

**Villa del Rey Crime  
Prevention and Neighborhood  
Improvement District**

Baton Rouge, Louisiana

Year Ended December 31, 2018

*Compiled Financial Statements  
and Supplementary Information*

William D. Mercer, CPA  
A PROFESSIONAL ACCOUNTING CORPORATION

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# WILLIAM D. MERCER, CPA

A PROFESSIONAL ACCOUNTING  
CORPORATION

To the Board of Commissioners  
Villa del Rey Crime Prevention and Neighborhood Improvement District  
Baton Rouge, Louisiana

Management is responsible for the accompanying financial statements of the governmental activities and each major fund of the Villa del Rey Crime Prevention and Neighborhood Improvement District as of and for the year ended December 31, 2018, which collectively comprise the District's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. I have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

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

Management has elected to omit the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context.

## Supplementary Information

The schedule of compensation, benefits, and other payments to agency head on page 15 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the representation of management. The information was subject to my compilation engagement; however, I have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

*WILLIAM D. MERCER, CPA (ADATC)*

Baton Rouge, Louisiana  
July 23, 2019

VILLA DEL REY CRIME PREVENTION AND NEIGHBORHOOD IMPROVEMENT DISTRICT  
Baton Rouge, Louisiana

STATEMENT OF NET POSITION

December 31, 2018

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ASSETS

Cash and equivalents	\$	216,110
Due from other governments		106,690
Capital assets, net of depreciation		<u>2,184</u>

TOTAL ASSETS		<u>324,984</u>
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LIABILITIES

Accrued expenses		<u>-</u>
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NET POSITION

Investment in capital assets		2,184
Unrestricted		<u>322,800</u>

TOTAL NET POSITION	\$	<u><u>324,984</u></u>
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See accountant's compilation report.

VILLA DEL REY CRIME PREVENTION AND NEIGHBORHOOD IMPROVEMENT DISTRICT  
 Baton Rouge, Louisiana

STATEMENT OF ACTIVITIES

Year Ended December 31, 2018

	<u>Expenses</u>	<u>Charges For Services</u>	<u>Net Revenue (Expense)</u>
Functions/programs:			
Public safety/crime prevention	\$ 73,056	\$ -	\$( 73,056)
Depreciation	<u>560</u>	<u>-</u>	<u>( 560)</u>
Totals	\$ <u>73,616</u>	\$ <u>-</u>	\$( <u>73,616</u> )
General revenues:			
Parcel fees			129,357
Interest			<u>1</u>
Total General Revenues			<u>129,358</u>
Change in net position			55,742
Net position, beginning of year			<u>269,242</u>
Net position, end of year			\$ <u><u>324,984</u></u>

See accountant's compilation report.

VILLA DEL REY CRIME PREVENTION AND NEIGHBORHOOD IMPROVEMENT DISTRICT  
Baton Rouge, Louisiana

BALANCE SHEET – GOVERNMENTAL FUND

December 31, 2018

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<u>ASSETS</u>	
Cash	\$ 216,110
Due from other governments	<u>106,690</u>
TOTAL ASSETS	<u>322,800</u>
<u>LIABILITIES</u>	
Accrued expenses	<u>-</u>
<u>FUND BALANCE</u>	
Unrestricted	\$ <u><u>322,800</u></u>

See accountant's compilation report.

VILLA DEL REY CRIME PREVENTION AND NEIGHBORHOOD IMPROVEMENT DISTRICT  
Baton Rouge, Louisiana

RECONCILIATION OF GOVERNMENTAL FUND BALANCE SHEET TO  
THE STATEMENT OF NET POSITION  
December 31, 2018

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Fund balances – Governmental Fund	\$	322,800
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Amounts reported for governmental activities in  
the statement of net position are different because:

Capital assets used in governmental activities are not financial  
resources and therefore are not reported in the fund, These  
assets consist of:

Costs of capital assets		3,531
Accumulated depreciation	(	<u>1,347</u> )

NET POSITION OF GOVERNMENTAL ACTIVITY	\$	<u>324,984</u>
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See accountant's compilation report.

VILLA DEL REY CRIME PREVENTION AND NEIGHBORHOOD IMPROVEMENT DISTRICT  
Baton Rouge, Louisiana

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

Year Ended December 31, 2018

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REVENUES:

General revenues:

Parcel fees	\$ <u>129,357</u>
Total general revenues	<u>129,357</u>

Miscellaneous revenue:

Interest earned	<u>1</u>
Total miscellaneous revenue	<u>1</u>

Total Revenues	<u>129,358</u>
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EXPENDITURES:

Current operations:

General government:

Accounting	400
Bank charges	74
Legal and professional fees	<u>2,571</u>
Total general government	<u>3,045</u>

Public safety:

Advertising	236
Assessor fees	931
Contracted security services	43,770
Insurance	675
Landscaping and improvements	23,696
Printing	250
Supplies	<u>453</u>
Total public safety	<u>70,011</u>

Capital outlay:

Security equipment	<u>-</u>
Total capital outlay	<u>-</u>

Total Expenditures	<u>73,056</u>
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See accountant's compilation report.

VILLA DEL REY CRIME PREVENTION AND NEIGHBORHOOD IMPROVEMENT DISTRICT  
Baton Rouge, Louisiana

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
(continued)

Year Ended December 31, 2018

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Excess of revenues over expenditures	<u>56,302</u>
OTHER FINANCING SOURCES (USES):	
Capital lease related debt incurred	<u>-</u>
Total other financing sources (uses)	<u>-</u>
Net change in fund balance	56,302
FUND BALANCE, beginning of year	<u>266,498</u>
FUND BALANCE, end of year	\$ <u><u>322,800</u></u>

See accountant's compilation report.

VILLA DEL REY CRIME PREVENTION AND NEIGHBORHOOD IMPROVEMENT DISTRICT  
Baton Rouge, Louisiana

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES  
Year Ended December 31, 2018

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Net change in fund balance – governmental fund \$ 56,302

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

Governmental funds report capital outlays as expenditures. However,  
in the statement of activities, the cost of those assets is allocated over  
their estimated useful lives and reported as depreciation expense

Capital outlay	-
Depreciation expense	( 560)

Change in net position of governmental activity \$ 55,742

See accountant's compilation report.

VILLA DEL REY CRIME PREVENTION AND NEIGHBORHOOD IMPROVEMENT DISTRICT  
Baton Rouge, Louisiana

SCHEDULE OF FINDINGS

Year Ended December 31, 2018

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FINDING NO. 2018-001 – FINANCIAL STATEMENT SUBMISSION

Condition: The District did not submit compiled financial statements to the Louisiana Legislative Auditor within the period prescribed by applicable regulations. The submission of this report will meet the applicable requirements.

Criteria: Financial statements should be submitted to the Louisiana Legislative Auditor within six months of the end of the organization's fiscal year (Louisiana R.S. 24:514).

Cause: The District was able to retain a qualified firm for the compilation of its financial statements. However, the timing of this retention was such that the compilation engagement was unable to be completed in a timely manner. Additionally, the District and its accountant were seeking information related to bank insurance and collateralization, as discussed in Finding 2018-002, below.

Effect: The District is responsible for compliance with financial statement reporting requirements and is not in compliance with those requirements.

Recommendation: The submission of these financial statements will satisfy the reporting requirements for the year ended December 31, 2018. The District should make arrangements with a qualified accounting firm to perform the required financial statement engagement in future years and to make sure that such services are scheduled in advance to ensure timely submission of future reports.

FINDING NO. 2018-002 – CASH DEPOSITS

Condition: During the year, the District had cash on deposit in its bank account that exceeded the federally insured limits, and no collateral was pledged or provided by the fiscal agent bank.

Criteria: State law requires bank deposits in excess of \$ 250,000, the Federal Deposit Insurance Corporation (FDIC) limit, to be secured by collateral. Such collateral is required to be deposited by the fiscal agent bank and maintained in an unaffiliated bank (Louisiana Revised Statutes 39:1218, 39:1219).

Cause: The District was not aware of the requirement for such collateral, and no such arrangement was made at the time the bank account was created. The District relied on its bank to ensure its compliance with applicable statutes and regulations.

VILLA DEL REY CRIME PREVENTION AND NEIGHBORHOOD IMPROVEMENT DISTRICT  
Baton Rouge, Louisiana

SCHEDULE OF FINDINGS (continued)

Year Ended December 31, 2018

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FINDING NO. 2018-002 – CASH DEPOSITS (continued)

Effect: At times during the year, the District had cash balances which were not insured or collateralized, which could have subjected the District to risk of loss of such cash balances.

Recommendation: The District should arrange with its fiscal agent bank to collateralize all bank balances, including but not limited to those amounts in excess of the FDIC insurance limits, as required by law. The District should also monitor its bank balances to ensure that all cash on deposit is adequately insured and collateralized as required.

VILLA DEL REY CRIME PREVENTION AND NEIGHBORHOOD IMPROVEMENT DISTRICT  
Baton Rouge, Louisiana

SCHEDULE OF PRIOR YEAR FINDINGS

Year Ended December 31, 2018

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There were no findings for the year ended December 31, 2017, as noted in the prior accountant's report dated July 2, 2018.

SUPPLEMENTARY INFORMATION

VILLA DEL REY CRIME PREVENTION AND NEIGHBORHOOD IMPROVEMENT DISTRICT  
Baton Rouge, Louisiana

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS  
TO AGENCY HEAD  
Year Ended December 31, 2018

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Agency Head: Myles Reed, Chairperson

<b>Purpose:</b>	<b>Amount:</b>
Salary	None
Benefits – insurance	None
Benefits – retirement	None
Benefits – other	None
Car allowance	None
Vehicle provided by government	None
Per diem	None
Reimbursements	None
Travel	None
Registration fees	None
Conference travel	None
Continuing professional education fees	None
Housing	None
Unvouchered expenses	None
Special needs	None

The agency is managed by a board of commissioners, all of whom serve without compensation.

See accountant's compilation report.

CORRECTIVE ACTION PLAN

FINDING NO. 2018-001 – FINANCIAL STATEMENT SUBMISSION

We concur with the accountant's finding regarding submission of required financial statements. We are aware of the requirement to submit compiled financial statements within six months of our District's fiscal year end. As noted in the accountant's finding, we were seeking information related to bank insurance and collateralization, as discussed in the finding below, which delayed completion of the financial statements. We will work with our outside accountant to ensure timely retention and submission of future reports, and we do not expect to have similar findings in the future.

FINDING NO. 2018-002 – CASH DEPOSITS

We agree with the accountant's finding regarding cash deposits. We were not aware of the requirement that all bank deposits be insured and collateralized, nor was any such arrangement made with the bank at the time the account was opened. As noted in the accountant's finding, we relied on our bank to ensure compliance with applicable laws and regulations, and we are currently working with our bank to bring us into compliance with this requirement. We believe the necessary actions to ensure compliance are imminent, and we do not anticipate any such findings in the future as a result of this corrective action.

PRIOR AUDIT FINDINGS

As discussed in the accountant's report, we are pleased to report that no findings were reported in the prior period ended December 31, 2017.

We believe these actions and responses address the matters noted in the current accountant's report.

 0588371

Signature

Pres. and chairman

Title

Sept 2, 2019

Date