

# SEABROOK NEIGHBORHOOD IMPROVEMENT AND SECURITY DISTRICT

## FINANCIAL REPORT

For the Year Ended December 31, 2014



**CRI** CARR  
RIGGS &  
INGRAM

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## **INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

To the Board of Commissioners of  
Seabrook Neighborhood Improvement and Security District  
New Orleans, Louisiana

We have reviewed the accompanying financial statements of the governmental activities of Seabrook Neighborhood Improvement and Security District (the District) as of December 31, 2014 and for the year then ended, and the related notes to financial statements, which collectively comprise the 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 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**

The management of the District is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation 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 in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. 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.

## Supplementary Information

The accompanying 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. The information is the representation of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the supplementary information and, accordingly, do not express an opinion on such information.

## Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the following supplementary information be presented to supplement the basic financial statements:

Budgetary Comparison Schedule  
Management Discussion and Analysis

Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have 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.

The accompanying Budgetary Comparison Schedule has been reviewed by us, and based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the information and, accordingly, do not express an opinion on such information.

Management has omitted the Management Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. The Management Discussion and Analysis, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context.

*Carly Riggs & Ingram, L.L.C.*

January 25, 2016

## **FINANCIAL STATEMENTS**

**SEABROOK NEIGHBORHOOD IMPROVEMENT AND SECURITY DISTRICT  
BALANCE SHEET**

*As of December 31,*

**2014**

<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 149,749
<hr/>	
<b>TOTAL ASSETS</b>	<b>\$ 149,749</b>
<hr/>	
<b>LIABILITIES AND NET POSITION</b>	
<b>LIABILITIES</b>	
Current liabilities	\$ -
<hr/>	
<b>NET POSITION</b>	<b>149,749</b>
<hr/>	
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 149,749</b>
<hr/>	

*The accompanying notes are an integral part of these financial statements.*



**SEABROOK NEIGHBORHOOD IMPROVEMENT AND SECURITY DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
AND BUDGETARY COMPARISON SCHEDULE**

For the Year Ended December 31,

**2014**

	Actual	Budgeted	Variance
<b>REVENUES</b>			
Parcel fees	\$ 169,643	\$ 175,000	\$ (5,357)
<b>Total Revenues</b>	<b>169,643</b>	175,000	(5,357)
<b>EXPENSES</b>			
Direct expenses			
Patrols	148,300	140,000	(8,300)
Security camera expense	1,800	-	(1,800)
Senior citizen program	3,336	8,750	5,414
Improvement and beautification	523	17,500	16,977
Youth programs	1,406	8,750	7,344
<b>Total Direct Expenses</b>	<b>155,365</b>	175,000	19,635
Administrative expenses			
Neighborhood fish fry	2,406	-	(2,406)
Night Out Against Crime	513	-	(513)
Christmas party	2,121	-	(2,121)
Accounting expenses	6,000	-	(6,000)
Meeting expense	125	-	(125)
Communication expense	2,755	-	(2,755)
LA Workforce Commission	3,677	-	(3,677)
Miscellaneous	2,828	-	(2,828)
<b>Total Administrative Expenses</b>	<b>20,425</b>	-	(20,425)
<b>Total Expenses</b>	<b>175,790</b>	\$ 175,000	\$ (790)
<b>DEFICIENCY OF REVENUES OVER EXPENSES</b>	<b>(6,147)</b>		
<b>NET POSITION - Beginning of year</b>	<b>155,896</b>		
<b>NET POSITION - End of year</b>	<b>\$ 149,749</b>		

*The accompanying notes are an integral part of these financial statements.*

**SEABROOK NEIGHBORHOOD IMPROVEMENT AND SECURITY DISTRICT  
STATEMENT OF CASH FLOWS**

<i>For the Year Ended December 31,</i>	<b>2014</b>
<hr/>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Deficiency of revenues over expenses	\$ (6,147)
<hr/>	
Net cash used in operating activities	(6,147)
<hr/>	
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(6,147)</b>
<hr/>	
<b>CASH - BEGINNING OF YEAR</b>	<b>155,896</b>
<hr/>	
<b>CASH - END OF YEAR</b>	<b>\$ 149,749</b>
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*The accompanying notes are an integral part of these financial statements.*



# Seabrook Neighborhood Improvement and Security District

## Notes to Financial Statements

### NOTE 1: INTRODUCTION

Seabrook Neighborhood Improvement and Security District (the District) was created as a public body by the Louisiana Legislature, 2010, Act No.230, La. R.S. 33:9091.16, for the primary object and purpose of promoting and encouraging the beautification, security, and overall betterment of the area included within the District.

The boundaries of the District are areas within the following perimeter: Fillmore Avenue, Leon C. Simon Boulevard, St. Roch Avenue, and Peoples Avenue.

The District services all parcels located in the geographic area it serves. The District has no paid employees and contracts with an external security company for patrolling. The Board of Commissioners consists of five (5) appointed members who are residents within the District. Board members are not compensated.

The governing authority of the City of New Orleans is authorized to impose and collect a parcel fee within the District. The amount of the fee is determined by an adopted resolution of the Board of Commissioners of the District. The fee, however, cannot exceed two hundred dollars per parcel per year.

### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### ***Reporting Entity***

For reporting purposes, the District is a stand-alone entity as defined by Governmental Accounting Standards Board (GASB) Codification 2600 *Reporting Entity and Component Unit Presentation and Disclosure*. The District is neither fiscally dependent on any other local government, nor does it provide specific financial benefits to or impose specific financial burdens on any other government. No other potential component units meet the criteria for inclusion in the financial statements of the District.

#### ***Basis of Presentation - Fund Accounting***

The proprietary fund is used to account for the District's ongoing operations and activities, which are similar to those in the private sector. Proprietary funds are accounted for using a flow of economic resource measurement focus under which all assets and all liabilities associated with the operation of these funds are included in the balance sheet. The statement of revenues, expenses, and changes in net position presents increases (revenues) and decreases (expenses) in total net position.

#### ***Basis of Accounting***

The District's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. All revenue items are recorded when the amount of the parcel fees to be received are measureable. Expenditures are recorded when a liability is incurred.



## Seabrook Neighborhood Improvement and Security District Notes to Financial Statements

### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### ***Basis of Reporting***

The District has adopted GASB Codifications, which established standards for external financial reporting for all state and local governmental entities. GASB Codifications require the classification of net position into three components – net investment in capital assets; restricted; and unrestricted.

These classifications are defined as follows:

#### ***Net Investment in Capital Assets***

This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

#### ***Restricted***

This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.

#### ***Unrestricted***

This component of net position consists of net position amounts that do not meet the definition of “net investment in capital assets” or “restricted”.

#### ***Use of Estimates***

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

#### ***Statement of Cash Flows***

The statement of cash flows reflects all amounts included on the balance sheet caption cash and cash equivalents.



## **Seabrook Neighborhood Improvement and Security District Notes to Financial Statements**

### **NOTE 3: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

In accordance with the Louisiana Local Government Budget Act, the procedures used by the District in establishing the budgetary data reflected in the financial statements include public notices of the proposed budget, public inspections, and public hearings. The District then legally adopts the budget. Budgeted amounts for the proprietary fund included in the accompanying statements are as originally adopted by the District for the year ended December 31, 2014.

### **NOTE 4: CASH AND CASH EQUIVALENTS**

The District's deposits held in financial institutions are insured up to \$250,000 by the Federal Deposit Insurance Corporation. As of December 31, 2014, the District had no uninsured deposits. The District has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

### **NOTE 5: LITIGATION AND CLAIMS**

At December 31, 2014, the District was neither involved in nor aware of any litigation or claims.

### **NOTE 6: SUBSEQUENT EVENTS**

During the year ended December 31, 2015, the entire Board resigned and was replaced.

Management evaluated subsequent events through the date which the financial statements were available to be issued, January 25, 2016, and determined that, except as noted above, no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.



## **INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES FOR COMPLIANCE WITH LAWS AND REGULATIONS**

To the Board of Commissioners of  
Seabrook Neighborhood Improvement and Security District  
New Orleans, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Seabrook Neighborhood Improvement and 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 December 31, 2014, included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with 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 the 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 \$150,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2296 (the public bid law).

The District did not purchase any items exceeding \$30,000.

### ***Code of Ethics for Public Officials and Public Employees***

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of the District and its employees, as well as their immediate families.

The District provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Not applicable, the District does not have any employees.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

Not applicable, the District does not have any employees.

### ***Budgeting***

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

The District provided us with a copy of the original budget and the amended final budget.

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

The District's adoption of the 2014 budget was properly noted in the board minutes.

7. 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.

Actual revenues did not fail to meet budgeted revenues by 5% and actual expenditures did not exceed the budgeted amounts by more than 5%.

### ***Accounting and Reporting***

8. Randomly select 6 disbursements made during the period under examination and:

- a) Trace payments to supporting documentation as to proper amount and payee;

All selected payments were traced to supporting documentation containing the proper amount and payee.

- b) Determine if payments were properly coded to the correct fund and general ledger account; and

All selected payments were properly coded to the correct fund and general ledger account.

- c) Determine whether payments received approval from proper authorities.

All payments are approved by the Board. However, there is no documentation in the minutes to support which invoices are approved at each meeting.

### **Meetings**

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:11 through 42:12 (the open meetings law).

All minutes were properly advertised in accordance with the open meetings law.

### **Debt**

10. 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.

No deposits appeared to be proceeds of bank loans, bonds, or like indebtedness.

### **Advances and Bonuses**

11. 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.

Not applicable, the District does not have any employees.

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 District and the Legislative Auditor of the 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.

*Cam, Riggs & Ingram, L.L.C.*

January 25, 2016



**SEABROOK NEIGHBORHOOD IMPROVEMENT AND SECURITY DISTRICT  
SCHEDULE OF COMPENSATION, BENEFITS  
AND OTHER PAYMENTS TO AGENCY HEAD**

*For the Year Ended December 31,*

**2014**

**Agency Head Name:** Sharon Clark, Board President

<b>PURPOSE</b>	<b>AMOUNT</b>
Salary	\$ -
Benefits-health insurance	-
Benefits-retirement	-
Deferred compensation	-
Workers comp	-
Benefits-life insurance	-
Benefits-long term disability	-
Benefits-Fica and Medicare	-
Car allowance	-
Vehicle provided by government	-
Cell phone	-
Dues	-
Vehicle rental	-
Per diem	-
Reimbursements - security cameras	600
Travel	-
Registration fees	-
Conference travel	-
Unvouchered expenses	-
Meetings and conventions	-
Other	-
	\$ 600

*See accompanying independent accountant's review report.*

**Seabrook Neighborhood Improvement and Security District**  
**Schedule of Current Year Findings**  
**December 31, 2014**

**SECTION I – SUMMARY OF AUDITOR’S REPORTS**

- a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control:

Material Weaknesses  Yes  No

Significant Deficiencies  Yes  No

Compliance:

Noncompliance Material to Financial Statements  Yes  No

Was a management letter issued?  Yes  No

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**2014-01 – Timely submission of report**

**Criteria:** The December 31, 2014 compiled financial statements were not filed within six months of the close of the fiscal year. Therefore, the District is not in compliance with LSA-R.S.24.513.

**Condition:** The fieldwork did not commence in time to complete the compilation within the time frame prescribed by the Louisiana Audit Law.

**Effect:** The effect of this condition is non-compliance with the State Law governing engagement completion.

**Recommendation:** The compiled financial statements should be remitted within six months of the fiscal year-end, in compliance with the State Law governing engagement completion.

**Management Response:** Management response will ensure timely submission of all future required reports.



**Seabrook Neighborhood Improvement and Security District  
Schedule of Prior Year Findings  
December 31, 2014**

**SECTION II – FINANCIAL STATEMENT FINDINGS**

None noted.

**LOUISIANA ATTESTATION QUESTIONNAIRE  
(For Attestation Engagements of Government)**

(Date Transmitted)

Seabrook Security District

(Auditors)

In connection with your review of our financial statements as of [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. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representations).

**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 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  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

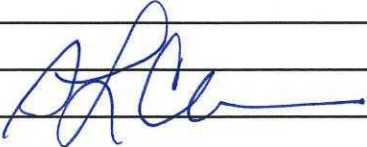
**Advances and Bonuses**

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

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies 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 this report. We acknowledge our responsibility to disclose to you any known noncompliance that may occur subsequent to the issuance of your report.

_____	Secretary	_____	Date
_____	Treasurer	_____	Date
	President	9/5/2015	Date