

Garden District's Security District
New Orleans, Louisiana

Annual Financial Statements
And Accompanying Reports And Information

Year Ended December 31, 2008

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 10/14/09

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PEDELAHORE & CO., LLP
Certified Public Accountants

September 14, 2009

Office of Legislative Auditor
Attention: Ms. Suzanne Elliot, CPA
Post Office Box 94397
1600 North Third Street
Baton Rouge, Louisiana 70804-9397

Re: Garden District's Security District
New Orleans, Louisiana

Dear Ms. Elliot:

In accordance with Louisiana Revised Statute 24:514, enclosed are the annual financial statements for Garden District's Security District (the District) as of and for the year ended December 31, 2008. Also attached (but not bound herein) is the Data Collection Form concerning this engagement.

The report includes all funds under the control and oversight of the District. Also, as indicated in Note 2 to the financial statements, there are no component units included in the District's reporting entity. The accompanying financial statements have been prepared in accordance with generally accepted accounting principles.

Additionally, copies of the financial reports referred to above have been distributed to the Board of Commissioners of the District.

Respectfully,



Pedelahore & Co., LLP
Certified Public Accountants

Required Supplementary Information (Part 1)

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Garden District's Security District
New Orleans, Louisiana

Management's Discussion And Analysis
Year Ended December 31, 2008

The Statement of Activities presents information showing how the 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 District uses only the governmental type of fund. The basic services of the District are reported in the general fund, which focuses on how money flows into and out of the District and the balance left at the end of the year. The revenues and expenditures of the general fund are reported 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 helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the 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 District

Summary Statement Of Net Assets
As Of December 31, 2008 And 2007

	<u>2008</u>	<u>2007</u>
Current and other assets		
Total assets	<u>\$ 700,567</u>	<u>\$ 611,222</u>
Current liabilities		
Total liabilities	<u>62,175</u>	<u>5,250</u>
Net Assets		
Unrestricted	<u>638,392</u>	<u>605,972</u>
Total Net Assets	<u>\$ 638,392</u>	<u>\$ 605,972</u>

The 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.

Garden District's Security District
New Orleans, Louisiana

Management's Discussion And Analysis
Year Ended December 31, 2008

As noted above, the net assets of the District increased by \$32,420 or 5.3%, from January 01, 2008 to December 31, 2008.

Summary Statement Of Activities
Years Ended December 31, 2008 And 2007

	<u>2008</u>	<u>2007</u>
Revenues		
Ad valorem taxes	\$ 723,294	\$ 625,474
Interest	<u>20,968</u>	<u>40,971</u>
Total Revenues	<u>744,262</u>	666,445
Expenses		
General government	<u>711,842</u>	<u>693,465</u>
Increase (Decrease) In Net Assets	<u>\$ 32,420</u>	<u>\$ (27,020)</u>

The District's total revenues increased by \$77,817 or 11.7%. The total cost of all programs and services increased by \$ 18,377 or 3%. Due to property reassessments in 2008, millage rates were rolled back from the 2007 maximum allowable rate of 19 mills to 11.62 mills for a revenue neutral position. However, in 2007, only 16 mills of the allowable 19 mills were levied; this is equivalent to a rollback to 9.79 mills in 2008. Revenues increased due to a millage increase from 9.79 mills to 11.62 mills. Expenses increased slightly due to a rate increase for the extra patrol services. The availability of police officers for the extra patrol decreased due to the need for their overtime services to the City, and the rate increase was needed due to competition for their services.

Budgetary Highlights

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

- Revenue – Overall unfavorable variance of 3.7%
 - Budgeted amounts did not include the 4% collection and assessor fees
 - Decrease in interest earnings

Garden District's Security District
New Orleans, Louisiana

Management's Discussion And Analysis
Year Ended December 31, 2008

Expenses – Overall favorable variance of 8.7%

- Decrease in patrol/security costs compared to budgeted mainly due to: rates for private patrol services did not increase as expected, and there were fewer number of hours worked by the extra patrol than expected.
- Decrease in actual litigation and legal costs compared to budgeted amounts.

Economic Factors And Next Year's Budget And Rates

For 2009 the District has increased the millage rate from 11.62 mills to 12 mills on each parcel of real property. Expenses are expected to increase in 2009 due to the continuing increased costs of patrol services. Overall, the District expects that next year's results will be similarly reflective of the budgeted amounts.

Contacting The District's Financial Management

This report is designed to provide our residents of the District and others with a general overview of the District's finances and to show the District's accountability for the money it received. Any questions about this report or requests for additional information may be directed to the 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 Auditor's Report

To the Board of Commissioners
Garden District's Security District
New Orleans, Louisiana

We have audited the accompanying basic financial statements of Garden District's Security District (the District), as of and for the year ended December 31, 2008, as listed in the table of contents. These basic financial statements are the responsibility of the Garden District's Security District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of Garden District's Security District, as of December 31, 2008, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 14, 2009, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and budgetary comparison information, as listed in the table of contents, are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Pedelahore & Co., LLP

September 14, 2009

Garden District's Security District
Statement Of Net Assets
December 31, 2008

Statement A

Assets

Cash	\$ 66,220
Prepaid expenses	661
Taxes receivable	65,006
Receivables - Due from Board of Liquidation, City Debt	<u>568,680</u>
 Total Assets	 <u>700,567</u>

Liabilities

Accounts payable	56,425
Other accrued expenses	<u>5,750</u>
 Total Liabilities	 <u>62,175</u>

Net Assets

Unrestricted net assets	<u>638,392</u>
 Total Net Assets	 <u><u>\$ 638,392</u></u>

The Notes to Financial Statements are an integral part of these statements.

Garden District's Security District
Statement Of Activities
For the Year Ended December 31, 2008

	Statement B
Expenditures	
Patrol and security services	\$ 663,446
Administrative and office expense	39,676
Legal defense	-
Insurance	2,470
Accounting and auditing	<u>6,250</u>
 Total Expenditures	 <u>711,842</u>
Revenues	
Ad valorem taxes (net of collection fees)	723,294
Interest earned	<u>20,968</u>
 Total Revenues	 <u>744,262</u>
 Change In Net Assets	 32,420
 Net Assets At Beginning Of Year	 <u>605,972</u>
 Net Assets At End Of Year	 <u><u>\$ 638,392</u></u>

The Notes to Financial Statements are an integral part of these statements.

Garden District's Security District
Balance Sheet
General Fund - Governmental Fund
December 31, 2008

	Statement C
<u>Assets</u>	
Cash	\$ 66,220
Prepaid expenses	661
Taxes receivable	65,006
Receivables - Due from Board of Liquidation, City Debt	<u>568,680</u>
 Total Assets	 <u>\$ 700,567</u>
 <u>Liabilities And Fund Balance</u>	
Accounts payable	\$ 56,425
Other accrued expenses	<u>5,750</u>
 Total Liabilities	 <u>62,175</u>
 Fund balance - unreserved and undesignated	 <u>638,392</u>
 Total Liabilities And Fund Balance	 <u>\$ 700,567</u>

The Notes to Financial Statements are an integral part of these statements.

Garden District's Security District
Reconciliation Of The Governmental Funds Balance Sheet
To The Government - Wide Statement Of Net Assets
December 31, 2008

	Statement D
Fund Balance - Governmental Fund (Statement C)	\$ 638,392
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>\$ 638,392</u></u>

The Notes to Financial Statements are an integral part of these statements.

Garden District's Security District
 Statement Of Revenues, Expenditures, And
 Changes In Fund Balance
 General Fund - Governmental Fund
 For the Year Ended December 31, 2008

	Statement E
Revenues	
Ad valorem taxes (net of collection fees)	\$ 723,294
Interest earned	<u>20,968</u>
 Total Revenues	 <u>744,262</u>
 Expenditures	
Patrol and security services	663,446
Administrative and office expense	39,676
Legal defense	-
Insurance	2,470
Accounting and auditing	<u>6,250</u>
 Total Expenditures	 <u>711,842</u>
 Net Change In Fund Balance	 32,420
 Fund Balance At Beginning Of Year	 <u>605,972</u>
 Fund Balance At End Of Year	 <u><u>\$ 638,392</u></u>

The Notes to Financial Statements are an integral part of these statements.

Garden District's Security District
Reconciliation Of The Statement Of Revenues, Expenditures
And Changes In Fund Balances Of Governmental Funds
To The Statement Of Activities
For the Year Ended December 31, 2008

	Statement F
Net Change In Fund Balance - Governmental Fund (Statement E)	\$ 32,420

Amounts reported for governmental activities in the statement of activities
(government-wide financial statements) are different because:

There are no differences.

 -

Change In Net Assets Of Governmental Activities (Statement B)	<u>\$ 32,420</u>
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The Notes to Financial Statements are an integral part of these statements.

Garden District's Security District
Notes To Financial Statements
Year Ended December 31, 2008

Note 1. Introduction

The Garden District's Security District (the District) is a special taxing district created by Act 86 of the First Extraordinary Session of 1998 of the Louisiana Legislature (Louisiana Revised Statute 33:2740.38 re-designated as Louisiana Revised Statute 33:9091.2), for the purpose of promoting and encouraging the security of the Garden District in the City of New Orleans.

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

The boundaries of the District are areas bounded by and including both sides of Carondelet Street, Jackson Avenue, Magazine Street, and Louisiana Avenue. The District serves over 2,500 residents and businesses and includes approximately 1,600 taxable properties.

The 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 District in November 1998, the operations of the District will be funded beginning in 1999 by the imposition of a special ad valorem tax on all taxable real property within the District.

Note 2. Summary Of Significant Accounting Policies

Basis of Presentation

The financial statements of the 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.

Garden District's Security District
Notes To Financial Statements
Year Ended December 31, 2008

Reporting Entity

The Garden District's Security 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 Garden District in Orleans Parish. The District is not included in any other governmental "reporting entity" as defined by the 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 14, which are included in the District's reporting entity.

Fund Accounting

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

Basis of Accounting

Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities report information about the District as a whole. These statements include all the financial activities of the 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 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.

Garden District's Security District
Notes To Financial Statements
Year Ended December 31, 2008

All revenues and expenditures of the 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 13 and 15.

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 reappropriated for the following year to be expended.

Cash

Cash includes amounts in interest bearing demand deposits. Under state law, the 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, 2008, the District had cash (book balances) totaling \$66,220 in interest bearing demand deposits. 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, 2008, the District had \$72,209 in deposits (collected bank balances) all of which was secured by insurance or the pledge of securities.

Garden District's Security District
Notes To Financial Statements
Year Ended December 31, 2008

Investments

The District does not have any investments other than cash invested in an interest bearing checking account. Funds held in a custodial account of the Board of Liquidation, City Debt, are invested in fully secured certificates of deposit and/or obligations of the United States Government.

Receivables

For purposes of the government-wide financial statements, taxes receivable are shown net of an allowance for uncollectible taxes. The allowance for uncollectible taxes as of December 31, 2008 was stated at \$0.00.

Risk Management

The 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 District maintains commercial insurance policies covering general liability and property insurance. There were no significant reductions in insurance coverage during the year ended December 31, 2008.

Note 3. Ad Valorem Taxes

Annually, the District submits a plan to the City Council of New Orleans to levy and collect a special ad valorem tax, not to exceed nineteen (19) mills, on all taxable real property situated within the boundaries of the District.

The City of New Orleans levies and collects the special taxes 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 are levied and collected. Specifically, with regards to the District, the special ad valorem taxes are levied on January 1 of the current year based on assessed values as of August 15 of the prior year. Ad valorem taxes are due January 1 and become delinquent on February 1. The City is permitted to retain two percent (2%) of the amount collected as a collection fee and two percent (2%) as an assessor 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.

Garden District's Security District
Notes To Financial Statements
Year Ended December 31, 2008

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

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

Receivables totaling \$568,680 at December 31, 2008, 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 District as of December 31, 2008, consist of ad valorem tax collections and interest earned on funds held in custody. Taxes receivable totaling \$65,006 represent current year taxes collected but not distributed to the Board of Liquidation as of December 31, 2008.

Note 5. Pension Plan

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

Note 6. Litigation And Claims

As of December 31, 2008, the District was not involved in or aware of any pending or threatened litigation.

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 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 this company began in March 31, 2005 and ended on March 31, 2007, with two additional one-year options (which has been exercised). Total expenditures under this contract for 2008 were \$619,613.

The District also has an agreement with an independent contractor that provides administrative and support services to the District. In January 2007, the District renewed this contract with a new two-year term ending on January 31, 2009. Total expenditures for 2008 in conjunction with this agreement were \$34,800.

Required Supplementary Information (Part II)

Garden District's Security District
Statements Of Revenues, Expenditures, And
Changes In Fund Balance
Budget And Actual - General Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u>	<u>%</u> <u>Variance</u>
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)	
Revenues					
Ad valorem taxes (net of fees)	\$ 743,115	\$ 743,115	\$ 723,294	\$ (19,821)	
Interest earned	<u>29,724</u>	<u>29,724</u>	<u>20,968</u>	<u>(8,756)</u>	
Total Revenues	<u>772,839</u>	<u>772,839</u>	<u>744,262</u>	<u>(28,577)</u>	-3.7
Expenditures					
Patrol and security services	706,000	719,275	663,446	55,829	
Administrative and other expenses	50,400	50,400	48,396	2,004	
Legal defense	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>	
Total Expenditures	<u>766,400</u>	<u>779,675</u>	<u>711,842</u>	<u>67,833</u>	8.7
Net Change In Fund Balance	6,439	(6,836)	32,420	39,256	
Fund Balance At Beginning Of Year	<u>566,119</u>	<u>605,972</u>	<u>605,972</u>	<u>-</u>	
Fund Balance At End Of Year	<u>\$ 572,558</u>	<u>\$ 599,136</u>	<u>\$ 638,392</u>	<u>\$ 39,256</u>	

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Other Reports And Supplemental Information

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PEDELAHORE & CO., LLP
Certified Public Accountants

**Report On Internal Control Over Financial Reporting And
On Compliance And Other Matters Based On An Audit Of
Financial Statements Performed In Accordance With
*Government Auditing Standards***

To the Board of Commissioners
Garden District's Security District
New Orleans, Louisiana

We have audited the basic financial statements of Garden District's Security District (the District) as of and for the year ended December 31, 2008, and have issued our report thereon dated September 14, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be detected or prevented by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of current year findings as item 2008-1.

We noted certain matters that we reported to management of The District in a separate letter dated September 14, 2009.

The District's response to the finding identified in our audit is described in the accompanying schedule of management's planned corrective action plan. We did not audit the District's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management of the District and the Legislative Auditor for the 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.

Pedilamore & Co, LLP

September 14, 2009

Garden District's Security District
Schedule Of Current Year Findings
Year Ended December 31, 2008

Section I – Summary of Auditor’s Results

Type of auditor’s report issued:	Unqualified	
Internal control over financial reporting:		
Material weakness(es) identified?	_____yes	___X___no
Significant deficiency or a combination of control deficiencies identified not considered to be material weaknesses?	_____yes	___X___no
Noncompliance material to financial statements noted?	_____yes	___X___no
Was a management letter issued?	___X___yes	_____no

Section II – Financial Statement Audit Findings

Compliance:

Finding 2008-1 State Reporting

Criteria: State law requires that governmental entities file their audit, review or compilation/attestation reports with the Legislative Auditor’s Office within six months of the close of the entity’s fiscal year.

Condition: The District did not meet the filing deadline of June 30, 2009. A request for an extension was granted until September 15, 2009 and met.

Cause: The District required additional time to acquire the City of New Orleans Finance Department reports which were needed to complete the audit.

Effect: Noncompliance with the reporting filing deadline.

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Garden District's Security District
Schedule Of Current Year Findings
Year Ended December 31, 2008

Recommendation: We recommend that the District request annual reports from the City of New Orleans Finance Department by March of each year.

Section III – Federal Award Findings and Questioned Costs

Not applicable

Garden District's Security District
Summary Schedule Of Prior Year Findings
Year Ended December 31, 2008

The Garden District's Security District respectfully submits the following schedule of prior year audit findings for the year ended December 31, 2008.

Section I – Internal Control And Compliance Material To The Financial Statements

Compliance:

Finding 2007-1 Uninsured Or Under-Collateralized Cash Deposits

Condition: The District's cash deposits at one financial institution were not fully insured or collateralized at all times during the year.

Corrective action taken: Yes. Cash deposits were fully insured at all times.

Section II – Internal Control And Compliance Material To Federal Awards

Not Applicable

Section III – Management Letter

Not applicable

**Garden District's Security District
Management's Corrective Action Plan
Year Ended December 31, 2008**

The Garden District's Security District respectfully submits the following corrective action plan for the year ended December 31, 2008.

Independent Public Accounting Firm Pedelahore & Co., LLP
1010 Common St., Suite 2100
New Orleans, LA 70112

Auditee Contact Person: Ms. Shelley Landrieu
Executive Director
Garden District's Security District
5329 Dryades St., Unit A
New Orleans, LA 70115

The findings from the Schedule of Current Year Findings are discussed below. The findings are numbered consistently with the numbers assigned in the Schedule.

Section I – Internal Control and Compliance Material To The Financial Statements

Finding 2008-1 State Reporting

The District concurs with the findings and will request annual reports from the City three months prior to the audit report date.

Section II – Internal Control And Compliance Material To Federal Awards

Not applicable

Management Letter

Management Letter 2008-1 City Reporting

The District's management concurs and has already taken action on this matter by meeting with the City of New Orleans representatives and receiving and reviewing reports containing the taxes levied and collected by the City during fiscal years 2006, 2007, 2008 and 2009 through June 30. The District is planning to request these transaction history reports showing taxes levied and collected during the year on an ongoing basis.

PEDELAHORE & CO., LLP
Certified Public Accountants

September 14, 2009

To the Board of Commissioners
Garden District's Security District
New Orleans, Louisiana

We have audited the basic financial statements of the Garden District's Security District as of and for the year ended December 31, 2008 and have issued our report thereon dated September 14, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

As part of our audit, we have issued our report on the financial statements, dated September 14, 2009, and our report on internal control and compliance with laws, regulations, contracts, and grants dated September 14, 2009. During the course of our examination, we became aware of the following matters which represent immaterial deviations of compliance or suggestions for improved internal controls.

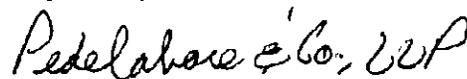
Management Letter 2008-1

Condition: The District did not receive from the City of New Orleans timely and accurate information concerning the taxes levied and collected during the year.

Recommendation: The District should obtain, on a routine and ongoing basis, information from the City of New Orleans regarding the amount of taxes levied and collected during the year for the District. This information should be received at a minimum once a year and preferably twice a year. Suggested reporting periods as of December 31 and June 30 with the reports received by the District at the latest by March 15 and August 15, respectively, would allow maximum use of this information. This information is critical for the District in evaluating budgetary matters and in overall operation of the District.

We recommend management address the foregoing issues as an improvement to operations and the administration of public programs. We are available to further explain the recommendation or help implement the recommendation.

Respectfully,



Pedelahore & Co., LLP
Certified Public Accountants