

**LAKESHORE CRIME PREVENTION DISTRICT  
AUDIT OF FINANCIAL STATEMENTS  
For the Year Ended December 31, 2007**

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 3-19-08

**LAKESHORE CRIME PREVENTION DISTRICT**

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## INDEPENDENT AUDITORS' REPORT

We have audited the accompanying general-purpose financial statements of the **LAKESHORE CRIME PREVENTION DISTRICT** as of and for the year ended December 31, 2007, as listed in the table of contents. These general-purpose financial statements are the responsibility of the **LAKESHORE CRIME PREVENTION DISTRICT's** management. Our responsibility is to express an opinion on these general-purpose 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 financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and 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 general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the **LAKESHORE CRIME PREVENTION DISTRICT** as of December 31, 2007, and the results of its operations 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 a report dated February 8, 2008, on our consideration of the **LAKESHORE CRIME PREVENTION DISTRICT's** internal control and its compliance with laws and regulations. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis, beginning on page 3, is not a required part of the financial statements, but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consist primarily of inquiries of management regarding methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

  
February 8, 2008

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## **LAKESHORE CRIME PREVENTION DISTRICT**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

For the Year Ended December 31, 2007

Management's Discussion and Analysis ("MD&A") for the **LAKESHORE CRIME PREVENTION DISTRICT** (the "District") is designed to:

- assist the reader in focusing on significant financial issues;
- provide an overview of the District's financial activities;
- identify changes in the District's financial position and results of operations and assist the user in determining whether financial position has improved or deteriorated as a result of the year's operations;
- identify any significant variations from the original, amended, and final budget amounts and include any currently known reasons for any variations that are expected to have a significant effect on future services or liquidity; and
- identify other significant issues.

The information contained herein should be read in conjunction with the financial statements, notes thereto and other required supplemental information taken as a whole.

The MD&A is required supplementary information that introduces the reader to the general-purpose financial statements and provides an overview of the District's financial activities. The District's general-purpose financial statements consist of the following components: the District's balance sheet, statement of revenue, expenditures and changes in fund balance and the notes to the financial statements.

#### **OVERVIEW OF 2007 OPERATIONS**

Our operating capital for 2007 has been received only from one source, namely the property owners of the District as defined by Act 200 by the Louisiana Legislature. Each property owner is assessed a fee which is collected by the City of New Orleans and passed directly to the District's bank account by direct deposit. The City of New Orleans charges 1% for their collection services which is deducted prior to deposit.

Because of the extraordinary expense of providing 24-hour security to the District, the Board of Commissioners of the Lakeshore Crime Prevention District has decided to enact additional safeguards into the budget process to address any future interruption of funds that are collected by and received from the City of New Orleans due to this issue occurring after Hurricane Katrina. Additionally fuel prices have been steadily increasing since Hurricane Katrina and the District has been anticipating a corresponding increase in costs to the District for security services. The District anticipates future increases in costs and also seeks to insure that there will be no interruption of security services for the District's property owners. All funds spent by the District during 2007 were for security services performed by Metro Security, Inc., the production of one newsletter to the property owners of the District to inform them of the status and activities of the District and to update the contact information of the property owners and lastly, for the preparation and submission of the audit package to the Legislative Auditors office.

To fully accomplish these goals, the District's Board of Commissioners has decided to adjust security to provide for one 24-hour per day guard and one 12-hour per day guard during the months of January, June, July, August, November, and December with the other months remaining at a level of one 24-hour per day guard. The Board considers this approach to provide extra coverage during the months when school children are more likely to be present in the neighborhood and also during the holiday season when additional activity is also present in the District. It also allows the District to have sufficient reserves to continue to provide security services for the District's property owners during any possible future interruption in funds received from the City of New Orleans

The Board of Commissioners of the Lakeshore Crime Prevention District has strictly adhered to all Louisiana ethics laws parliamentary procedures during 2007.

**LAKESHORE CRIME PREVENTION DISTRICT  
BALANCE SHEET  
December 31, 2007**

**ASSETS**

Cash and Cash Equivalents \$ 197,270

**LIABILITIES**

Accounts Payable 2,000

Total Liabilities 2,000

**FUND BALANCE** 195,270

**TOTAL LIABILITIES AND FUND BALANCE** \$ 197,270

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

**LAKESHORE CRIME PREVENTION DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
Year Ended December 31, 2007**

	<u>Actual</u>	<u>Budgeted</u>	<u>Variance</u>
<b>REVENUES</b>			
Parcel Fees	\$ 224,836	\$ 210,739	\$ 14,097
Interest	<u>6,020</u>	<u>1,000</u>	<u>5,020</u>
 Total Revenues	 <u>230,856</u>	 <u>211,739</u>	 <u>19,117</u>
 <b>EXPENDITURES</b>			
<b>Direct Expenditures</b>			
Patrols	<u>165,404</u>	<u>198,000</u>	<u>32,596</u>
 Total Direct Expenditures	 <u>165,404</u>	 <u>198,000</u>	 <u>32,596</u>
 <b>Administrative Expenditures</b>			
Accounting	2,000	2,000	-
Newsletter	647	2,000	
Legal Fees, Insurance, etc.	<u>-</u>	<u>9,739</u>	<u>9,739</u>
 Total Administrative Expenditures	 <u>2,647</u>	 <u>13,739</u>	 <u>9,739</u>
 Total Expenditures	 <u>168,051</u>	 <u>211,739</u>	 <u>42,335</u>
 <b>EXCESS OF REVENUES OVER EXPENDITURES</b>	 62,805	 <u>\$ -</u>	 <u>\$ 61,452</u>
 <b>BEGINNING FUND BALANCE</b>	 <u>132,465</u>		
 <b>ENDING FUND BALANCE</b>	 <u>\$ 195,270</u>		

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

**LAKESHORE CRIME PREVENTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2007**

**NOTE A**

**INTRODUCTION**

The **LAKESHORE CRIME PREVENTION DISTRICT** (the District) was created as a public body by Acts of the Louisiana Legislature, 2004, No. 200, La. R.S. 33:9091.7 et. seq., to aid in crime prevention and to add to the security of district residents by providing for an increase in the presence of law enforcement personnel in the District.

The Board of Commissioners is constituted by nine (9) appointed members. Board members are not compensated.

The District services all parcels located in the geographic area it serves. The District has no paid employees and contracts with the Metro Security, Inc. for patrolling.

**NOTE B**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**BASIS OF PRESENTATION**

The accompanying general-purpose financial statements of the **LAKESHORE CRIME PREVENTION DISTRICT** have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Parcel fees are recorded as received from the City of New Orleans.

**USE OF ESTIMATES**

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

**NOTE C**

**CASH AND CASH EQUIVALENTS**

The District, as funds are available, may maintain an interest bearing Certificate of Deposit that is insured by and collateralized at the Federal Reserve Bank. No certificate was held at December 31, 2007.

**NOTE D**

**LITIGATION AND CLAIMS**

At December 31, 2007, the District was involved in no litigation nor is the District aware of any claims.



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**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**

We have audited the general-purpose financial statements of the **LAKESHORE CRIME PREVENTION DISTRICT** as of and for the year ended December 31, 2007, and have issued our report thereon dated February 8, 2008. 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 **LAKESHORE CRIME PREVENTION DISTRICT's** internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the general-purpose 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 district'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 prevented or detected 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.

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**Compliance**

As part of obtaining reasonable assurance about whether **LAKESHORE CRIME PREVENTION DISTRICT's** general-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the **LAKESHORE CRIME PREVENTION DISTRICT's** management, the City of New Orleans and the Legislative Auditor for the State of Louisiana and should not be used by anyone other than these specified users.



February 8, 2008