

**TOURO BOULIGNY
SECURITY DISTRICT**

*FINANCIAL REPORT
February 28, 2019*

TOURO BOULIGNY SECURITY DISTRICT

TABLE OF CONTENTS

February 28, 2019

	<u>Page</u>
INDEPENDENT ACCOUNTANTS' REVIEW REPORT	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3-4
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	5
STATEMENT OF ACTIVITIES	6
FUND FINANCIAL STATEMENTS	
BALANCE SHEET – GENERAL FUND	7
RECONCILIATION OF THE BALANCE SHEET – GENERAL FUND TO THE STATEMENT OF NET POSITION	8
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – GENERAL FUND	9
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – GENERAL FUND TO THE STATEMENT OF ACTIVITIES	10
NOTES TO THE FINANCIAL STATEMENTS	11-16
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL.....	17
OTHER SUPPLEMENTAL INFORMATION	
SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS AND SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD.....	18
OTHER REPORTS	
INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED- UPON PROCEDURES	19-22
LOUISIANA ATTESTATION QUESTIONNAIRE	23-25
CURRENT YEAR FINDINGS	26-27
PRIOR YEAR FINDINGS	28

Kushner LaGraize, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

S. DAVID KUSHNER*, CPA, CRFAC
WILSON A. LaGRAIZE, JR., CPA/CFF, CRFAC
ERNEST G. GELPI, CPA, CGFM
CRAIG M. FABACHER, CPA
DOUGLAS W. FINEGAN, CPA, CVA
*A Professional Accounting Corporation

MARY ANNE GARCIA, CPA
WILLIAM B. HAMILTON, CPA
KATHARINE M. LASSITER, CPA
RICHARD J. RUMNEY, CPA

Members
American Institute of CPA's
Society of Louisiana CPA's

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Commissioners of
Touro Bouligny Security District
New Orleans, Louisiana

We have reviewed the accompanying financial statements of the Touro Bouligny Security District (the District), as of and for the year ended February 28, 2019, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of 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.

Accountants' 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.

Accountants' 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 the management's discussion and analysis and budgetary comparison information on pages 3 through 4 and 17, respectively, be presented to supplement the basic financial statements. Such information, although not a required part of the 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. The information is the representation of management. We have not audited or reviewed such required supplementary information, and, accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on it.

Other Information

Our review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. The supplementary information included in the accompanying Schedule of Compensation Paid to Board Members and Schedule of Compensation, Benefits, and Other Payments to Agency Head is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and we did not become aware of any material modifications that should be made to such information.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report dated August 21, 2019 on the results of our agreed-upon procedures on pages 19 through 22.

Kushner LaGraize, L.L.C.

Metairie, Louisiana
August 21, 2019

TOURO BOULIGNY SECURITY DISTRICT

Management's Discussion and Analysis

February 28, 2019

The Management's Discussion and Analysis (MD&A) for the Touro Bouligny Security District (the District) is designed to:

- Assist the reader in focusing on significant financial issues;
- Provide an overview of the District's financial activities;
- Identify changes in the District's financial position and results of operations and assist the user in determining whether financial position has improved or deteriorated as a result of the year's operations;
- Identify any significant variations from the original, amended, and final budget amounts and include any currently known reasons for any variations that are expected to have a significant effect on further services or liquidity; and
- Identify other significant issues.

The information contained herein should be read in conjunction with the financial statements, notes thereto, and other required supplementary information taken as a whole.

The MD&A is required supplementary information that introduces the reader to the general purpose financial statements and provides an overview of the District's financial activities, The District's statement of net position, statement of activities, and the notes to financial statements.

FINANCIAL ANALYSIS OF THE DISTRICT

The District's total assets decreased by \$15,718 from 2018 to 2019 due to decreased payables and a decrease of cash at year end. The District's assets exceeded their liabilities by \$490,158 as of February 28, 2019. There was an increase in net position of \$1,008.

The interest earned on funds held in custody (at the Board of Liquidation, City Debt) was \$6,063.

TOURO BOULIGNY SECURITY DISTRICT

Management's Discussion and Analysis - Continued

February 28, 2019

BUDGETARY HIGHLIGHTS

Using the prior years' experience, the District concluded that the tax collected would be reliable and took action to enhance the security services provided.

In the eleventh year of operations, budgeted revenues exceeded the actual revenues due to the budget not being amended.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

At the present time, no known issues are expected to have a significant impact on future operations. Property assessments are expected to gain value in the year that will add to a possible increase in realized revenues. In addition, the District has complied with all Louisiana Ethics Laws and Parliamentary Procedures during the 2019 fiscal year when conducting the business of the District.

ORIGINAL VS. REVISED BUDGET

The District adopts an annual operating budget including proposed expenditures and anticipated parcel fee collections.

The District's actual revenues of \$286,663 were less than the final budget by \$40,977 due to the budget not being amended. The District's actual expenditures of \$285,655 were less than the final budget by \$115,929.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This report is designed to provide our clients of the District and others with a general overview of the District's finances and to show the District's accountability for funds received.

Questions regarding this report and requests for additional information may be directed to David Zapletal, District President, 4310 Prytania Street, New Orleans, Louisiana 70115.

TOURO BOULIGNY SECURITY DISTRICT

STATEMENT OF NET POSITION

February 28, 2019

ASSETS	
Cash	\$ 17,207
Receivables - due from the Board of Liquidation, City Debt	<u>480,343</u>
TOTAL ASSETS	<u>\$ 497,550</u>
LIABILITIES AND NET POSITION	
LIABILITIES	
Accounts payable	\$ 7,392
NET POSITION - RESTRICTED	<u>490,158</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 497,550</u>

TOURO BOULIGNY SECURITY DISTRICT

STATEMENT OF ACTIVITIES

For The Year Ended February 28, 2019

	<u>Expenses</u>	<u>Program Revenues Charges for Services</u>	<u>Net (Expenses) Revenues and Changes in Net Position</u>
<u>FUNCTIONS/PROGRAMS:</u>			
Governmental Activities:			
Crime prevention and security	\$ 285,655	\$ 280,600	\$ (5,055)
Total Governmental Activities	<u>\$ 285,655</u>	<u>\$ 280,600</u>	(5,055)
GENERAL REVENUES:			
Interest income			<u>6,063</u>
TOTAL GENERAL REVENUES			<u>6,063</u>
CHANGE IN NET POSITION			1,008
NET POSITION - Beginning of year			<u>489,150</u>
NET POSITION - End of year			<u>\$ 490,158</u>

TOURO BOULIGNY SECURITY DISTRICT

BALANCE SHEET – GENERAL FUND

February 28, 2019

ASSETS

Cash	\$	17,207
Receivables – due from the Board of Liquidation, City Debt		<u>480,343</u>

TOTAL ASSETS	\$	<u>497,550</u>
--------------	----	----------------

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$	7,392
------------------	----	-------

FUND BALANCE

Restricted for crime prevention and security		<u>490,158</u>
--	--	----------------

TOTAL LIABILITIES AND FUND BALANCE	\$	<u>497,550</u>
------------------------------------	----	----------------

TOURO BOULIGNY SECURITY DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GENERAL FUND
TO THE STATEMENT OF NET POSITION
February 28, 2019

FUND BALANCE - GENERAL FUND	\$ 490,158
-----------------------------	------------

Amounts reported for governmental activities
in the statement of net position are different because:

There are no differences.

_____ -

NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 490,158</u>
---	-------------------

TOURO BOULIGNY SECURITY DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – GENERAL FUND

For The Year Ended February 28, 2019

REVENUES	
Parcel fees (net of collection fees)	\$ 280,600
Interest earned	<u>6,063</u>
Total Revenues	286,663
EXPENDITURES	
Patrol and security services	269,110
Accounting	8,208
Insurance	3,152
Printing, postage, signs, web page	4,208
Miscellaneous	<u>977</u>
TOTAL EXPENDITURES	<u>285,655</u>
NET CHANGE IN FUND BALANCE	1,008
BEGINNING FUND BALANCE	<u>489,150</u>
ENDING FUND BALANCE	<u>\$ 490,158</u>

TOURO BOULIGNY SECURITY DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - GENERAL FUND TO
THE STATEMENT OF ACTIVITIES
For The Year Ended February 28, 2019

NET CHANGE IN FUND BALANCE - GENERAL FUND	\$	1,008
---	----	-------

Amounts reported for governmental activities in the statement of activities are different because:

There are no differences.

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>1,008</u>
---	----	--------------

TOURO BOULIGNY SECURITY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

February 28, 2019

NOTE 1 – INTRODUCTION

The Touro Bouligny Security District (the District) is a special taxing district created by Act 77 of the Regular Session of 2005 of the Louisiana Legislature (Louisiana Revised Statute 33:9091.10), for the purpose of promoting and encouraging the security in the area included within the District.

The District is governed by a Board consisting of nine members (Commissioners) who are residents within the District. The Commissioners are appointed by certain organizations within the District; including the mayor, the state senator, the state representative, and the City Council member who represents the District. Commissioners are appointed on a rotating and staggered schedule over a four-year term. In addition, the Commissioners serve on the Board of the District without compensation.

The boundaries of the District are those areas within the following perimeter:

Louisiana Avenue to St. Charles Avenue (river side only)
To Napoleon Avenue (both sides)
To Magazine Street (both sides)
And back to Louisiana Avenue (excluding all municipal numbers on Louisiana Avenue)

The District has no paid employees.

As approved by the majority of voters of the District in September 2006, the operations of the District are funded by the imposition of special ad valorem tax placed on taxable real property within the District.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Measurement Focus

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 accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

TOURO BOULIGNY SECURITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
February 28, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Basis of Presentation and Measurement Focus - continued

Government-Wide Statements

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.

The Statement of Net Position and the Statement of Activities display information about the District. The District's activities are financed through taxes and interest. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. The Statement of Activities presents a comparison between direct expenses and program revenues for the activities of the District. Program revenues consist of charges for services, which are revenues that directly benefit the program's services. Other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

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 within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues 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. Those revenues susceptible to accrual are the parcel fees, which are reported net of collection fees. All other revenue items are considered measurable and available when the District receives cash.

The District uses funds to report on its financial position and the result of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund has a self-balancing set of accounts. Funds of the District are classified as governmental funds. Governmental funds account for the District's general activities, including the collection and disbursement of specific or legally restricted monies. The only fund in 2019 for the District is the General Fund which is the operating fund. The General Fund accounted for all of the financial resources.

TOURO BOULIGNY SECURITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
February 28, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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 the reported amounts of revenues and expenditures during the period. Actual results could differ from those estimates.

Reporting Entity

The District is the basic level of government, which has financial accountability and control over all affairs of the District related to promoting and encouraging the security of the Touro Bouligny area in Orleans Parish. The District is not included in any other governmental “reporting entity” as defined by the GASB Codification, because the majority of the 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 the primary accountability for fiscal matters. In addition, there are no component units as defined in GASB Codification, which are included in the District’s reporting entity.

Basis of Accounting

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governments. The basic financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when parcel fees are received by the Board of Liquidators, regardless of the timing of related cash flows, and are reported net of collection fees. The District’s accounts are organized into a single governmental fund.

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 District, and is amended during the year, as necessary. All budgetary appropriations lapse at the end of the year and must be re-appropriated for the following year to be expended.

TOURO BOULIGNY SECURITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
February 28, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Fund Balance Classifications

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances are classified as follows:

Nonspendable — This component consists of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted — This component consists of amounts that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the District to assess, levy, change or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

Committed — This component consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District. Those committed amounts cannot be used for any other purpose unless the District removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed previously to commit those amounts.

Assigned — This component consists of amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned — This component consists of amounts that have not been restricted, committed or assigned to specific purposes within the General Fund.

TOURO BOULIGNY SECURITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
February 28, 2019

NOTE 3 – CASH AND CASH EQUIVALENTS

The District maintains cash accounts at local financial institutions. The Federal Deposit Insurance Corporation (FDIC) insures accounts at each institution up to \$250,000. The District's accounts do not exceed FDIC insurance. The District has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash.

NOTE 4 – AD VALOREM TAXES

Annually, the District submits a plan to the City Council of New Orleans to levy and collect a special tax, not to exceed sixteen and two tenths (16.2) mills, on all taxable real property situated within the boundaries of the District.

The City of New Orleans levies and collects the special taxes, on behalf of the Board of Liquidation, for the District in the same manner and at the same time as all other ad valorem taxes on property subject to taxation by the City of New Orleans. Specifically, with regards to the District, the special ad valorem taxes are levied on January 1st of the current year based on the assessed values as of August 15th, of the prior year. Ad valorem taxes are due January 1st and become delinquent on February 1st. Both the City of New Orleans and the Assessor are permitted to retain one percent (1%) of the amount collected as a collection fee.

Tax receipts 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 District and the funds collected are deposited in a special account until warranted by the District.

The District records the ad valorem taxes as receivables and revenues in the year the taxes become due.

NOTE 5 – RECEIVABLES – DUE FROM BOARD OF LIQUIDATION, CITY DEBT

At February 28, 2019, accounts receivable was \$480,343. This consisted of funds held in a custodial account with the Board of Liquidation, City Debt. These funds, which have not been warranted by the District as of February 28, 2019, consisted of ad valorem tax collections due from the Board of Liquidation and interest earned on funds held in custody. There is no allowance recorded as management believes the entire amount is collectible.

NOTE 6 – PENSION PLAN

The District has paid no employees, and is therefore, not a member of a retirement plan.

TOURO BOULIGNY SECURITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
February 28, 2019

NOTE 7 – LITIGATION AND CLAIMS

The District is exposed to various risk of loss to torts, and theft of, damage to and destruction of assets. To handle such risks, the District has been named as an additional insured under the policies maintained by the company providing the patrol services to the District.

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

NOTE 8 – OTHER COMMITMENTS AND CONTINGENCIES

The 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 District.

The contract with the company includes an option to renew on a semiannual basis. Total expenditures under the contract for the year ended February 28, 2019 fiscal year were \$269,110.

NOTE 9 – RELATED PARTY TRANSACTIONS

During the year ended February 28, 2019, the District paid \$3,436 of advertising expenditures to a business owned by the immediate family members of a board member.

NOTE 10 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, which corresponds with the date of the independent accountants' review report. No subsequent events have occurred since February 28, 2019 that required recognition or disclosure in these financial statements.

TOURO BOULIGNY SECURITY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – GENERAL FUND – BUDGET AND ACTUAL
For the Year Ended February 28, 2019

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Favorable/ (Unfavorable) Variance</u>
REVENUES			
Parcel fees (net of collection fees)	\$ 326,536	\$ 280,600	\$ (45,936)
Interest earned	<u>1,104</u>	<u>6,063</u>	<u>4,959</u>
 Total Revenues	 327,640	 286,663	 (40,977)
EXPENDITURES			
Patrol and security services	309,780	269,110	40,670
Accounting	10,000	8,208	1,792
City and assessor fees	8,020	-	8,020
Insurance	4,000	3,152	848
Printing, postage, signs, web page, cameras	67,784	4,208	63,576
Miscellaneous	<u>2,000</u>	<u>977</u>	<u>1,023</u>
 TOTAL EXPENDITURES	 <u>401,584</u>	 <u>285,655</u>	 <u>115,929</u>
 CHANGE IN FUND BALANCE	 (73,944)	 1,008	 74,952
 BEGINNING FUND BALANCE	 <u>489,150</u>	 <u>489,150</u>	 <u>-</u>
 ENDING FUND BALANCE	 <u>\$ 415,206</u>	 <u>\$ 490,158</u>	 <u>\$ 74,952</u>

TOURO BOULIGNY SECURITY DISTRICT
SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS AND
SCHEDULE OF COMPENSATION, BENEFITS,
AND OTHER PAYMENTS TO AGENCY HEAD
For the Year Ended February 28, 2019

Agency Head Name: All Board Members Because Quorum is Needed to Make Any Decisions.

NAME	PURPOSE	AMOUNT
Brian Chamberlain (Treasurer)	No compensation, benefits and other payments noted.	
Charles Franks	No compensation, benefits and other payments noted.	
Rella Zapletal	No compensation, benefits and other payments noted.	
Bob Eisen	No compensation, benefits and other payments noted.	
David Zapletal (President/Chairman)	No compensation, benefits and other payments noted.	
Evan Alford	No compensation, benefits and other payments noted.	
Tom Schoenbrun	No compensation, benefits and other payments noted.	
Ann Middleton	No compensation, benefits and other payments noted.	
Damian Kulas	No compensation, benefits and other payments noted.	
Sam Guichet	No compensation, benefits and other payments noted.	
Katie Baudouin	No compensation, benefits and other payments noted.	

Kushner LaGraize, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

S. DAVID KUSHNER*, CPA, CRFAC
WILSON A. LaGRAIZE, JR., CPA/CFE, CRFAC
ERNEST G. GELPI, CPA, CGFM
CRAIG M. FABACHER, CPA
DOUGLAS W. FINEGAN, CPA, CVA
*A Professional Accounting Corporation

MARY ANNE GARCIA, CPA
WILLIAM B. HAMILTON, CPA
KATHARINE M. LASSITER, CPA
RICHARD J. RUMNEY, CPA

Members
American Institute of CPA's
Society of Louisiana CPA's

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners
Touro Bouligny Security District
New Orleans, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of the Touro Bouligny Security District (the District) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the District's compliance with certain laws and regulations during the year ended February 28, 2019 included in the accompanying *Louisiana Attestation Questionnaire*. Management of the District is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. 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.

Public Bid Law

1. Select all expenditures made during the year for materials and supplies exceeding \$30,000, or public works exceeding \$154,450, and determine whether such purchases were made in accordance with R.S. 38:2211-2296 (the public bid law) or R.S. 39:1551-39:1775 (the state procurement code), whichever is applicable.

No expenditures were made during the year for materials and supplies that exceeded \$30,000, nor were there any expenditures for public works made during the year that exceeded \$154,450.

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 R.S. 42:1101-1124 (the ethics law).

Management provided us with representations of the requested information.

3. Obtain a listing of all employees paid during the fiscal year.

There are no employees paid through the Touro Boulogny Security District.

4. Report whether any employees' names appear on both lists obtained in Procedures 2 and 3.

There are no employees paid through the Touro Boulogny Security District.

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

Management provided us with representations that the businesses listed as vendors on the list of disbursements were not related to board members or board members' immediate families. One of the board member's representations indicated that some advertising services were paid to a business owned by their immediate family members. As such, see finding 2019-002.

There are no employees paid through the Touro Boulogny Security District.

Budgeting

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

Management provided us with a copy of the approved budget for the year ended February 28, 2019.

7. Trace the budget adoption and amendments to the minute book.

We traced the adoption of the budget to the minutes of a meeting held on October 12, 2017 which indicated that the budget had been adopted by the Board of Commissioners of the District.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5 % or more, or if actual expenditures exceed budgeted amounts by 5% or more.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues failed to meet budgeted revenues by 5% or more. As such, see finding 2019-001. Actual expenditures did not exceed budgeted expenditures by 5% or more.

Accounting and Reporting

9. Randomly select 6 disbursements made during the period under examination and:
 - a. trace payments to supporting documentation as to proper amount and payee;

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. determine if payments were properly coded to the correct fund and general ledger account;

We examined each of the six disbursements and found that payment was properly coded to the correct fund and general ledger account.

- c. determine whether payments received approval from proper authorities.

All six of the payments examined were approved by the proper authorities.

Meetings

- 10. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:11 through 42:28 (the open meetings law).

The District is only required to post a notice of each meeting and the accompanying agenda on the door of the District's office building. Management was able to provide us with all notices of meetings held.

Debt

- 11. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected copies of all bank deposit slips for the period under examination and noted none which appeared to be proceeds of bank loans, bonds or like indebtedness.

Advances and Bonuses

- 12. Examine payroll records and minutes for the year to determine whether any payments have been made to employees that may constitute bonuses, advances, or gifts.

A reading of the minutes of the District for the year indicated no approval for the payments noted. However, the District had no employees during the year. We inspected the District's bank statements for the year ended February 28, 2019 and noted no payments to others which would constitute advances or gifts.

State Audit Law

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

The District's review report was issued on August 21, 2019 and was in compliance with the Louisiana Audit Law.

14. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1A.(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).

Per management, no contracts were entered into that utilized state funds as defined in R.S. 39:72.1A(2).

Prior Comments and Recommendations

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

Per review of the current year financial statements it was noted that prior year finding 2018-001 related to the Louisiana Local Budget Act was not resolved in the current year. As such, see finding 2019-001. Management has resolved all other findings.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. 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 use of management of the Touro Bouligny Security District and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kushner LaGraize, L.L.C.

August 21, 2019

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)

7/26/2019

Kushner Lagraize, LLC

3300 W. Esplande Ave #100

Metairie, LA 70002

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of 2/28/2019 (date) 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 [X] 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 [X] 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 [X] 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 [X] 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 [X] No []

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

Yes [X] No []

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

Yes [X] 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 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).

Yes [X] No []

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

Yes [X] No []

Meetings

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

Yes [X] 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 [X] 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 [X] No []

Prior-Year Comments

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

Yes [X] 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 [X] No []

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

Yes [X] 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 [X] No []

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

Yes [X] No []

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other 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 [X] 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 [X] No []

TOURO BOULIGNY SECURITY DISTRICT

New Orleans, Louisiana

Current Year Findings

For the Year Ended February 28, 2019

Section I – Internal Control Over Financial Reporting

None.

Section II – Compliance and Other Matters

Reference Number: 2019-001

Description of Finding:

The Local Government Budget Act (LSA R.S. 39:1301 – 1315) requires the District to amend their budget if “total revenue and other sources plus projected revenue and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by five percent or more.” During our review, we noted that actual revenues were more than five percent below budgeted revenues and a budget amendment was not adopted.

Corrective Action Planned:

In the future, the District plans to comply with the Local Government Budget Act.

Name of Contact Person:

David Zapletal

Anticipated Completion Date:

February 29, 2020

Reference Number: 2019-002

Description of Finding:

The Louisiana Ethics Law (R.S. 42:1101-1124) states that “No public servant...shall participate in a transaction involving the governmental entity in which, to his actual knowledge, any of the following persons has a substantial economic interest: (1) Any member of his immediate family...” During our review, one board member made us aware that a vendor for the security district was owned by immediate family members.

TOURO BOULIGNY SECURITY DISTRICT

New Orleans, Louisiana

Current Year Findings - continued

For the Year Ended February 28, 2019

Section II – Compliance and Other Matters – continued

Reference Number: 2019-002 – continued

Corrective Action Planned:

In the future, the District plans to comply with the Louisiana Ethics Law.

Name of Contact Person:

David Zapletal

Anticipated Completion Date:

February 29, 2020

Section III – Management Letter

None.

TOURO BOULIGNY SECURITY DISTRICT

New Orleans, Louisiana

Prior Year Findings

For the Year Ended February 28, 2019

Section I – Internal Control Over Financial Reporting

None.

Section II – Compliance and Other Matters

2018 – 001 – Local Government Budget Act – Unresolved. See 2019-001.

2018 – 002 – Louisiana Audit Law – Resolved.

Section III – Management Letter

None.