

Twinbrook Security District
New Orleans, Louisiana

Annual Financial Statements And
Report On Applying Agreed-Upon Procedures

For The Year Ended December 31, 2017

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Required Supplementary Information (Part 1)

Twinbrook Security District
New Orleans, Louisiana

Management's Discussion And Analysis
For The Year Ended December 31, 2017

Our discussion and analysis of the Twinbrook Security District's (the "Security District's") financial performance provides an overview of the financial activities for the fiscal year ended December 31, 2017. 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 \$3,977 and resulted in ending net position of \$245,993, or an increase of 1.6%.
- Revenues increased by \$1,906 in relation to the prior year, and expenses (or spending) increased \$4,699, mainly due to increased patrol costs.
- The interest earned on bank savings accounts and funds held in custody (at the Board of Liquidation, City Debt) was \$753 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 other supplementary and 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.

Twinbrook Security District
New Orleans, Louisiana

Management's Discussion And Analysis
For The Year Ended December 31, 2017

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.

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 Security 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, 2017 And 2016

	<u>2017</u>	<u>2016</u>
Current and other assets		
Total assets	<u>\$ 275,084</u>	<u>\$ 264,851</u>
Current liabilities		
Total liabilities	<u>29,091</u>	<u>22,835</u>
Net position		
Unrestricted	<u>245,993</u>	<u>242,016</u>
Total Net Position	<u>\$ 245,993</u>	<u>\$ 242,016</u>

Unrestricted net position are assets that do not have any limitations on how these amounts may be used or expended.

Twinbrook Security District
New Orleans, Louisiana

Management's Discussion And Analysis
For The Year Ended December 31, 2017

As noted earlier, the net position of the Security District increased by \$3,977 or 1.6% during the year.

Summary Statement Of Activities
For The Years Ended December 31, 2017 And 2016

	<u>2017</u>	<u>2016</u>
Revenues	\$ 246,668	\$ 248,455
Expenditures	<u>242,691</u>	<u>237,992</u>
Change In Net Position	<u>\$ 3,977</u>	<u>\$ 10,463</u>

Revenues decreased 0.7 %, while total expenditures increased 2.0%.

Budgetary Highlights

The original budget was amended during the year to adjust the beginning fund balance to actual.

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

Revenue – Overall favorable variance of \$384, or 0.2%, due to:

- The percentage of parcel fees collected was slightly more than expected in the original budget.
- Interest earnings were slightly more than expected in original budget.

Expenditures – Overall favorable variance of \$12,169 or 4.8%, due to:

- Patrol costs were less than projected in the original budget. The original budget allowed contingencies for extra patrols or higher rates, if needed.

Twinbrook Security District
New Orleans, Louisiana

Management's Discussion And Analysis
For The Year Ended December 31, 2017

Economic Factors And Next Year's Budget And Rates

For 2018, the Security District has maintained the current fee of \$475 per parcel of real property. Expenses in 2018 are expected to remain the same relative to 2017. Overall, the Security District expects that next year's actual revenues and expenses will closely reflect the budgeted amounts.

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
Twinbrook Security District
New Orleans, Louisiana

We have reviewed the accompanying financial statements of the governmental activities of Twinbrook Security District (the Security District), as of and for the year ended December 31, 2017, 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 management'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 the state law, we have issued a report, dated June 25, 2018 on the results of our agreed-upon procedures.



New Orleans, Louisiana
June 25, 2018

Twinbrook Security District
Statement Of Net Position
December 31, 2017

	Statement A
<u>Assets</u>	
Cash	\$ 73,305
Receivables - Due from Board of Liquidation, City Debt	<u>201,779</u>
Total Assets	<u>275,084</u>
<u>Liabilities</u>	
Accounts payable	24,441
Accrued expenses	<u>4,650</u>
Total Liabilities	<u>29,091</u>
<u>Net Position</u>	
Unrestricted	<u>245,993</u>
Total Net Position	<u><u>\$ 245,993</u></u>

See accompanying notes and independent accountant's review report.

Twinbrook Security District
Statement of Activities
For The Year Ended December 31, 2017

	Statement B
Expenditures	
Patrol and security services	\$ 220,833
Administration fee	16,200
Office, telephone, mailings and events	1,236
Accounting services	3,300
Insurance	<u>1,122</u>
 Total Expenditures	 <u>242,691</u>
Revenues	
Parcel fees (net of collection fees)	245,915
Interest earned	<u>753</u>
 Total Revenues	 <u>246,668</u>
 Change In Net Position	 3,977
 Net Position At Beginning Of Year	 <u>242,016</u>
 Net Position At End Of Year	 <u>\$ 245,993</u>

See accompanying notes and independent accountant's review report.

Twinbrook Security District
Balance Sheet
General Fund - Governmental Fund
December 31, 2017

	Statement C
<u>Assets</u>	
Cash	\$ 73,305
Receivables - Due from Board of Liquidation, City Debt	<u>201,779</u>
Total Assets	<u><u>\$ 275,084</u></u>
<u>Liabilities And Fund Balance</u>	
Accounts payable	\$ 24,441
Accrued expenses	<u>4,650</u>
Total Liabilities	<u>29,091</u>
Fund balance - unassigned	<u>245,993</u>
Total Liabilities And Fund Balance	<u><u>\$ 275,084</u></u>

See accompanying notes and independent accountant's review report.

Twinbrook Security District
Reconciliation Of The Governmental Funds Balance Sheet
To The Government - Wide Statement Of Net Position
December 31, 2017

	Statement D
Fund Balance - Governmental Fund (Statement C)	\$ 245,993
Amounts 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>\$ 245,993</u>

See accompanying notes and independent accountant's review report.

Twinbrook Security District
Statement Of Revenues, Expenditures, And Changes In Fund Balance
General Fund - Governmental Fund
For The Year Ended December 31, 2017

	Statement E
Revenues	
Parcel fees (net of collection fees)	\$ 245,915
Interest earned	<u>753</u>
Total Revenues	<u>246,668</u>
 Expenditures	
Patrol and security services	220,833
Administration fee	16,200
Office, telephone, mailings and events	1,236
Accounting services	3,300
Insurance	<u>1,122</u>
Total Expenditures	<u>242,691</u>
 Net Change In Fund Balance	 3,977
Fund Balance At Beginning Of Year	<u>242,016</u>
 Fund Balance At End Of Year	 <u><u>\$ 245,993</u></u>

See accompanying notes and independent accountant's review report.

Twinbrook Security 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, 2017

	Statement F
Net Change In Fund Balance - Governmental Fund (Statement E)	\$ 3,977
Amounts reported for governmental activities in the statement of activities (government-wide financial statements) are different because:	
There are no differences.	<div style="border-top: 1px solid black; width: 100px; margin: 0 auto;">-</div>
Change In Net Position Of Governmental Activities (Statement B)	<div style="border-bottom: 3px double black; width: 100px; margin: 0 auto;">\$ 3,977</div>

See accompanying notes and independent accountant's review report.

Twinbrook Security District
Notes To Financial Statements
For The Year Ended December 31, 2017

Note 1. Introduction

The Twinbrook Security District (the “Security District”) is a special taxing district created by Act 76 of Regular Session of 2005 of the Louisiana Legislature (Louisiana Revised Statute 33:9091.9), for the purpose of promoting and encouraging the security in the area included within 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: Jefferson Avenue (lower side only) to Danneel Street (both sides) to Valence Street (both sides) to Prytania Street (both sides) and back to the lower side of Jefferson Avenue. The Security District includes approximately 530 taxable properties.

The Security 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.

As approved by a majority of voters of the Security District in May 2006, and renewed by a vote in November 2013, the operations of the Security District have been funded beginning in 2007 by the imposition of a special parcel fee on all taxable real property within the Security District.

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.

Twinbrook Security District
Notes To Financial Statements
For The Year Ended December 31, 2017

Note 2. Summary Of Significant Accounting Policies (continued)

Reporting Entity

The Twinbrook Security 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 Twinbrook 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 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 occurs regardless of when cash is received or disbursed. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Twinbrook Security District
Notes To Financial Statements
For The Year Ended December 31, 2017

Note 2. Summary Of Significant Accounting Policies (continued)

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 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 reappropriated for the following year to be expended.

Deposits

Cash and cash equivalents include amounts in interest bearing demand deposits. 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.

Twinbrook Security District
Notes To Financial Statements
For The Year Ended December 31, 2017

Note 2. Summary Of Significant Accounting Policies (continued)

At December 31, 2017, the Security District had cash (book balances) totaling \$73,305 in demand deposits consisting of non-interest bearing checking and interest bearing savings accounts. 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 owned by the fiscal agent bank. At December 31, 2017, the Security District had \$73,305 in deposits (collected bank balance) insured by FDIC coverage.

Investments

The Security District does not have any investments other than cash invested in an interest bearing savings account. Funds held in a custodial account of the Board of Liquidation, City Debt, are invested in money market accounts, certificates of deposit, and/or full faith and credit obligations of the United States Government.

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 consist of net assets that are not legally segregated for a specific future use.

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.

Twinbrook Security District
Notes To Financial Statements
For The Year Ended December 31, 2017

Note 2. Summary Of Significant Accounting Policies (continued)

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, its Board of Commissioners, its Executive Director and any staff member have been named as additional insured under the policies maintained by the company providing the patrol services to the Security District. In addition, the District purchases insurance for director's and officer's liability coverage.

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 \$575 per improved parcel of land located within the boundaries of the Security District.

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 not to exceed \$575. 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.

Parcel fees are paid over to the Board of Liquidation, City Debt, day by day as collected. The Board of Liquidation, City Debt, serves in a custodial capacity for the Security District, and the funds collected are deposited in a special account until warranted by the Security District.

The Security District records the parcel fees as receivables and revenues in the year the taxes become due.

Twinbrook Security District
Notes To Financial Statements
For The Year Ended December 31, 2017

Note 4. Receivables – Due From Board Of Liquidation, City Debt

Receivables totaling \$201,779 at December 31, 2017, mainly comprise of funds held in a custodial account of the Board of Liquidation, City Debt. These funds, which have not been warranted by the Security District as of December 31, 2017, consist of parcel fees and interest earned on funds held in custody.

Note 5. Pension Plan

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

Note 6. Litigation And Claims

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

Note 7. Compensation Paid To Board Members And Agency Head

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

The President (agency head or chief executive officer) of the governing board of commissioners of the District serves without compensation, remuneration, benefit or otherwise.

Note 8. Other Commitments And Contingencies

The Security District has a contract/security services agreement with a company that provides guard patrol services for the protection of the property and persons located within the boundaries of the Security District.

The initial yearly contract with this company began in January 1, 2007. The February 1, 2011 renewal of the contract increased the patrol hours to 24 hours per day and decreased the hourly rate to \$23.50 per hour. The most recent contract extension that was approved by the board maintained the same hours, with an increase in rates by \$1 per hour to \$24.50 per hour beginning in September of 2015, with these hours and rates continuing through the two year contract period. Total expenditures under the contract for 2017 were \$220,833.

Twinbrook Security District
Notes To Financial Statements
For The Year Ended December 31, 2017

Note 8. Other Commitments And Contingencies (continued)

The Security District also has an agreement with an independent contractor that provides administrative and support services to the Security District. In December 2015, a one-year contract for 2016 was renewed and approved with no increase in fees. The contract is currently under an automatic monthly renewal. Total expenditures under the contract for 2017 were \$16,200.

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 June 25, 2018, the date the financial statements were available to be issued.

Required Supplementary Information (Part II)

Twinbrook Security District
Schedule Of Revenues, Expenditures, And
Changes In Fund Balance
Budget And Actual - General Fund
For The Year Ended December 31, 2017

	Budgeted Amounts		Actual Amounts	Variance	% Variance
	Original	Final		Favorable (Unfavorable)	
Revenues					
Parcel fees (net of collection fees)	\$ 245,784	\$ 245,784	\$ 245,915	\$ 131	
Interest earned	500	500	753	253	
Total Revenues	246,284	246,284	246,668	384	0.2
Expenditures					
Patrol and security services	226,760	226,760	220,833	5,927	
Extra patrol / other contingency	5,000	5,000	-	5,000	
Administration fee	14,400	14,400	16,200	(1,800)	
Office, telephone, mailings, events	4,000	4,000	1,236	2,764	
Accounting services	3,000	3,000	3,300	(300)	
Insurance	1,700	1,700	1,122	578	
Total Expenditures	254,860	254,860	242,691	12,169	4.8
Net Change In Fund Balance	(8,576)	(8,576)	3,977	12,553	
Fund Balance At Beginning Of Year	225,328	242,016	242,016	-	
Fund Balance At End Of Year	\$ 216,752	\$ 233,440	\$ 245,993	\$ 12,553	

See accompanying notes and independent accountant's review report.

Other Supplementary Information

Twinbrook Security District
New Orleans, Louisiana
Supplementary Information
For The Year Ended December 31, 2017

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, Ms. Jeanne Landry (elected in June 2017) and prior President, Ms. Lynn Alline (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
Twinbrook Security District
New Orleans, Louisiana

We have performed the procedures enumerated below, which were agreed to by Twinbrook Security 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, 2017, 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 \$154,450. 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 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.

#3 and #4 not applicable; the 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 four vendors/payees. Each board member confirmed that they and their immediate family members reviewed the listing and indicated that no "outside business interest" coincided with the vendors 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 a meeting held on September 13, 2016, which indicated that the resolution to adopt a plan and request that the City Council levy the fee for 2017, and the resolution to approve the budget for 2017, had been approved by the Board of Commissioners with no objection. A subsequent 2017 budget amendment was traced to the minutes of the June 21, 2017 Board meeting for approval.

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.

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 are 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 selected disbursements indicated that all checks were properly signed by authorized officials. Management has asserted that the supporting documentation was presented and approved at the time the checks were signed.

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 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 regular and special meetings were posted more than twenty-four hours before each meeting. Inquiry of the Executive Director revealed that the notices were posted at the office of the Security District.

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.

We inspected copies of all bank statements for the period under examination 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. Inspection of payroll records was not appropriate, as the Security District has no employees.

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. 39:71.1 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 May 25, 2017, did not include any 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 the Security District's compliance with the foregoing matters. 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.

Pedelahare & Co., LLP

New Orleans, Louisiana
June 25, 2018

Other Schedules And Information

Twinbrook Security District
Summary Schedule Of Current And Prior Year Findings
For The Year Ended December 31, 2017

We have reviewed the basic financial statements of Twinbrook Security District as of and for the year ended December 31, 2017, and have issued our report thereon dated June 25, 2018. In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have also issued a report, dated June 25, 2018, on the results of our agreed-upon procedures.

Current Year Findings:

Review Procedures

There were no findings noted for the year ended December 31, 2017.

Agreed-Upon Procedures

There were no findings noted for the year ended December 31, 2017.

Management Letter

None issued.

Prior Year Findings:

Review Procedures

There were no findings noted for the year ended December 31, 2016.

Agreed-Upon Procedures

There were no findings noted for the year ended December 31, 2016.

Management Letter

None issued.

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

____ April 19, 2018 ____ (Date Transmitted)

____ Pedelahore & Co., LLP
____ 1010 Common St., Suite 2100
____ New Orleans, LA 70112

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of December 31, 2017 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 []

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes [] No []

The previous responses have been made to the best of our belief and knowledge.

<u>Jean O'Donovan</u>	Secretary	<u>5-10-18</u>	Date
<u>Cynthia LeBret</u>	Treasurer	<u>5-10-18</u>	Date
<u>Francine Audrey Landry</u>	President	<u>5/10/18</u>	Date