

Twinbrook Security District
New Orleans, Louisiana

Annual Financial Statements And
Report on Applying Agreed-Upon Procedures

Year Ended December 31, 2011

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Required Supplementary Information (Part 1)

Twinbrook Security District
New Orleans, Louisiana

Management's Discussion And Analysis
Year Ended December 31, 2011

Our discussion and analysis of the Twinbrook Security District's (the "Security District's") financial performance provides an overview of the financial activities for the fiscal year ended December 31, 2011. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

Financial Highlights

The financial statements included in this report provide insight into the financial status for the year. The District's operations increased total net assets by \$6,186 and resulted in ending net assets of \$172,461, or an increase of 3.7%.

The total spending for the governmental activity was \$226,713 for the year, which was \$6,186 less than parcel fees (and interest) received for this activity, which totaled \$232,899.

The interest earned on bank savings accounts and funds held in custody (at the Board of Liquidation, City Debt) was \$583 for the year.

Overview Of The Financial Statements

This annual report consists of three parts: Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and other supplementary information, including other reports and schedules by certified public accountants and management. The Security District's operations are conducted through a general fund.

Government-Wide Financial Statements

The statements in this section include the Statement Of Net Assets and the Statement Of Activities.

The Statement Of Net Assets includes all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by private businesses. The difference between total assets and total liabilities is net assets, which may provide a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement Of Activities presents information showing how the Security District's assets changed as a result of current year operations. The statement is also prepared using the accrual basis of accounting. In this method, all revenues and expenditures are recognized regardless of when the cash is received or disbursed.

Fund Financial Statements

Due to the nature of organization and its present operations, the Security District uses only the governmental type of fund. The basic services of the Security District are reported in the general fund, which focuses on how money flows into and out of the Security District and the balance left at the end of the year. The revenues and expenditures of the general fund are reported (in the statement of revenues, expenditures and changes in fund balance) using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. Governmental fund information (presented in the balance sheet) helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Security District's program. We describe the relationship (or difference) between the governmental activities (reported in the Statement Of Net Assets and the Statement Of Activities) and governmental funds in reconciliations immediately following the fund financial statements.

Financial Analysis Of The Security District

Summary Statement Of Net Assets
As Of December 31, 2011 And 2010

	<u>2011</u>	<u>2010</u>
Current and other assets		
Total assets	<u>\$ 194,145</u>	<u>\$ 188,104</u>
Current liabilities		
Total liabilities	<u>21,684</u>	<u>21,829</u>
Net Assets		
Unrestricted	<u>172,461</u>	<u>166,275</u>
Total Net Assets	<u>\$ 172,461</u>	<u>\$ 166,275</u>

The Security District does not have any "restricted" net assets. Unrestricted net assets are net assets that do not have any limitations on how these amounts may be used or expended.

As noted above, the net assets of the Security District increased by \$6,186 or 3.7% from January 01, 2011 to December 31, 2011.

Summary Statement Of Activities
Years Ended December 31, 2011 And 2010

	<u>2011</u>	<u>2010</u>
Revenues	\$ 232,899	\$ 240,738
Expenditures	<u>226,713</u>	<u>203,971</u>
Change In Net Assets	<u>\$ 6,186</u>	<u>\$ 36,767</u>

Budgetary Highlights

The original budget was amended during the year to reflect additional expenses for the Night Out Against Crime event held by the Security District.

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

Revenue – Overall favorable variance of \$8,880, or 4.0%, due to:

- Prior years’ parcel fee collections were more than expected in the original budget and this offset the current year fee collections which were less than expected.
- Interest earnings were slightly more than expected in original budget.

Expenditures – Overall favorable variance of \$20,387, or 8.3%, due to:

- Patrol costs were less than projected in the original budget due to a decrease in the charges per hour in February through December compared to prior rates.

Economic Factors And Next Year’s Budget And Rates

For 2012 the District has maintained the current fee of \$440 per parcel of real property. Expenses in 2012 are expected to remain level relative to 2011 as there are no plans to increase the patrol services hours currently at 24 hours per day or to change the hourly rate of \$23.50 per hour. Overall, the District expects that next year’s actual revenues and expenses will closely reflect the budgeted amounts.

Contacting The Security District’s Financial Management

This report is designed to provide our residents of the Security District and others with a general overview of the Security District’s finances and to show the Security District’s accountability for the money it received. Any questions about this report or requests for additional information may be directed to the Security District’s Executive Director, Ms. Shelley Landrieu, located at 5329 Dryades Street, Unit A, New Orleans, Louisiana 70115.

Financial Section

PEDELAHORE & CO., LLP
Certified Public Accountants

Independent Accountants' Review Report

To the Board of Commissioners
Twinbrook Security District
New Orleans, Louisiana

We have reviewed the accompanying basic financial statements of Twinbrook Security District, as of and for the year ended December 31, 2011, 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 of the Security District. 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.

The management of the Security 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 and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

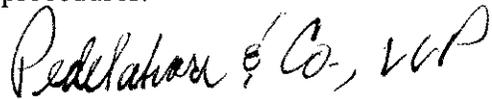
Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

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 conformity with accounting principles generally accepted in the United States of America.

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 for them to be in conformity with accounting principles generally accepted in the United States of America. The management's discussion and analysis and budgetary comparison information as listed on pages 2 through 4 and page 21, are presented for purposes of additional analysis. Such information, although not a required part of the basic financial statements, is required by the *Governmental Accounting Standards Board* who considers it to be an essential part of financial reporting and for placing the financial statements in an appropriate operational,

economic, or historical context. The supplementary information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but it has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of the state law, we have issued a report, dated June 21, 2012 on the results of our agreed-upon procedures.

A handwritten signature in black ink that reads "Pedelakou & Co., LLP". The signature is written in a cursive, flowing style.

June 21, 2012

Twinbrook Security District
Statement Of Net Assets
December 31, 2011

Statement A

Assets

Cash	\$ 60,713
Receivables - Due from Board of Liquidation, City Debt	<u>133,432</u>
Total Assets	<u>194,145</u>

Liabilities

Accounts payable	17,484
Accrued expenses	<u>4,200</u>
Total Liabilities	<u>21,684</u>

Net Assets

Unrestricted net assets	<u>172,461</u>
Total Net Assets	<u><u>\$ 172,461</u></u>

See accompanying notes and independent accountant's review report.

Twinbrook Security District
Statement of Activities
Year Ended December 31, 2011

Statement B

Expenditures

Patrol and security services	\$ 205,638
Administration fee	14,400
Office and communication	1,606
Accounting services	3,100
Insurance	1,660
Night out against crime	<u>309</u>
 Total Expenditures	 <u>226,713</u>

Revenues

Parcel fees (net of collection fees)	232,316
Interest earned	<u>583</u>
 Total Revenues	 <u>232,899</u>

Change In Net Assets

6,186

Net Assets At Beginning Of Year

166,275

Net Assets At End Of Year

\$ 172,461

See accompanying notes and independent accountant's review report.

Twinbrook Security District
Balance Sheet
General Fund - Governmental Fund
December 31, 2011

	Statement C
<u>Assets</u>	
Cash	\$ 60,713
Receivables - Due from Board of Liquidation, City Debt	<u>133,432</u>
 Total Assets	 <u><u>\$ 194,145</u></u>
 <u>Liabilities And Fund Balance</u>	
Accounts payable	\$ 17,484
Accrued expenses	<u>4,200</u>
 Total Liabilities	 <u>21,684</u>
 Fund balance - unassigned	 <u>172,461</u>
 Total Liabilities And Fund Balance	 <u><u>\$ 194,145</u></u>

See accompanying notes and independent accountant's review report.

Twinbrook Security District
Reconciliation Of The Governmental Funds Balance Sheet
To The Government - Wide Statement Of Net Assets
December 31, 2011

	Statement D
Fund Balance - Governmental Fund (Statement C)	\$ 172,461
Amount reported for governmental activities in the statement of net assets (government-wide financial statements) are different because:	
There are no differences noted	<u>-</u>
Net Assets Of Governmental Activities (Statement A)	<u><u>\$ 172,461</u></u>

See accompanying notes and independent accountant's review report.

Twinbrook Security District
Statement Of Revenues, Expenditures, And
Changes In Fund Balance
General Fund - Governmental Fund
Year Ended December 31, 2011

	Statement E
Revenues	
Parcel fees (net of collection fees)	\$ 232,316
Interest earned	<u>583</u>
Total Revenues	<u>232,899</u>
Expenditures	
Patrol and security services	205,638
Administration fee	14,400
Office and communication	1,606
Accounting services	3,100
Insurance	1,660
Night out against crime	<u>309</u>
Total Expenditures	<u>226,713</u>
Net Change In Fund Balance	6,186
 Fund Balance At Beginning Of Year	 <u>166,275</u>
 Fund Balance At End Of Year	 <u><u>\$ 172,461</u></u>

See accompanying notes and independent accountant's review report.

Twinbrook Security District
 Reconciliation Of The Statement Of Revenues, Expenditures
 And Changes In Fund Balances Of Governmental Funds
 To The Statement Of Activities
 Year Ended December 31, 2011

	Statement F
Net Change In Fund Balance - Governmental Fund (Statement E)	\$ 6,186
Amounts reported for governmental activities in the statement of activities (government-wide financial statements) are different because:	
There are no differences.	<div style="border-top: 1px solid black; width: 100px; margin: 0 auto;">-</div>
Change In Net Assets Of Governmental Activities (Statement B)	<div style="border-bottom: 3px double black; width: 100px; margin: 0 auto;">\$ 6,186</div>

See accompanying notes and independent accountant's review report.

Twinbrook Security District
Notes To Financial Statements
Year Ended December 31, 2011

Note 1. Introduction

The Twinbrook Security District (the “Security District”) is a special taxing district created by Act 76 of Regular Session of 2005 of the Louisiana Legislature (Louisiana Revised Statute 33:9091.9), for the purpose of promoting and encouraging the security in the area included within the District.

The Security District is governed by a Board consisting of nine members (commissioners) who are residents within the Security District. The commissioners are appointed by certain organizations within the Security District, the mayor, and the state senator, state representative and city council member representing the Security District. Commissioners are appointed on a rotating and staggered schedule of four-year terms, and serve without compensation.

The boundaries of the Security District are areas within the following perimeter: Jefferson Avenue (lower side only) to Danneel Street (both sides) to Valence Street (both sides) to Prytania Street (both sides) and back to the lower side of Jefferson Avenue. The Security District includes approximately 530 taxable properties.

The Security District has no employees and has contracted out the administrative function of the organization to an independent contractor that provides an office and a professional staff member.

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

Note 2. Summary Of Significant Accounting Policies

Basis of Presentation

The financial statements of the Security District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial statements - and Management's Discussion and Analysis – For State and Local Governments*, issued in June 1999.

Twinbrook Security District
Notes To Financial Statements
Year Ended December 31, 2011

Reporting Entity

The Twinbrook Security District is the basic level of government, which has financial accountability and control over all affairs of the Security District related to promoting and encouraging the security of the Twinbrook area in Orleans Parish. The Security District is not included in any other governmental “reporting entity” as defined by the Governmental Accounting Standards Board (GASB) pronouncement, because the majority of Board members are appointed by the public, and said Board has decision making authority, the authority to set rates (within legally prescribed limits), the power to designate management, the ability to significantly influence operations, and has primary accountability for fiscal matters. In addition, there are no component units as defined in GASB Statement No. 14, *The Financial Reporting Entity*, which are included in the Security District’s reporting entity.

Fund Accounting

Due to the nature of the organization and its present operations, all revenues and expenditures of the Security District are accounted for in the General Fund, a governmental fund type. This fund is the general operating fund of the Security District. It is used to account for all financial resources of the Security District.

Basis of Accounting

Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities report information about the Security District as a whole. These statements include all the financial activities of the Security District. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Fund Financial Statements

The amounts reflected in the General Fund Statements, are accounted for using a current financial resources measurement focus. Measurement focus refers to what

Twinbrook Security District
Notes To Financial Statements
Year Ended December 31, 2011

is being measured; basis of accounting refers to timing of when revenues and expenditures are recognized in the accounts and reported in the financial statements.

All revenues and expenditures of the Security District are accounted for in the General Fund (a governmental fund type). Governmental funds use a current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual, i.e., when they become measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred, if measurable.

Reconciliation

Explanation of certain differences and the related reconciliations between the fund financial statements and government-wide financial statements are presented on pages 11 and 13.

Budget Practices

The proposed budget, prepared on the modified accrual basis of accounting, is submitted to the Board of Commissioners prior to the beginning of each fiscal year. The budget is made available for public inspection and is then legally adopted by the Board. The budget is established and controlled by the Security District, and is amended during the year, as necessary. All budgetary appropriations lapse at the end of the year and must be reappropriated for the following year to be expended.

Deposits

Cash and cash equivalents include amounts in interest bearing demand deposits. Under state law, the Security District may deposit funds in demand deposits, interest bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

At December 31, 2011, the Security District had cash (book balances) totaling \$60,713 in demand deposits consisting of non-interest bearing checking and

Twinbrook Security District
Notes To Financial Statements
Year Ended December 31, 2011

interest bearing savings accounts. These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. At December 31, 2011, the Security District had \$60,713 in deposits (collected bank balance) insured by FDIC coverage.

Investments

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

Equity Classification

In the government-wide financial statements, equity is classified as net assets and displayed in one component called unrestricted net assets. Unrestricted net assets consist of net assets that are not legally segregated for a specific future use.

Governmental Fund Balances

On January 1, 2011, the Fund adopted GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which significantly changed the reporting of fund balance in the balance sheets of governmental type funds.

In the governmental fund financial statements, fund balances are classified as follows:

1. Non-spendable – amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.
2. Restricted – amounts that can be spent only for specific purposes because of state or federal laws or because of constraints externally imposed by creditors, grantors, or citizens.
3. Committed – amounts that can be used only for specific purposes determined by a formal action of the Board of Commissioners.
4. Assigned – amounts that are intended to be used for specific purposes but do not meet the criteria to be classified as restricted or committed.

Twinbrook Security District
Notes To Financial Statements
Year Ended December 31, 2011

5. Unassigned – all amounts not included in other spendable classifications.

Risk Management

The Security District is exposed to various risk of loss related to torts; and theft of, damage to and destruction of assets. To handle such risk of loss, the Security District, its Board of Commissioners, its Executive Director and any staff member have been named as additional insureds under the policies maintained by the company providing the patrol services to the Security District. In addition, as of December of 2010, the District has purchased insurance for general liability, and director' and officers' liability coverage.

Note 3. Parcel Fees

Annually, the Security District submits a plan to the City Council of New Orleans to levy and collect a parcel fee, not to exceed \$500 per improved parcel of land located within the boundaries of the Security District.

The City of New Orleans levies and collects the special fees for the Security District in the same manner and at the same time as ad valorem taxes on property subject to taxation by the City of New Orleans are levied and collected. Specifically, with regards to the Security District, the special parcel fees are levied on January 1 of the current year based on a flat fee per improved parcel of land not to exceed \$500. Parcel fees are due January 1 and become delinquent on February 1. The City is permitted to retain one percent (1%) of the amount collected as a collection fee.

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

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

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

Receivables totaling \$133,432 at December 31, 2011, mainly consist of funds held in a custodial account of the Board of Liquidation, City Debt. These funds, which have not been warranted by the Security District as of December 31, 2011, consist of parcel fees and interest earned on funds held in custody.

Twinbrook Security District
Notes To Financial Statements
Year Ended December 31, 2011

Note 5. Pension Plan

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

Note 6. Litigation And Claims

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

Note 7. Compensation Paid To Board Members

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

Note 8. Other Commitments And Contingencies

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

The initial yearly contract with this company began in January 1, 2007. The February 1, 2011 renewal of the contract increased the patrol hours to 24 hours per day and decreased the hourly rate to \$23.50 per hour. The contract was agreed upon by the District's board in their October 2010 meeting with the new contract signed in February of 2011. The contract extension for 2012, discussed in the December 2011 meeting, maintains the same hours and rates. Total expenditures under this contract for 2011 were \$205,638.

The Security District also has an agreement with an independent contractor that provides administrative and support services to the Security District. The contract with this company was renewed in 2009 by the Board to continue through December 31, 2011. In their December 2011 meeting, the Board renewed the contract for 2012 with no changes to the fees. Total expenditures under this contract for 2011 were \$14,400.

Note 9. Date Of Management's Review

In preparing the financial statements, the Security District has evaluated events and transactions for potential recognition or disclosure through June 21, 2012, the date the financial statements were available to be issued.

Required Supplementary Information (Part II)

Twinbrook Security District
Schedule Of Revenues, Expenditures, And
Changes In Fund Balance
Budget And Actual - General Fund
Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u>	<u>%</u> <u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable</u> <u>(Unfavorable)</u>	
Revenues					
Parcel fees (net of collection fees)	\$ 223,519	\$ 223,519	\$ 232,316	\$ 8,797	
Interest earned	<u>500</u>	<u>500</u>	<u>583</u>	<u>83</u>	
Total Revenues	<u>224,019</u>	<u>224,019</u>	<u>232,899</u>	<u>8,880</u>	4.0
Expenditures					
Patrol and security services	224,000	224,000	205,638	18,362	
Administration fee	14,400	14,400	14,400	-	
Office / telephone / mailings	3,000	3,000	1,606	1,394	
Accounting services	3,000	3,000	3,100	(100)	
Insurance	1,700	1,700	1,660	40	
Night out against crime	<u>-</u>	<u>1,000</u>	<u>309</u>	<u>691</u>	
Total Expenditures	<u>246,100</u>	<u>247,100</u>	<u>226,713</u>	<u>20,387</u>	8.3
Net Change In Fund Balance	(22,081)	(23,081)	6,186	29,267	
Fund Balance At Beginning Of Year	<u>154,547</u>	<u>166,275</u>	<u>166,275</u>	<u>-</u>	
Fund Balance At End Of Year	<u>\$ 132,466</u>	<u>\$ 143,194</u>	<u>\$ 172,461</u>	<u>\$ 29,267</u>	

See accompanying notes and independent accountant's review report.

Other Reports And Supplemental Information

PEDELAHORE & CO., LLP

Certified Public Accountants

Independent Accountant's Report On Applying Agreed-Upon Procedures

To the Board of Commissioners
Twinbrook Security District
New Orleans, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Twinbrook Security District (the Security District) and the Legislative Auditor, State of Louisiana, solely to assist the specified parties in evaluating management's assertions about Twinbrook Security District's compliance with certain laws and regulations during the year ended December 31, 2011, included in the accompanying *Louisiana Attestation Questionnaire*. Management is responsible for the Security District's compliance with those 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 parties specified in 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.

Our procedures and findings are as follows:

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$30,000, or public works exceeding \$150,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

There were no expenditures meeting the above criteria.

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 all board members and employees, as well as their immediate families.

Not applicable; the District has no employees or elected officials.

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

Not applicable; the District has no 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 has no employees.

Budgeting

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

Management provided us with a copy of the original budget and the budget amendments during the year.

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

We traced the adoption of the original budget to the minutes of a meeting held on October 25, 2010 which indicated that the resolution to approve the budget for 2011 had been approved by the Board of Commissioners by a unanimous vote. Subsequent budget amendments were traced to the minutes of the August 8, 2011 Board meeting for approval.

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.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. There were no unfavorable variances.

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;

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.

Accounting and Reporting

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

All of the payments were properly coded to the correct fund and general ledger accounts.

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

Inspection of the cancelled checks for each of the six selected disbursements indicated that all checks were properly signed by authorized officials. Management has asserted that the supporting documentation was presented and approved at the time the checks were signed.

Meetings

- 9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The District is required to post a notice of each meeting by posting a copy of the notice at the principal office of the public body holding the meeting, or if no such office exists, at the building in which the meeting is to be held; or by publication of the notice in an official journal of the public body no less than twenty-four hours before the meeting.

We noted that the minutes contained confirmations that the appropriate public notice of all regular and special meetings were posted more than twenty-four hours before each meeting. Inquiry of the Executive Director revealed that the notices were posted at the office of the Security District.

Debt

- 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.

We inspected copies of all bank statements for the period under examination and noted no deposits that appeared to be proceeds of bank loans, bonds, or like indebtedness. All deposits were fees collected and distributed by the Board of Liquidation.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees, which may constitute bonuses, advance, or gifts.

A reading of the minutes of the Security District for the year indicated no approval for the types of payments noted. Inspection of payroll records was not appropriate, as the Security District has no employees.

We were not engaged to, and did not perform an examination, 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 Twinbrook Security District and the Legislative Auditor, State of Louisiana, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Pedlatone & Co., LLP

June 21, 2012

Other Schedules

Twinbrook Security District
Summary Schedule Of Current And Prior Year Findings
Year Ended December 31, 2011

We have reviewed the basic financial statements of Twinbrook Security District as of and for the year ended December 31, 2011, and have issued our report thereon dated June 21, 2012. In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have also issued a report, dated June 21, 2012, on the results of our agreed-upon procedures.

Current Year Findings:

Section I – Agreed-Upon Procedures

There were no findings noted for the year ended December 31, 2011.

Section II – Management Letter

None issued.

Prior Year Findings:

Section I – Agreed-Upon Procedures

There were no findings noted for the year ended December 31, 2010.

Section II – Management Letter

None issued.

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

April 20, 2012 (Date Transmitted)

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

(Auditors)

In connection with your review of our financial statements as of December 31, 2011 and for the year then ended, and as required by Louisiana Revised Statute 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 Mar 17 2012 (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. 39:1301-16), 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.
not applicable
Yes No

We have had our financial statements reviewed in accordance with R.S. 24:513.
Yes No

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R. S. 42:1 through 42:13.

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.

not applicable

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.

not applicable

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.

<u><i>[Signature]</i></u>	VP Secretary	<u>6/1/12</u>	Date
<u><i>[Signature]</i></u>	Treasurer	<u>5/22/12</u>	Date
<u><i>[Signature]</i></u>	President	<u>5/30/12</u>	Date