

Upper Hurstville Security District
New Orleans, Louisiana

Annual Financial Statements
And Accompanying Compilation Report

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 8/26/09

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Section I

PEDELAHORE & CO., LLP
Certified Public Accountants

July 17, 2009

Office of Legislative Auditor
Post Office Box 94397
1600 North 3rd Street
Baton Rouge, Louisiana 70804

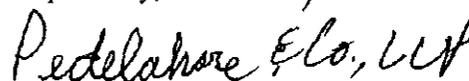
Re: Upper Hurstville Security District
New Orleans, Louisiana

We have completed the compilation engagement of Upper Hurstville Security District (the District) as of and for the year ended December 31, 2008. In accordance with your instructions outlined in the *Louisiana Governmental Audit Guide* please find enclosed one unbound copy of the District's financial statements and accompanying accountant's report. Also attached (but not bound herein) is the Data Collection Form concerning this engagement.

Additionally, a copy of the financial statements and report referenced above has been distributed to the Board of Commissioners of the District.

There are no component units included in the District's reporting entity.

Respectfully,



Pedelahore & Co., LLP
Certified Public Accountants

PEDELAHORE & CO., LLP

Certified Public Accountants

Accountant's Compilation Report

To the Board of Commissioners
Upper Hurstville Security District
New Orleans, Louisiana

We have compiled the accompanying financial statements of Upper Hurstville Security District (the District) as of and for the year ended December 31, 2008, as listed in the table of contents, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management of Upper Hurstville Security District. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

In 2008, the District adopted the policy of preparing its financial statements on the accrual basis of accounting as compared to the modified cash basis of accounting. Accordingly, the beginning fund balance of the 2008 financial statements has been retrospectively adjusted to reflect this change.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusion 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.

As permitted under the requirements of Louisiana Revised Statute 24:513, the District has not adopted the provision of Governmental Accounting Standards Board Statement No. 34 for the year ended December 31, 2008. The effects of this departure from generally accepted accounting principles have not been determined.

Pedelahore & Co., LLP

July 17, 2009

Section II
Financial Statements – Governmental Funds

Upper Hurstville Security District
Balance Sheet
December 31, 2008

Assets

Cash	\$ 319
Funds held in custody, Board of Liquidation, City Debt	<u>76,103</u>
Total assets	<u>\$ 76,422</u>

Liabilities And Fund Balance

Accounts payable	<u>\$ 59,861</u>
Total liabilities	<u>59,861</u>
Fund Balance - unreserved and undesignated	<u>16,561</u>
Total liabilities and fund balance	<u>\$ 76,422</u>

See accountant's compilation report.

Upper Hurstville Security District
Statement Of Revenues, Expenditures And
Changes In Fund Balance
For the Year Ended December 31, 2008

Revenues	
Parcel fees (net of collection fees)	\$ 160,588
Interest earned	<u>3,957</u>
Total revenues	<u>164,545</u>
Expenditures	
Patrol and security services	249,824
Administrative and office expense	4,541
Accounting	3,420
Insurance	<u>2,002</u>
Total expenditures	<u>259,787</u>
Net Change In Fund Balance	(95,242)
Fund Balance At Beginning Of Year - As Previously Stated (Deficit)	(4,755)
Adjustment to convert to the accrual basis	<u>116,558</u>
Fund Balance At End Of Year	<u>\$ 16,561</u>

See accountant's compilation report.

Upper Hurstville Security District
Statement Of Revenues, Expenditures, And
Changes In Fund Balance - Budget And Actual
For the Year Ended December 31, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>	<u>%</u> <u>Variance</u>
Revenues				
Parcel fees (net)	\$ 155,982	\$ 160,588	\$ 4,606	
Interest earned	-	3,957	3,957	
 Total revenues	<u>155,982</u>	<u>164,545</u>	<u>8,563</u>	5.5
Expenditures				
Patrol and security services	141,376	249,824	(108,448)	
Administrative and office expense	3,500	4,541	(1,041)	
Newsletter / community education	5,000	-	5,000	
Website	500	-	500	
Accounting fees	2,500	3,420	(920)	
Legal	1,000	-	1,000	
Insurance	2,106	2,002	104	
 Total expenditures	<u>155,982</u>	<u>259,787</u>	<u>(103,805)</u>	-66.5
 Net Change In Fund Balance	 -	 (95,242)	 (95,242)	
 Fund Balance At Beginning Of Year	 -	 <u>111,803</u>	 <u>111,803</u>	
 Fund Balance At End Of Year	 <u>\$ -</u>	 <u>\$ 16,561</u>	 <u>\$ 16,561</u>	

See accountant's compilation report.

Other Schedules

Upper Hurstville Security District
Schedule Of Findings And Questioned Costs With
Management's Response And Planned Corrective Action
Year Ended December 31, 2008

Section I – Compilation

- Finding 2008-1:** Budgetary Compliance
- Criteria: The Local Government Budget Act requires amending a budget when total actual expenditures and projected expenditures for the remainder of the year exceed budgeted expenditures by five percent (5%) or more.
- Condition: The District's actual expenditures for 2008 exceeded budgeted expenditures by \$103,805, or by 66.5%.
- Cause: There was an unexpected increase in patrol/security services cost in the middle of the year.
- Effect: Noncompliance with the Local Government Budget Act.
- Recommendation: We recommend that the District comply with all provisions of the Local Government Budget Act.
- Management's response and planned corrective action: Patrol hours were increased in 2008 compared to those hours projected for the budget. The Board acknowledged that the surplus in the fund balance would allow the increased patrols to continue, but did not amend the budget to reflect this change in expenditures. The District concurs with the finding and will take the necessary steps to properly amend future budgets.
- Finding 2008-2:** Open Meetings Law
- Criteria: The Open Meeting Law requires that notices of public meetings be in writing and posted at the district office or place where the meetings are usually held at least 24 hours before the meeting. The notice should include the agenda and date, time and place of the meeting. Written minutes of the meetings should also be prepared.

Upper Hurstville Security District
Schedule Of Findings And Questioned Costs With
Management's Response And Planned Corrective Action
Year Ended December 31, 2008

Condition: The District's records had one set of minutes in 2008 available for review; however no agendas or documentation showing that agendas were posted were available for review.

Cause: Although the Board indicated that minutes and agendas were created, no controls were put into place to document these records.

Effect: Noncompliance with the Open Meetings Law.

Recommendation: We recommend that the District confirm proper posting of meeting notices by including a statement on the agenda, or by actual confirmation at the meeting and in the meeting minutes.

Management's
response and
planned corrective
action:

The District concurs with the findings and will take the necessary steps to properly provide documentation of notices and minutes.

Finding 2008-3: State Reporting

Criteria: Louisiana 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 of time was granted until September 15, 2009 and met.

Cause: The District required time to assemble additional information requested by the accountant to complete the compilation engagement.

Effect: Noncompliance with the reporting filing deadline.

Upper Hurstville Security District
Schedule Of Findings And Questioned Costs With
Management's Response And Planned Corrective Action
Year Ended December 31, 2008

Recommendation: We recommend that the District put controls into place to ensure all administrative and financial records are readily available for timely filing of the annual reporting package.

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

The District concurs with the findings and has taken corrective action by contracting with an accountant to assist with the accounting and administration functions. Management expects to file future reports on a timely basis.

Section II – Management Letter

None issued.

Upper Hurstville Security District
Schedule Of Prior Year Findings
Year Ended December 31, 2008

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

There were no findings noted for the year ended December 31, 2007.

Section II – Management Letter

None Issued