were no activities of the District categorized as a business type activity.

MID-CITY SECURITY DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements – Government-Wide Statements (continued)

The government-wide Statement of Activities reports both the gross and the net cost of the District's function. The Statement of Activities reduces gross expenses by related program revenues and charges for services. Program revenues must be directly associated with the function.

The District does not allocate indirect costs.

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Parcel fees are recognized as revenues in the year for which they are levied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible with the current period or soon enough to pay liabilities of the current period. For this purpose, the government considers revenue to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

The District reports the General Fund only. The General Fund is the entity's primary operating fund. It accounts for all financial resources of the entity except those required to be accounted for in another fund.

Cash and Cash Equivalents

Cash includes 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.

MID-CITY SECURITY DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018

(1) **NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Receivables

The financial statements of the District contain no allowance for doubtful receivables. Uncollectible receivables, including amounts due from other government units, are charged directly against earnings when they are determined to be uncollectible. Management is of the opinion that there will be no material losses on the collection of receivables.

Equity Classifications

In the government-wide financial statements, equity is classified as net position and displayed in three components:

- a. Invested in capital, net of related debt – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any debt that is attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – consists of assets that are restricted by the District's creditors, by the state enabling legislation, by grantors, and by other contributors.
- c. Unrestricted net position – consists of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Governmental fund equity is classified as fund balance. In the governmental fund financial statements, fund balances are classified as follows:

- a. Nonspendable – amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of state, local or federal awards or externally imposed conditions by grantors or creditors.
- c. Committed – amounts that can be used for specific purposes determined by formal action by an ordinance or resolution.
- d. Assigned – amounts that are designated by the formal action of the government's highest level of decision making authority.
- e. Unassigned – amounts not included in other classifications.

MID-CITY SECURITY DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity Classifications (Continued)

The Board of Commissioners, as the highest level of decision-making authority, can establish, modify or rescind a fund balance commitment. For assigned fund balance the Board authorizes management to assign amounts for a specific purpose.

When both restricted and unrestricted fund balances are available for use, it is the District's policy to use restricted resources first, then unrestricted as needed. When committed, assigned or unassigned fund balances are available for use, it is the District's policy to use committed resources first, then assigned resources and unassigned resources as they are needed.

Use of Estimates

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

Subsequent Events

Subsequent events have been evaluated through June 19, 2019, which is the date the financial statements were available to be issued.

Reconciliations of Government-Wide and Fund Financial Statements

There are no differences between the government-wide and fund financial statements.

(2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budget

In accordance with the Louisiana Local Government Budget Act, the procedures used by the District in establishing the budgetary data reflected in the financial statements include public notices of the proposed budget, public inspections and public hearings. The District then legally adopts the budget. Budgeted amounts for the general fund included in the accompanying statements are as amended by the District for the year 2018.

The budget is prepared on the cash basis of accounting. Because the legally prescribed budgetary basis differs materially from generally accepted accounting principles, actual amounts in the accompanying budgetary comparison statements are presented on the budgetary basis.

MID-CITY SECURITY DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018

(3) CASH AND CASH EQUIVALENTS

Cash and deposits are categorized into three categories of credit risk.

Category 1 includes deposits covered by federal depository insurance or by collateral held by the District or its agent, in the District's name.

Category 2 includes deposits covered by collateral held by the pledging financial institution's trust department, or its agent in the District's name.

Category 3 includes deposits covered by collateral held by the pledging financial institution, or its trust department or agent but not in the District's name, and deposits which are uninsured or uncollateralized.

At December 31, 2018, the carrying amount and the bank balances of deposits of the District are summarized as follows:

	Bank Balances Category			Book Balance
	1	2	3	
Cash	\$ 250,000	\$ 175,131	\$ -	\$ 425,131

Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledges 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 should be held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of December 31, 2018, the District was not exposed to custodial credit risk.

(4) LITIGATION AND CLAIMS

At December 31, 2018, the District was not involved in litigation nor is the District aware of any unasserted claims.

**REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN
MANAGEMENT'S DISCUSSION AND ANALYSIS**

MID-CITY SECURITY DISTRICT
NEW ORLEANS, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET TO ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Actual</u>	<u>*Adjustment to Budgetary Basis Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Final Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<u>REVENUES:</u>					
Parcel fees	\$ 1,031,360	\$ (19,687)	\$ 1,011,673	\$ 1,048,000	\$ (36,327)
Interest	6,012	-	6,012	4,000	2,012
Total revenues	<u>1,037,372</u>	<u>(19,687)</u>	<u>1,017,685</u>	<u>1,052,000</u>	<u>(34,315)</u>
<u>EXPENDITURES:</u>					
Patrol and security services	926,744	(21,478)	905,266	1,000,000	94,734
Police cars and equipment	37,731	-	37,731	-	(37,731)
Insurance	19,946	-	19,946	20,000	54
Operations	4,485	-	4,485	5,000	515
Accounting and legal fees	14,185	(967)	13,218	13,000	(218)
City collection fee	10,211	-	10,211	10,000	(211)
Misc Unanticipated Expenses	-	-	-	5,000	5,000
Total expenditures	<u>1,013,302</u>	<u>(22,445)</u>	<u>990,857</u>	<u>1,053,000</u>	<u>62,143</u>
Excess (deficiency) of revenues over expenditures	24,070	<u>\$ 2,758</u>	<u>\$ 26,828</u>	<u>\$ (1,000)</u>	<u>\$ 27,828</u>
FUND BALANCE, BEGINNING	<u>411,803</u>	<u>-</u>	<u>671,877</u>		
FUND BALANCE, ENDING	<u>\$ 435,873</u>	<u>\$ 2,758</u>	<u>\$ 698,705</u>		

*Note: The budget is prepared on the cash basis of accounting. Because the legally prescribed budgetary basis differs materially from generally accepted accounting principles, actual amounts in the accompanying budgetary comparison statements are presented on the budgetary basis.

(See Independent Auditors' Report)

OTHER SUPPLEMENTARY INFORMATION

MID-CITY SECURITY DISTRICT
NEW ORLEANS, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2018

Jim
Olsen

Time served

01/01/18
through
12/31/18

There were no payments to the agency head during 2018.

**OTHER REPORTING REQUIRED BY
GOVERNMENT AUDITING STANDARDS**



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Commissioners
Mid-City Security District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of Mid-City Security District as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise Mid-City Security District's basic financial statements, and have issued our report thereon dated June 19, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Mid-City Security District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Mid-City Security District's internal control. Accordingly, we do not express an opinion on the effectiveness of Mid-City Security District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



To the Members of the Board
Mid-City Security District
June 19, 2019

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

June 19, 2019
New Orleans, Louisiana

A handwritten signature in black ink that reads "Ericksen Krentel, LLP".

Certified Public Accountants

MID-CITY SECURITY DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2018

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unmodified opinion on the financial statements of Mid-City Security District.
2. No significant deficiencies or material weaknesses were disclosed during the audit as reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance were disclosed during the audit as reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
4. A management letter was not issued for the year ended December 31, 2018.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

No current year findings.

MID-CITY SECURITY DISTRICT
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2018

INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FINANCIAL STATEMENTS

2017-001 Non-Compliance with Louisiana Law over the Notice of a Fraud Hotline

During our testing, we noted that the District failed to comply with the requirements of Louisiana R.S. 24:523.1, which states that a link prepared by the Louisiana Legislative Auditor containing information for the reporting of any misappropriation, fraud, waste, or abuse of public funds should be posted on the website of the District.

Corrective action was taken by the District and is corrected in the current year.

MANAGEMENT LETTER ITEMS

2017-002 Enact Comprehensive Written Policies and Procedures

During our testing, we noted that the District failed to comply with requirements of the Statewide Agreed-Upon Procedures in that it did not have formalized, written policies for certain required accounting procedures and controls.

Corrective action was taken by the District and is corrected in the current year.

MID-CITY SECURITY DISTRICT
NEW ORLEANS, LOUISIANA
STATEWIDE AGREED-UPON PROCEDURES
FOR THE YEAR ENDED
DECEMBER 31, 2018



ERICKSEN KRENTEL^{LLP}
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS



INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Members of the Board
Mid-City Security District

We have performed the procedures enumerated below, which were agreed to by Mid-City Security District (the District) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the year ended December 31, 2018. The District's management is responsible for those C/C areas identified in the SAUPs. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are detailed in Schedule "1."

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. 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 those C/C areas identified in the SAUPs. 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.

This report is intended solely for the information and use of the specified parties and is not intended to be and should not be used by anyone other than those specified parties. The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, 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 LLA as a public document.

June 19, 2019
New Orleans, Louisiana


Certified Public Accountants

MID-CITY SECURITY DISTRICT
AGREED-UPON PROCEDURES
DECEMBER 31, 2018

WRITTEN POLICIES AND PROCEDURES

1. **Procedures:** Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) Budgeting, including preparing, adopting, monitoring, and amending the budget.
 - b) Purchasing, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) Disbursements, including processing, reviewing, and approving.
 - d) Receipts/Collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - e) Payroll/Personnel, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
 - f) Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - g) Credit Cards (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
 - h) Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - i) Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

MID-CITY SECURITY DISTRICT
AGREED-UPON PROCEDURES (CONTINUED)
DECEMBER 31, 2018

- j) Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Results: The District's policies adequately address each of the applicable areas. We noted that policies regarding payroll, credit cards, travel and expense reimbursement, and debt service are not applicable due to the nature of the entity.

BOARD (OR FINANCE COMMITTEE, IF APPLICABLE)

2. **Procedures:** Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Results: Not applicable due to no exceptions being found in the prior year testing.

MID-CITY SECURITY DISTRICT
AGREED-UPON PROCEDURES (CONTINUED)
DECEMBER 31, 2018

BANK RECONCILIATIONS

3. **Procedures:** Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
- Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: Obtained a listing of client bank accounts from management and management's representation that the listing was complete. There was no evidence of approval on the reconciliation selected. There was one reconciling item that was outstanding for more than six months, which was researched by the District and removed as of year-end 2018.

COLLECTIONS

4. **Procedures:** Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Results: Not applicable due to no exceptions being found in the prior year testing.

5. **Procedures:** For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
- Employees that are responsible for cash collections do not share cash drawers/registers.
 - Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

MID-CITY SECURITY DISTRICT
AGREED-UPON PROCEDURES (CONTINUED)
DECEMBER 31, 2018

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

Results: Not applicable due to no exceptions being found in the prior year testing.

- 6. **Procedures:** Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Results: Not applicable due to no exceptions being found in the prior year testing.

- 7. **Procedures:** Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
- e) Trace the actual deposit per the bank statement to the general ledger

Results: Not applicable due to no exceptions being found in the prior year testing.

MID-CITY SECURITY DISTRICT
AGREED-UPON PROCEDURES (CONTINUED)
DECEMBER 31, 2018

NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES/PAYMENTS,
TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES)

8. **Procedures:** Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Results: Not applicable due to no exceptions being found in the prior year testing.

9. **Procedures:** For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments:

Results: Not applicable due to no exceptions being found in the prior year testing.

10. **Procedures:** For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
- a) Observe that the disbursement matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Results: Not applicable due to no exceptions being found in the prior year testing.

MID-CITY SECURITY DISTRICT
AGREED-UPON PROCEDURES (CONTINUED)
DECEMBER 31, 2018

CREDIT CARDS/DEBIT CARDS/FUEL CARDS/P-CARDS

11. **Procedures:** Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Results: Not applicable, the District does not use credit cards, bank debit cards, fuel cards or P-cards.

12. **Procedures:** Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.

Results: Not applicable, the District does not use credit cards, bank debit cards, fuel cards or P-cards.

13. **Procedures:** Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Results: Not applicable, the District does not use credit cards, bank debit cards, fuel cards or P-cards.

MID-CITY SECURITY DISTRICT
AGREED-UPON PROCEDURES (CONTINUED)
DECEMBER 31, 2018

TRAVEL AND TRAVEL-RELATED EXPENSE REIMBURSEMENTS

14. **Procedures:** Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: Not applicable, the District does not have any travel or expense reimbursements.

CONTRACTS

15. **Procedures:** Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Results: Not applicable due to no exceptions being found in the prior year testing.

MID-CITY SECURITY DISTRICT
AGREED-UPON PROCEDURES (CONTINUED)
DECEMBER 31, 2018

PAYROLL AND PERSONNEL

16. **Procedures:** Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Results: Not applicable, the District does not have any employees.

17. **Procedures:** Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Results: Not applicable, the District does not have any employees.

18. **Procedures:** Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

Results: Not applicable, the District does not have any employees.

19. **Procedures:** Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines:

Results: Not applicable, the District does not have any employees.

MID-CITY SECURITY DISTRICT
AGREED-UPON PROCEDURES (CONTINUED)
DECEMBER 31, 2018

ETHICS

20. **Procedures:** Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Results: Not applicable, the District does not have any employees.

DEBT SERVICE

21. **Procedures:** Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

Results: Not applicable, the District does not have any bonds or notes issued during the period.

22. **Procedures:** Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants

Results: Not applicable, the District does not have any outstanding bonds or notes.

MID-CITY SECURITY DISTRICT
AGREED-UPON PROCEDURES (CONTINUED)
DECEMBER 31, 2018

OTHER

23. **Procedures:** Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Results: Not applicable due to no exceptions being found in the prior year testing.

24. **Procedures:** Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results: Notice is posted on the website of the District.