

**Kenilworth Improvement District**  
**New Orleans, Louisiana**

*Annual Financial Statements*  
And Accompanying Compilation Report

Year Ended December 31, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

7/20/11

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**Section I**

# PEDELAHORE & CO., LLP

*Certified Public Accountants*

## Accountant's Compilation Report

To the Board of Commissioners  
Kenilworth Improvement District  
New Orleans, Louisiana

We have compiled the accompanying cash basis financial statements of Kenilworth Improvement District as of and for the year ended December 31, 2010, as listed in the table of contents. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the cash basis of accounting.

The management of the District is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist the management of the District in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the District's financial position and changes in fund balance. Accordingly, these financial statements are not designed for those who are not informed about such matters.

*Pedelamore & Co., LLP*

June 22, 2011

**Section II**

**Financial Statements – Governmental Funds**

**Kenilworth Improvement District**  
**Balance Sheet - Cash Basis**  
December 31, 2010

Assets

Cash	\$ <u>130,772</u>
Total assets	\$ <u>130,772</u>

Liabilities And Fund Balance

Total liabilities	\$ <u>-</u>
Fund balance - unreserved and undesignated	<u>130,772</u>
Total liabilities and fund balance	\$ <u>130,772</u>

See accountant's compilation report.

**Kenilworth Improvement District**  
**Statement Of Revenues, Expenditures And**  
**Changes In Fund Balance - Cash Basis**  
Year Ended December 31, 2010

<b>Revenues</b>	
Parcel fees (net of collection fees)	<u>\$ 109,747</u>
Total revenues	<u>109,747</u>
<b>Expenditures</b>	
Security and patrol services	168,112
Insurance	1,696
District upkeep and improvements	22,184
Annual accounting services	2,000
Miscellaneous	<u>5,350</u>
Total expenditures	<u>199,342</u>
<b>Net Change In Fund Balance</b>	<b>(89,595)</b>
Fund Balance At Beginning of Year	<u>220,367</u>
<b>Fund Balance At End Of Year</b>	<b><u><u>\$ 130,772</u></u></b>

See accountant's compilation report.

**Kenilworth Improvement District**  
**Statement Of Revenues, Expenditures And**  
**Changes In Fund Balance - Budget And Actual - Cash Basis**  
**Year Ended December 31, 2010**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> Favorable (Unfavorable)	<u>%</u> Variance
<b>Revenues</b>				
Parcel fees (net)	\$ 137,200	\$ 109,747	\$ (27,453)	
Total revenues	<u>137,200</u>	<u>109,747</u>	<u>(27,453)</u>	-20.0
<b>Expenditures</b>				
Patrol and security services	160,000	168,112	(8,112)	
Insurance	1,800	1,696	104	
District upkeep and improvements	10,000	22,184	(12,184)	
Annual accounting services	2,000	2,000	-	
Miscellaneous	<u>2,200</u>	<u>5,350</u>	<u>(3,150)</u>	
Total expenditures	<u>176,000</u>	<u>199,342</u>	<u>(23,342)</u>	-13.3
<b>Net Change In Fund Balance</b>	(38,800)	(89,595)	(50,795)	
Fund Balance at Beginning of Year	<u>220,367</u>	<u>220,367</u>	-	
<b>Fund Balance At End Of Year</b>	<u>\$ 181,567</u>	<u>\$ 130,772</u>	<u>\$ (50,795)</u>	

The budget amounts indicated above are the original amounts. There were no budget amendments during the year.

See accountant's compilation report.

**Other Information and Schedules**

**Kenilworth Improvement District**  
**Summary Schedule Of Current And Prior Year Findings With**  
**Management's Response And Planned Corrective Action**  
**Year Ended December 31, 2010**

Current Year Findings:

Section I – Compilation

Finding 2010-1: Budgetary Compliance

**Criteria:** The Local Government Budget Act requires amending a budget when total actual revenue plus projected revenue for the remainder of the year fails to meet budgeted revenues by five percent (5%) or more or when total actual expenditures plus projected expenditures for the remainder of the year fails to meet budgeted expenditures by five percent (5%) or more.

**Condition:** The District's actual revenue for 2010 fell short of budgeted revenue by \$27,453, or by 20.0%, and actual expenditures exceeded budgeted expenditures by \$23,342, or by 13.3%.

**Cause:** The District did not adjust the budget to reflect uncollected parcel fees (or non-taxable parcels). The Board voted to amend the budget to increase expenditures as shown in their March 22, 2010 minutes, but did not specify the amounts to be increased or put these adjustments in writing.

**Effect:** Noncompliance with the Local Government Budget Act.

**Recommendation:** We recommend that the President, Treasurer, or the commissioner responsible for fiscal/budgetary matters notify the Board when total actual revenues fail to meet budgeted revenues by 5% or more, and/or when total actual expenditures exceed total budgeted expenditures by 5% or more. A written resolution amending the budget should then be adopted in an open meeting to reflect such change(s).

**Management's  
response and  
planned corrective  
action:**

The President of the District concurs with the finding and will take the necessary steps to properly amend future budgets.

**Kenilworth Improvement District**  
**Summary Schedule Of Current And Prior Year Findings With**  
**Management's Response And Planned Corrective Action**  
**Year Ended December 31, 2010**

Section II – Management Letter

Finding 2010-1: Revenue and Budgetary Monitoring

The District does not receive sufficient information to fully evaluate collected and uncollected revenue in order to adequately monitor the budget throughout the year.

Recommendation: In addition to requesting information from the City, we recommend that the District request a report from the Assessor that indicates the number of taxable parcels for the year. Knowing the actual number of taxable properties provides the analytical data to further evaluate collected and uncollected revenue for a given year. Also, you may consider requesting this information no less than annually (in September or October) in order to have useful information and sufficient time for budgetary planning purposes.

Management's  
response and  
planned corrective  
action:

The President concurs with the finding and will endeavor to obtain the information from the Parish Assessor.

Prior Year Findings:

Section I – Compilation

There were no findings noted for the year ended December 31, 2009

Section II – Management Letter

None issued.

# PEDELAHORE & CO., LLP

*Certified Public Accountants*

ROBERT J. MORA, CPA  
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MEMBER  
AMERICAN INSTITUTE OF CPAs  
SOCIETY OF LOUISIANA CPAs

June 22, 2011

Board of Commissioners  
Kenilworth Improvement District  
New Orleans, Louisiana 70126

Dear Commissioners:

We have performed our compilation of Kenilworth Improvement District's basic financial statements as of and for the year ended December 31, 2010. In conjunction with our compilation engagement we have the following information to report to you.

**Condition:**

The Kenilworth Improvement District (the District) communicates annually with a representative of the City of New Orleans (the City) in order to finalize budgetary information for the upcoming year. Throughout the year the City remits parcel fees collected to the District. Upon request, the District receives information from the City concerning the amount of parcel fees actual levied and collected by the City. However, the District does not know with any certainty the actual number of taxable parcels for a given year that should be levied by the City.

**Recommendation:**

Revenue reconciliation and budgetary monitoring procedures would be improved if the District would also request a report from the Assessor that indicates the number of taxable parcels for the year.

Also, we further suggest that management consider contacting the City attorney to discuss whether it is necessary to execute a cooperative endeavor agreement with the City for the various on-going and contemplated projects relative to maintenance, upkeep and beautification of the District. Pursuant to the creating statute, it appears the District has the authority to conduct such improvement projects. However, entering into a cooperative endeavor agreement gives formal recognition to and substantiates the transfer of public funds for a public purpose.

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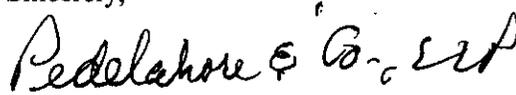
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Kenilworth Improvement District  
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These comments and recommendations are not intended to be critical of anyone. We would like to thank the District's management for their cooperation and courtesy during our engagement. If you have any questions or concerns, we would be pleased to further discuss these comments, recommendations and suggestions with you.

Sincerely,

A handwritten signature in cursive script that reads "Pedelahore & Co., LLP". The signature is written in black ink and is positioned above the printed name of the firm.

Pedelahore & Co., LLP  
Certified Public Accountants