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**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT  
AND BEAUTIFICATION DISTRICT**

**GRETNA, LOUISIANA**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**

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**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT  
AND BEAUTIFICATION DISTRICT**

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**DECEMBER 31, 2021**

**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT  
AND BEAUTIFICATION DISTRICT**

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## **Independent Auditors' Report**

The Board of Commissioners  
Stonebridge Neighborhood Improvement and Beautification District  
Gretna, Louisiana

### **Report on the Audit of Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of the Stonebridge Neighborhood Improvement and Beautification District (the District), as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District as of December 31, 2021 and 2020, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Governmental Accounting Standards*, issued by the Comptroller General of the United States. Our responsibilities under those accounting standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management 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 the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Governmental Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 13 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a 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 for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprises the District's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head on page 28 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits, and Other Payments to Agency Head is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 3, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Postlethwaite & Netterville*

Metairie, Louisiana  
June 3, 2022

**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT  
AND BEAUTIFICATION DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2021 AND 2020**

As management of the Stonebridge Neighborhood Improvement and Beautification District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended December 31, 2021 and 2020. We encourage readers to consider the information presented here in conjunction with the financial statements as a whole.

**Financial Highlights - 2021**

- The assets and deferred outflows of the District were less than the liabilities and deferred inflows by \$1,042,335 at December 31, 2021 and by \$617,280 at December 31, 2020 (net deficit).
- The District's total net deficit increased by \$425,055 during the year ended December 31, 2021 and by \$203,432 during the year ended December 31, 2020.
- During the year ended December 31, 2021, the District acquired lawn maintenance equipment of \$73,940.
- During the year ended December 31, 2021, the District increased construction in progress by \$877,405 for construction costs and engineering fees for clubhouse improvements.
- During the year ended December 31, 2021, the District's total noncurrent liabilities increased by \$275,000 related to the acquisition of new bonds and decreased by \$99,821 related to principal payments on the capital lease.

**Financial Highlights - 2020**

- The assets and deferred outflows of the District were less than the liabilities and deferred inflows by \$617,280 at December 31, 2020 and by \$413,848 at December 31, 2019 (net deficit).
- The District's total net deficit increased by \$203,432 during the year ended December 31, 2020 and by \$358,703 during the year ended December 31, 2019.
- During the year ended December 31, 2020, the District acquired lawn maintenance equipment of \$118,126 through a capital lease.
- During the year ended December 31, 2020, the District increased construction in progress by \$441,527 for construction costs and engineering fees for clubhouse improvements.
- During the year ended December 31, 2020, the District's total outstanding debt decreased by \$330,000 related to principal payments on the outstanding bonds and decreased by \$87,564 related to principal payments on the capital lease.

**Overview of the Financial Statements**

The District's financial information is presented as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to private business or where the governing body has decided that the determination of revenues earned, costs incurred and net income is necessary for management accountability.

**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT  
AND BEAUTIFICATION DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2021 AND 2020**

**Overview of the Financial Statements (continued)**

An analysis of the District's financial position begins with the Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position. These two financial statements report the District's net position and changes therein. The net position—the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources—is key to measuring the financial health of the District. Over time, increases or decreases in the net position value are an indication of whether the financial position is improving or deteriorating. However, it should be noted that the financial position might also be affected by other non-financial factors, including economic conditions, customer growth, weather conditions, and changing regulations.

**Financial Analysis - 2021**

The Statement of Net Position includes information on all the District's assets and liabilities with the difference reported as net position (deficit). The statement provides the basis for evaluating the capital structure and assessing the liquidity and financial flexibility of the District.



**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT  
AND BEAUTIFICATION DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2021 AND 2020**

**Financial Analysis – 2021 (continued)**

**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT AND BEAUTIFICATION DISTRICT  
CONDENSED STATEMENTS OF NET POSITION  
DECEMBER 31, 2021 AND 2020**

	<b><u>ASSETS</u></b>		
	<u>2021</u>	<u>2020</u>	<u>Change</u>
<b><u>CURRENT ASSETS</u></b>			
Cash and cash equivalents	\$ 1,576,368	\$ 2,830,763	\$ (1,254,395)
Property tax receivable	950,000	911,000	39,000
Other current assets	96,098	98,270	(2,172)
Total current assets	<u>2,622,466</u>	<u>3,840,033</u>	<u>(1,217,567)</u>
<b><u>NONCURRENT ASSETS</u></b>			
Capital assets, net	3,523,756	2,555,503	968,253
Total noncurrent assets	<u>3,523,756</u>	<u>2,555,503</u>	<u>968,253</u>
<b><u>TOTAL ASSETS</u></b>	<u>\$ 6,146,222</u>	<u>\$ 6,395,536</u>	<u>\$ (249,314)</u>
<b><u>LIABILITIES AND NET POSITION</u></b>			
<b><u>CURRENT LIABILITIES</u></b>			
Accounts payable and accrued expenses	\$ 427,727	\$ 405,751	\$ 21,976
Current portion of noncurrent liabilities	419,529	440,943	(21,414)
Total current liabilities	<u>847,256</u>	<u>846,694</u>	<u>562</u>
<b><u>NONCURRENT LIABILITIES</u></b>			
Bonds payable	6,230,000	5,955,000	275,000
Capital lease	111,301	211,122	(99,821)
Total noncurrent liabilities	<u>6,341,301</u>	<u>6,166,122</u>	<u>175,179</u>
<b><u>TOTAL LIABILITIES</u></b>	<u>\$ 7,188,557</u>	<u>\$ 7,012,816</u>	<u>\$ 175,741</u>
<b><u>NET POSITION (DEFICIT)</u></b>			
Unrestricted (deficit)	<u></u>	<u>\$ (617,280)</u>	<u>\$ (425,055)</u>
<b><u>TOTAL NET POSITION (DEFICIT)</u></b>	<u>\$ (1,042,335)</u>	<u>\$ (617,280)</u>	<u>\$ (425,055)</u>

**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT  
AND BEAUTIFICATION DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2021 AND 2020**

**Financial Analysis – 2021 (continued)**

In 2021, the net deficit increased by \$425,055 to a net deficit of \$1,042,335. Current assets decreased by \$1,217,567 due to use of cash to fund construction in progress. Cash and cash equivalents decreased by \$1,254,395. Capital assets, net of accumulated depreciation increased by \$968,253 to \$3,523,756 due to current year additions in excess of depreciation expense. The current liabilities increased by \$562 to \$847,256 due to a decrease in current portion of noncurrent liabilities and an increase in accounts payable. Non-current liabilities increased by \$175,179 to \$6,341,301 primarily due to the issuance of new bonds to refund the 2018 bonds.

The Statements of Revenues, Expenses, and Changes in Net Position provide an indication of the District's financial health.

**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT AND BEAUTIFICATION DISTRICT  
CONDENSED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>	<u>Change</u>
Operating revenues	\$ 1,044,701	\$ 1,056,136	\$ (11,435)
Operating expenses, excluding depreciation	(1,770,143)	(1,580,368)	(189,775)
Depreciation expense	<u>(370,499)</u>	<u>(338,922)</u>	<u>(31,577)</u>
Operating loss	<u>(1,095,941)</u>	<u>(863,154)</u>	<u>(232,787)</u>
Property tax revenue	955,410	963,718	(8,308)
Miscellaneous revenue	11,250	-	11,250
Interest expense	(349,127)	(354,270)	5,143
Insurance revenue	50,000	-	50,000
Interest income	<u>3,353</u>	<u>50,274</u>	<u>(46,921)</u>
Nonoperating income, net	<u>670,886</u>	<u>659,722</u>	<u>11,164</u>
Change in net deficit	(425,055)	(203,432)	(221,623)
Net deficit, beginning of year	<u>(617,280)</u>	<u>(413,848)</u>	<u>(203,432)</u>
Net deficit, end of year	<u>\$ (1,042,335)</u>	<u>\$ (617,280)</u>	<u>\$ (425,055)</u>

Operating revenues decreased by \$11,435 primarily due to a decrease in golf and related activities revenue. Operating expenses increased by \$189,775 for the year ended December 31, 2021 due to golf and related activities, food and beverage, and depreciation expenses. This together with the increase in depreciation expense of \$31,577 resulted in an increased operating loss of \$232,787 for the year ended December 31, 2021, compared to the year ended December 31, 2020. Net non-operating income (loss) increased by \$11,164 primarily due to the increase in insurance revenue of \$50,000, an increase in miscellaneous revenue of \$11,250, and a decrease in interest income of \$46,291 for the year ended December 31, 2021, compared to the year ended December 31, 2020.

**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT  
AND BEAUTIFICATION DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2021 AND 2020**

**Financial Analysis – 2021 (continued)**

The Statements of Cash Flows report the cash provided and used by operating activities, as well as other cash sources such as investment income and cash payments for repayment of outstanding debt and capital additions.

**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT AND BEAUTIFICATION DISTRICT  
CONDENSED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>	<u>Change</u>
<b><u>CASH FLOWS FROM:</u></b>			
Operating activities	\$ (970,428)	\$ (538,512)	\$ (431,916)
Non capital financing activities	916,410	886,751	29,659
Capital financing activities	(1,203,730)	(976,336)	(227,394)
Investing activities	<u>3,353</u>	<u>2,623,930</u>	<u>(2,620,577)</u>
Net change in cash and cash equivalents	<u>(1,254,395)</u>	<u>1,995,833</u>	<u>(3,250,228)</u>
Beginning of year, cash and cash equivalents	<u>2,830,763</u>	<u>834,930</u>	<u>1,995,833</u>
End of year, cash and cash equivalents	<u>\$ 1,576,368</u>	<u>\$ 2,830,763</u>	<u>\$ (1,254,395)</u>

Cash and cash equivalents decreased by \$1,254,395 during the year ended December 31, 2021. The District recognized the following significant cash transactions during the year ended December 31, 2021:

- Cash used in operations of \$970,428 as the 2021 year was the third full year of golf course operations and the third full year of management by the third-party company.
- Cash provided by noncapital financing activities of \$916,410 due to the receipt of property taxes during the 2021 year.
- Cash used by capital and related financing activities of \$1,203,730 includes the payments of interest of \$347,716, building and equipment purchases of \$385,657, bonds and capital lease principal payments of \$6,396,235, proceeds from issue of bonds of \$6,550,000, purchase of construction in progress of \$674,122, and proceeds from insurance claims of \$50,000.
- Cash provided by investing activities of \$3,353 represents proceeds from interest income received during the 2021 year.

**Financial Analysis - 2020**

The Statement of Net Position includes information on all of the District's assets and liabilities with the difference reported as net position (deficit). The statement provides the basis for evaluating the capital structure and assessing the liquidity and financial flexibility of the District.

**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT  
AND BEAUTIFICATION DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2021 AND 2020**

**Financial Analysis – 2020 (continued)**

**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT AND BEAUTIFICATION DISTRICT  
CONDENSED STATEMENTS OF NET POSITION  
DECEMBER 31, 2020 AND 2019**

	<b><u>ASSETS</u></b>		
	<u>2020</u>	<u>2019</u>	<u>Change</u>
<b><u>CURRENT ASSETS</u></b>			
Cash and cash equivalents	\$ 2,830,763	\$ 834,930	\$ 1,995,833
Property tax receivable	911,000	834,033	76,967
Investments	-	2,566,412	(2,566,412)
Other current assets	98,270	68,396	29,874
Total current assets	<u>3,840,033</u>	<u>4,303,771</u>	<u>(463,738)</u>
<b><u>NONCURRENT ASSETS</u></b>			
Capital assets, net	2,555,503	2,311,370	244,133
Total noncurrent assets	<u>2,555,503</u>	<u>2,311,370</u>	<u>244,133</u>
<b><u>TOTAL ASSETS</u></b>	<u>\$ 6,395,536</u>	<u>\$ 6,615,141</u>	<u>\$ (219,605)</u>
<b><u>LIABILITIES AND NET POSITION</u></b>			
<b><u>CURRENT LIABILITIES</u></b>			
Accounts payable and accrued expenses	\$ 405,751	\$ 122,486	\$ 283,265
Current portion of noncurrent liabilities	440,943	398,898	42,045
Total current liabilities	<u>846,694</u>	<u>521,384</u>	<u>325,310</u>
<b><u>NONCURRENT LIABILITIES</u></b>			
Bonds payable	5,955,000	6,300,000	(345,000)
Capital lease	211,122	207,605	3,517
Total noncurrent liabilities	<u>6,166,122</u>	<u>6,507,605</u>	<u>(341,483)</u>
<b><u>TOTAL LIABILITIES</u></b>	<u>\$ 7,012,816</u>	<u>\$ 7,028,989</u>	<u>\$ (16,173)</u>
<b><u>NET POSITION (DEFICIT)</u></b>			
Unrestricted (deficit)	\$ (617,280)	\$ (413,848)	\$ (203,432)
<b><u>TOTAL NET POSITION (DEFICIT)</u></b>	<u>\$ (617,280)</u>	<u>\$ (413,848)</u>	<u>\$ (203,432)</u>

**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT  
AND BEAUTIFICATION DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2021 AND 2020**

**Financial Analysis – 2020 (continued)**

In 2020, the net deficit increased by \$203,432 to a net deficit of \$617,280. Current assets decreased by \$463,738 due to use of cash and investments to fund construction in progress. Cash and cash equivalents increased by \$1,995,833. Capital assets, net of accumulated depreciation increased by \$244,133 to \$2,555,503 due to current year additions in excess of depreciation expense. The current liabilities increased by \$325,310 to \$846,694 due to an increase in accounts payable and accrued expenses of \$283,265, primarily related to construction related invoices. Non-current liabilities decreased by \$341,483 to \$6,166,122 primarily due to the principal payment of \$330,000 on the bonds.

The Statements of Revenues, Expenses, and Changes in Net Position provide an indication of the District's financial health.

**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT AND BEAUTIFICATION DISTRICT  
CONDENSED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020	2019	Change
Operating revenues	\$ 1,056,136	\$ 892,979	\$ 163,157
Operating expenses, excluding depreciation	(1,580,368)	(1,543,557)	(36,811)
Depreciation expense	(338,922)	(294,179)	(44,743)
Operating loss	(863,154)	(944,757)	81,603
Property tax revenue	963,718	879,629	84,089
Interest expense	(354,270)	(397,389)	43,119
Interest income	50,274	103,814	(53,540)
Nonoperating income, net	659,722	586,054	73,668
Change in net deficit	(203,432)	(358,703)	155,271
Net deficit, beginning of year	(413,848)	(55,145)	(358,703)
Net deficit, end of year	\$ (617,280)	\$ (413,848)	\$ (203,432)

Operating revenues increased by \$163,157 primarily due to an increase in golf and related activities revenue. Operating expenses increased by \$36,811 for the year ended December 31, 2020. This together with the increase in depreciation expense of \$44,743 resulted in a decreased operating loss of \$81,603 for the year ended December 31, 2020 compared to the year ended December 31, 2019. Net non-operating income (loss) increased by \$73,668 primarily due to the increase in property tax revenue of \$84,089, a decrease in interest expense of \$43,119, and a decrease in interest income of \$53,540 for the year ended December 31, 2020 compared to the year ended December 31, 2019.



**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT  
AND BEAUTIFICATION DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2021 AND 2020**

**Financial Analysis – 2020 (continued)**

The Statements of Cash Flows report the cash provided and used by operating activities, as well as other cash sources such as investment income and cash payments for repayment of outstanding debt and capital additions.

**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT AND BEAUTIFICATION DISTRICT  
CONDENSED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>	<u>Change</u>
<b><u>CASH FLOWS FROM:</u></b>			
Operating activities	\$ (538,512)	\$ (688,320)	\$ 149,808
Non capital financing activities	886,751	936,374	(49,623)
Capital financing activities	(976,336)	(1,172,247)	195,911
Investing activities	<u>2,623,930</u>	<u>530,158</u>	<u>2,093,772</u>
Net change in cash and cash equivalents	<u>1,995,833</u>	<u>(394,035)</u>	<u>2,389,868</u>
Beginning of year, cash and cash equivalents	<u>834,930</u>	<u>1,228,965</u>	<u>(394,035)</u>
End of year, cash and cash equivalents	<u>\$ 2,830,763</u>	<u>\$ 834,930</u>	<u>\$ 1,995,833</u>

Cash and cash equivalents increased by \$1,995,833 during the year ended December 31, 2020. The District recognized the following significant cash transactions during the year ended December 31, 2020:

- Cash used in operations of \$538,512 as the 2020 year was the second full year of golf course operations and the second full year of management by the third-party company.
- Cash provided by noncapital financing activities of \$886,751 due to the receipt of property taxes during the 2020 year.
- Cash used by capital and related financing activities of \$976,336 includes the payments of interest of \$355,535, building and equipment purchases of \$203,237 and bond and capital lease principal payments of \$417,564.
- Cash provided by investing activities of \$2,623,930 primarily represents proceeds from maturity of investments and interest income received during the 2020 year.

**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT  
AND BEAUTIFICATION DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2021 AND 2020**

**Capital Assets**

At December 31, 2021 and 2020, the District had \$3,523,756 and \$2,555,503 invested in a range of capital assets including buildings and equipment as shown below.

	<u>2021</u>	<u>2020</u>
Buildings and improvements	\$ 1,484,509	\$ 1,476,106
Golf course equipment	465,162	415,615
Furniture and fixtures	57,095	23,703
Computer equipment	-	494
Construction in progress	<u>1,516,990</u>	<u>639,585</u>
Capital assets, net	<u>\$ 3,523,756</u>	<u>\$ 2,555,503</u>

During the year ended December 31, 2021, the District upgraded and improved existing equipment of the District. The 2021 significant capital asset additions are the golf course equipment of \$200,487, the building improvements of \$202,314, and the construction and related engineering services of \$877,405 for the clubhouse improvements.

At December 31, 2020 and 2019, the District had \$2,555,503 and \$2,311,370 invested in a range of capital assets including buildings and equipment as shown below.

	<u>2020</u>	<u>2019</u>
Buildings and improvements	\$ 1,476,106	\$ 1,677,489
Golf course equipment	415,615	413,893
Furniture and fixtures	23,703	20,408
Computer equipment	494	1,522
Construction in progress	<u>639,585</u>	<u>198,058</u>
Capital assets, net	<u>\$ 2,555,503</u>	<u>\$ 2,311,370</u>

During the year ended December 31, 2020, the District upgraded and improved existing equipment of the District. The 2020 significant capital asset additions are the lawn maintenance equipment of \$118,126 and the construction and related engineering services of \$441,527 for the clubhouse improvements.

Additional information on the District's capital assets can be found in Note 3 of the Notes to the Financial Statements.

**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT  
AND BEAUTIFICATION DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2021 AND 2020**

**Debt Administration**

The District had outstanding bonds of \$6,550,000 and \$6,300,000 at December 31, 2021 and 2020, respectively. Proceeds from the original bonds were used for the acquisition of the Stonebridge Golf Club and related amenities. The remaining bond proceeds are to be used to fund construction, improvements, operations, and maintenance of the golf course and related facilities. During the year ended December 31, 2021, the District refinanced the existing debt to extend the maturity date and borrow additional funds for construction. The bonds mature in 2035. The District has capital leases with an outstanding balance of \$210,830 and \$307,065 at December 31, 2021 and 2020, respectively. During the year ended December 31, 2020, the District acquired \$118,126 of new lawn equipment through capital lease.

Additional information on the District's long-term obligations can be found in Note 4 of the Notes to the Financial Statements.

**Economic Outlook, FY 2022 Budgets and Rates**

The 2021 year was the third full calendar year of operations since the District acquired the Stonebridge Golf Club and related property. The District is working with its management company (Touchstone Golf, LLC) to improve efficiency in golf operations, including increase of rates to better reflect the improvements made to the golf course and monitoring of expenses. The operations of the District continued to be impacted during the 2021 year due to COVID-19.

The outbreak of COVID-19 in early March 2020 created a series of challenges to the future of the District. Based on the initial Proclamations of Louisiana government, the District was mandated to cease the delivery of food and beverage as well as hosting gatherings of 50 or more effectively closing the club house. On March 22, 2020, the District was directed by the management company to suspend operations. In response to this directive, the District developed a strategy to continue to operate the golf course, adhering to the CDC COVID-19 guidelines, while creating a method to allow for the delivery of food and beverage through a modified take out/drive thru program. The District continued to work closely with the management company, Touchstone Golf, LLC to keep the District operational. The District continues to be diligent in its efforts to do everything possible to honor the District's commitment to the members of the Stonebridge Neighborhood Improvement and Beautification District to maintain the quality of life they so value.

The capital improvements to the clubhouse and the grounds in 2021 and 2022 (which were delayed in 2020 due to COVID-19) are expected to be completed in 2022. The District continues to make repairs to the facilities from Hurricane Ida damage and expects those repairs to be complete in 2022.

**Request for Information**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or request for additional information should be addressed to the District's Board Chair at 1500 Stonebridge Drive, Gretna, Louisiana, 70056.

**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT  
AND BEAUTIFICATION DISTRICT**

**STATEMENTS OF NET POSITION  
DECEMBER 31, 2021 AND 2020**

**ASSETS**

	<u>2021</u>	<u>2020</u>
<b><u>CURRENT ASSETS</u></b>		
Cash and cash equivalents	\$ 1,576,368	\$ 2,830,763
Property tax receivable	950,000	911,000
Inventory	46,971	40,969
Prepaid expenses and other assets	49,127	57,301
Total current assets	<u>2,622,466</u>	<u>3,840,033</u>
<b><u>NONCURRENT ASSETS</u></b>		
Capital assets, net	2,006,766	1,915,918
Capital assets not depreciated: construction in progress	1,516,990	639,585
Total noncurrent assets	<u>3,523,756</u>	<u>2,555,503</u>
<b><u>TOTAL ASSETS</u></b>	<u>\$ 6,146,222</u>	<u>\$ 6,395,536</u>
<b><u>DEFERRED OUTFLOW OF RESOURCES</u></b>	<u>\$ -</u>	<u>\$ -</u>

**LIABILITIES AND NET POSITION**

<b><u>CURRENT LIABILITIES</u></b>		
Accounts payable and accrued expenses	\$ 331,534	\$ 326,143
Accrued interest on bonds payable	29,687	28,276
Bonds payable, current portion	320,000	345,000
Capital lease, current portion	99,529	95,943
Other current liabilities	66,506	51,332
Total current liabilities	<u>847,256</u>	<u>846,694</u>
<b><u>NONCURRENT LIABILITIES</u></b>		
Bonds payable	6,230,000	5,955,000
Capital lease	111,301	211,122
Total noncurrent liabilities	<u>6,341,301</u>	<u>6,166,122</u>
<b><u>TOTAL LIABILITIES</u></b>	<u>\$ 7,188,557</u>	<u>\$ 7,012,816</u>
<b><u>DEFERRED INFLOW OF RESOURCES</u></b>	<u>\$ -</u>	<u>\$ -</u>
<b><u>NET POSITION</u></b>		
Unrestricted deficit	<u>\$ (1,042,335)</u>	<u>\$ (617,280)</u>
<b><u>TOTAL NET DEFICIT</u></b>	<u>\$ (1,042,335)</u>	<u>\$ (617,280)</u>

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

**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT  
AND BEAUTIFICATION DISTRICT**

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b><u>OPERATING REVENUES</u></b>		
Golf and related activities	\$ 467,218	\$ 550,871
Merchandise sales	78,856	73,999
Food and beverage sales	303,234	220,712
Membership dues	195,393	210,554
Total operating revenues	<u>1,044,701</u>	<u>1,056,136</u>
<b><u>EXPENSES</u></b>		
Golf and related activities	1,014,182	875,094
Merchandise	47,284	43,534
Food and beverage	276,018	232,039
Marketing	11,474	18,707
General and administrative	421,185	410,994
Depreciation	370,499	338,922
Total operating expenses	<u>2,140,642</u>	<u>1,919,290</u>
<b><u>OPERATING LOSS</u></b>	(1,095,941)	(863,154)
<b><u>NONOPERATING INCOME (LOSS)</u></b>		
Property tax revenue	955,410	963,718
Miscellaneous revenue	11,250	-
Interest income	3,353	50,274
Insurance proceeds	50,000	-
Interest expense	(349,127)	(354,270)
Total nonoperating income (loss), net	<u>670,886</u>	<u>659,722</u>
<b><u>CHANGE IN NET POSITION</u></b>	(425,055)	(203,432)
<b><u>NET DEFICIT, BEGINNING OF THE YEAR</u></b>	<u>(617,280)</u>	<u>(413,848)</u>
<b><u>NET DEFICIT, END OF THE YEAR</u></b>	<u>\$ (1,042,335)</u>	<u>\$ (617,280)</u>

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



**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT  
AND BEAUTIFICATION DISTRICT**

**STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	2021	2020
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Received from customers and members	S 1,044,701	S 1,068,360
Paid to suppliers for goods and services	(2,015,129)	(1,606,872)
Net cash used in operating activities	(970,428)	(538,512)
<b><u>CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES</u></b>		
Property tax receipts	916,410	886,751
Net cash provided by noncapital and related financing activities	916,410	886,751
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>		
Purchase of building and equipment	(385,657)	(23,402)
Purchase of construction in progress	(674,122)	(179,835)
Payments of interest	(347,716)	(355,535)
Proceeds from insurance claim	50,000	-
Principal payments on capital lease	(96,235)	(87,564)
Principal payments on bonds	(6,300,000)	(330,000)
Proceeds from issuance of bonds	6,550,000	-
Net cash used in capital and related financing activities	(1,203,730)	(976,336)
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Purchase of investments	-	(43,814)
Proceeds from maturity of investments	-	2,610,226
Interest received	3,353	57,518
Net cash provided by investing activities	3,353	2,623,930
Net change in cash and cash equivalents	(1,254,395)	1,995,833
Cash and cash equivalents, beginning of year	2,830,763	834,930
Cash and cash equivalents, end of year	S 1,576,368	S 2,830,763
Reconciliation of net operating loss to net cash used in operating activities are as follows:		
Operating loss	S (1,095,941)	S (863,154)
Adjustments to reconcile net operating loss to net cash used in operating activities:		
Depreciation	370,499	338,922
Change in operating assets and liabilities:		
Decrease in accounts receivable	-	15,190
Increase in inventory	(6,002)	(12,587)
Increase (decrease) in accounts payable and accrued expenses	8,174	(39,721)
	(262,332)	32,994
Increase (decrease) in other current liabilities	15,174	(10,156)
Net cash used in operating activities	S (970,428)	S (538,512)
Non-cash acquisition of lawn equipment through capital lease	S -	S 118,126

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

**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT  
AND BEAUTIFICATION DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**1. Summary of Significant Accounting Policies**

Organization

The Stonebridge Neighborhood Improvement and Beautification District (the District) was created by Jefferson Parish Ordinance No. 25207, under authority of the provision of Article 6, Section 19 of the Louisiana Constitution of 1974, Section 2.01 (7) of the Jefferson Parish Home Rule Charter, and Act 400 of the Regular Session of the Louisiana Legislature for the year 2016, enacted as R.S. 33.9099.3. The primary objective and purpose of the District shall be to promote and encourage the improvement, beautification, and overall betterment of the neighborhood located within the boundaries of the District in order to add to the quality of life of district residents by maintaining property values, increasing the tax base, fostering economic growth, and providing for recreational activities. The funds of the District shall not be used for the improvement and maintenance of a security wall around the neighborhood, provision and maintenance of guardhouses, or provision and improvement of security patrols in the area.

The District shall constitute a special taxing district and political subdivision and it shall have the power and privilege to incur debt, to issue bonds and to levy and collect taxes, special assessments and fees, upon a majority vote of the electorate of the District; to issue certificates of indebtedness; and including the authority to acquire property located within the boundaries of the District, however, the District shall not be authorized to acquire property by expropriation.

Reporting Entity

The District is governed by a Board of Commissioners consisting of seven members appointed as follows: (1) The President of the Stonebridge Property Owners' Association (one-year term), and (2) Two members elected from the property owners of the Harvey side of the District (two-year term), and (3) Two members elected from the property owners of the Gretna side of the District (two-year term), and (4) Two at-large members elected from the property owners (one-year term). The Board of Commissioners of the District shall be members of the Stonebridge Property Owners' Association and own property within the District.

Component units are a legally separate organization for which elected officials of the primary government (the District) are financially accountable. Component unit status is determined using the following criteria:

1. Able to impose its will on the component unit
2. There is potential for the component unit to provide specific financial benefits to or impose financial burdens on the District.

Based on the application of the above criteria, the District has no component units. As a result, the accompanying financial statements present information only on the District. Additionally, the District is not a component unit of any other government.

**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT  
AND BEAUTIFICATION DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**1. Summary of Significant Accounting Policies (continued)**

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The term measurement focus is used to denote what is being measured and reported in the District's operating statement. The District is accounted for on the flow of economic resources measurement focus. The fundamental objective of this focus is to measure whether the District is better or worse off economically as a result of events and transactions of the period.

The term basis of accounting is used to determine when a transaction or event is recognized on the District's operating statement. The District uses the full accrual basis of accounting. Under this basis, revenues are recorded when earned and expenses are recorded when incurred, even though actual payment or receipt may not occur until after the period ends.

The District is presented as an enterprise fund which is used to account for operations that are financed and operated in a manner similar to private business or where the governing body has decided that the determination of revenues earned, costs incurred, and net income is necessary for management accountability.

Accounting 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents include amounts in non-interest-bearing demand deposits. Under state law, the District may deposit funds in federally insured or collateralized 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 of America.

Allowance for Doubtful Accounts

Receivables are carried at a net amount less an estimated allowance for doubtful accounts. Management determines the allowance for doubtful accounts by identifying uncollectible accounts applied to the outstanding receivables. The District does not charge interest on receivables. Receivables are written-off as bad debt expense when deemed uncollectible. Recoveries of receivables previously written-off are recorded as a reduction of bad debt expense when received. The District expects receivables at December 31, 2021 and 2020 to be fully collectible; therefore, no allowance for doubtful accounts was recorded at December 31, 2021 or 2020.

**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT  
AND BEAUTIFICATION DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**1. Summary of Significant Accounting Policies (continued)**

Inventory

Inventory is recorded at the lower of cost or market. Cost is determined on a first-in, first-out basis.

Capital Assets

Capital assets are defined by the District as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year.

Capital assets are recorded at cost or the estimated acquisition value at the time of contribution to the District. Major outlays for capital assets are capitalized as projects are constructed. Other costs incurred for repairs and maintenance are expensed as incurred.

Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	10-30 years
Furniture, fixtures - clubhouse	5 years
Golf course equipment	3-5 years
Computer equipment	3 years

Donated capital assets are valued at their estimated acquisition value at the date donated.

Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expenses) until that future time. The District reports no deferred outflows at December 31, 2021 or 2020.

Long-term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the applicable Statements of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bond issuance costs, except for prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepaid insurance costs are expensed over the life of the debt.

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time. The District reports no deferred inflows at December 31, 2021 and 2020.

**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT  
AND BEAUTIFICATION DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**1. Summary of Significant Accounting Policies (continued)**

Net Position

Net position classifications are defined as follows:

*Net investment in capital assets* – This component of net position consists of capital assets, including any restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds. The net investment in capital assets was \$0 at December 31, 2021 and 2020.

*Restricted* – This component of net position consists of constraints placed on net position through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. The District did not have restricted net position at December 31, 2021 and 2020.

*Unrestricted* – This component of net position consists of net position that do not meet the definition of “restricted” or “net investment in capital assets” as described above.

When both restricted and unrestricted resources are available for use, the District’s policy is to use restricted resources first, then unrestricted resources as they are needed.

Revenues and Expenses

The District distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the District’s ongoing operations. The principal operating revenues of the District are golf operations, merchandise sales, facility rentals, food and beverage operations, and membership dues. Operating expenses include the costs of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

New Pronouncements - Adopted

GASB Statement No. 89, *Accounting for Interest Cost before the End of a Construction Period*, issued June 2018, was adopted by the District during the year ended December 31, 2021. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that was previously accounted for in accordance with the requirements of paragraphs 5–22 of GASB of Statement No. 62, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or an enterprise fund.



**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT  
AND BEAUTIFICATION DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**1. Summary of Significant Accounting Policies (continued)**

Reclassification

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

**2. Cash and Cash Equivalents**

The District's cash and cash equivalents were comprised of the following at December 31:

	<u>2021</u>	<u>2020</u>
Demand deposits and cash on hand	\$ 289,404	\$ 240,618
Money market account	<u>1,286,964</u>	<u>2,590,145</u>
Total cash and cash equivalents	<u>\$ 1,576,368</u>	<u>\$ 2,830,763</u>

Investment of the District's funds is restricted by state law, bond documents, and the District's investment policy.

Deposits in local financial institutions are insured by the FDIC in the amount of \$250,000 for time and savings accounts and, \$250,000 for interest-bearing demand deposit accounts (interest bearing and non-interest bearing). At December 31, 2021 and 2020, the entire bank balance was covered by FDIC or by collateral of \$2,195,075 and \$4,266,413, respectively held by the District's agent in the District's name.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the District's deposits may not be returned to the District. The District does not have any deposits or exposed to custodial credit risk as they are fully insured or collateralized.

**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT  
AND BEAUTIFICATION DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**3. Capital Assets**

Capital asset balances and current year activity for the year ended December 31, 2021 is as follows:

	January 1, 2021	Additions	Retirements	December 31, 2021
Non-Depreciable Assets:				
Construction in progress	\$ 639,585	\$ 877,405	\$ -	\$ 1,516,990
Total Non-Depreciable Assets	639,585	877,405	-	1,516,990
Depreciable Assets:				
Buildings and improvements	1,703,758	202,314	-	1,906,072
Golf course equipment	693,366	200,487	-	893,853
Furniture & fixtures	36,030	43,202	-	79,232
Computer equipment	3,084	-	-	3,084
Ground improvement	259,290	15,344	-	274,634
Landscaping	12,374	-	-	12,374
Total Depreciable Assets	2,707,902	461,347	-	3,169,249
Total Asset Cost	3,347,487	1,338,752	-	4,686,239
Accumulated Depreciation:				
Buildings and improvements	(463,086)	(175,645)	-	(638,731)
Golf course equipment	(277,750)	(150,941)	-	(428,691)
Furniture & fixtures	(12,327)	(9,810)	-	(22,137)
Computer equipment	(2,590)	(494)	-	(3,084)
Ground improvement	(29,617)	(29,484)	-	(59,101)
Landscaping	(6,614)	(4,125)	-	(10,739)
Total Accumulated Depreciation	(791,984)	(370,499)	-	(1,162,483)
Capital Assets, net	\$ 2,555,503	\$ 968,253	\$ -	\$ 3,523,756

At December 31, 2021, the construction in progress of \$1,516,990 represents architect and engineering fees and construction costs related to planned renovations and repairs to the main clubhouse and grounds.

**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT  
AND BEAUTIFICATION DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**3. Capital Assets (continued)**

Capital asset balances and current year activity for the year ended December 31, 2020 is as follows:

	January 1, 2020	Additions	Retirements	December 31, 2020
Non-Depreciable Assets:				
Construction in progress	\$ 198,058	\$ 441,527	\$ -	\$ 639,585
Total Non-Depreciable Assets	198,058	441,527	-	639,585
Depreciable Assets:				
Buildings and improvements	1,703,758	-	-	1,703,758
Golf course equipment	562,340	131,026	-	693,366
Furniture & fixtures	25,528	10,502	-	36,030
Computer equipment	3,084	-	-	3,084
Ground improvement	259,290	-	-	259,290
Landscaping	12,374	-	-	12,374
Total Depreciable Assets	2,566,374	141,528	-	2,707,902
Total Asset Cost	2,764,432	583,055	-	3,347,487
Accumulated Depreciation:				
Buildings and improvements	(292,499)	(170,587)	-	(463,086)
Golf course equipment	(148,446)	(129,304)	-	(277,750)
Furniture & fixtures	(5,120)	(7,207)	-	(12,327)
Computer equipment	(1,562)	(1,028)	-	(2,590)
Ground improvement	(2,946)	(26,671)	-	(29,617)
Landscaping	(2,489)	(4,125)	-	(6,614)
Total Accumulated depreciation	(453,062)	(338,922)	-	(791,984)
Capital Assets, net	\$ 2,311,370	\$ 244,133	\$ -	\$ 2,555,503

At December 31, 2020, the construction in progress of \$639,585 represents architect and engineering fees related to planned repairs to the main clubhouse and grounds.

**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT  
AND BEAUTIFICATION DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**4. Long -Term Obligations**

*Bonds Payable*

Long-term obligations consist of the following bonds payable at December 31, 2021 and 2020:

	2021	2020
\$6,550,000 Taxable Limited Tax Bonds, Series 2021, issued July 29, 2021, private placement, interest between 4.85% and 5.800%, payable in annual principal and quarterly interest payments through 2035.	\$ 6,550,000	\$ -
\$6,700,000 Taxable Limited Tax Bonds, Series 2018, issued March 2018, private placement, interest between 4.450% and 5.800%, payable in annual principal and quarterly interest payments through 2033. The bonds were paid in full during the 2021 year.	-	6,300,000
Less: current portion	(320,000)	(345,000)
Long term bonds payable	\$ 6,230,000	\$ 5,955,000

The future minimum payments of the outstanding bonds as of December 31, 2021, are as follows:

Year ended December 31	Principal	Interest	Total
2022	\$ 320,000	\$ 344,593	\$ 664,593
2023	340,000	328,090	668,090
2024	355,000	310,437	665,437
2025	375,000	291,471	666,471
2026	395,000	271,089	666,089
2027-2031	2,340,000	992,411	3,332,411
2032-2035	2,425,000	245,453	2,670,453
Total	\$ 6,550,000	\$ 2,783,544	\$ 9,333,544

On June 18, 2021, the District entered into an agreement to refund \$5,950,000 of the Taxable Limited Tax Bonds, Series 2018. The bonds were dated and delivered on July 29, 2021. The refunding resulted in net proceeds to the District of \$548,832 and extended the final maturity date from March 1, 2033 to March 1, 2035. The refunding increases debt service payments by \$1,419,420 from the date of the transaction through maturity date of March 1, 2035, and results in a net economic loss of \$29,707.

**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT  
AND BEAUTIFICATION DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**4. Long -Term Obligations (continued)**

*Bonds Payable (continued)*

The outstanding bonds are secured by and payable from an irrevocable pledge and dedication of the funds to be derived from the levy and collection of the ad valorem tax as described in Note 5 and 6 to the financial statements. Each of the bond's payable have terms specified in their respective agreements in which an event of default would declare the principal of all bonds then outstanding to be due and payable.

*Capital Lease Commitments*

At December 31, 2021 and 2020, the District owns golf and lawn equipment valued at \$481,489 that was financed with lease purchase agreements. Amortization expense of \$96,299 and \$84,486 relating to assets acquired under capital leases is included in depreciation expense for the years ended December 31, 2021 and 2020. The capital lease commitment is collateralized by golf and lawn equipment.

Obligations of the District under the capital leases as of December 31, 2021 are as follows:

Year ended December 31	Lease Payment Requirements
2022	\$ 105,648
2023	79,266
2024	24,858
2025	11,428
Total minimum lease payments	221,200
Less: Interest cost	(10,370)
Present value of minimum lease payments	\$ 210,830

**Long-term debt activity**

Long term obligations activity for the years ended December 31, 2021 and 2020 are as follows:

	January 1, 2021	Additions	Retirements	December 31, 2021
Tax bonds, Series 2018	\$ 6,300,000	\$ -	\$ (6,300,000)	\$ -
Tax bonds, Series 2021	-	6,550,000	-	6,550,000
Capital lease obligations	307,065	-	(96,235)	210,830
Total	\$ 6,607,065	\$ 6,550,000	\$ (6,396,235)	\$ 6,760,830

  

	January 1, 2020	Additions	Retirements	December 31, 2020
Tax bonds, Series 2018	\$ 6,630,000	\$ -	\$ (330,000)	\$ 6,300,000
Capital lease obligations	276,503	118,126	(87,564)	307,065
Total	\$ 6,906,503	\$ 118,126	\$ (417,564)	\$ 6,607,065

**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT  
AND BEAUTIFICATION DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**5. Ad Valorem Tax**

In November 2017, the residents of the District voted and approved an ad valorem tax rate of \$45 per \$1,000 of assessed valuation for a term of 20 years (2018 – 2037) for use in the improvement, beautification, and overall betterment of the District. The District levies an ad valorem tax on real property as of November 15 of each year. The tax is due and becomes an enforceable lien on the property on the first day of the month following the filing of the tax rolls by the assessor with the Louisiana Tax Commission (usually December 1). The tax is delinquent 30 days after its due date. Taxes are levied based on property values determined by the Jefferson Parish Assessor's office. All land and residential improvements are assessed at 10% of fair market value and other property at 15% of fair market value. Taxes are billed and collected by the Jefferson Parish Sheriff's Office which receives a certain fee for its services. The taxes remitted by the Jefferson Parish Sheriff's Office to the District are net of the fees and pension fund contribution.

**6. Pledged Revenues**

The District has pledged a portion of the future property tax revenues to pay debt service (principal and interest) on the Series 2021 tax bonds issued in 2021. The bond proceeds have and will be used for the purpose of acquiring, constructing, improving, operating, and/or maintaining the recreational and other facilities of the District. The bonds are payable solely from the property tax revenues until paid in full in 2035. The annual property tax revenues of approximately \$950,000 are projected to produce approximately 143% of the debt service requirements over the life of the bonds. For the year ended December 31, 2021, net property tax revenues were \$955,410 and debt service on the outstanding bonds was \$664,593. For the year ended December 31, 2020, net property tax revenues were \$963,718 and debt service on the outstanding bonds was \$673,100.

**7. Management Agreement**

On July 31, 2018, the District entered a Golf Course Facility Management Agreement with Touchstone Golf, LLC (Touchstone) to provide "professional manager and personnel for the complete operation of the golf course facility, including, but not limited to, administration of all receipts and disbursements, operation and maintenance of the golf course, clubhouse, related facilities and golf course equipment, marketing, sales and membership development, and human resources administration."

The initial term of the agreement was August 1, 2018 through July 31, 2019. The agreement, which expired on July 31, 2021, was extended for two additional one-year terms in accordance with the agreement. The Base Management Fee is \$7,000 per month. An Incentive Management Fee is due, if Touchstone meets financial metrics in the agreement. For the years ended December 31, 2021 and 2020, included in general and administrative expense is \$84,000 for this agreement.

**8. Land Covenants**

The immovable property purchased by the District was subject to restrictive covenants, effective on May 12, 1989 for 30 years, requiring the property to be used to operate a private country club and a 27-hole golf course in a manner equal to or exceeding the current and future generally accepted standards for similar clubs and courses in Southern Louisiana. These covenants expired in May 2019.

**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT  
AND BEAUTIFICATION DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**8. Land Covenants (continued)**

In November of 2004, Jefferson Parish Ordinance No. 22329 authorized the subdivision of Parcel C into Lots C-1 and C-2, subject to cross-parking agreements, and restricted the use on Parcel C-1 to, "country club, golf course, or community center." The parking area on Lot C-1 is subject to a servitude for the benefit of the abutting parcels and a pedestrian passageway, access, ingress and egress from Parcel C-1 to abutting parcels.

The District adopted covenants, effective July 16, 2020 for 25 years, restricting the use of Parcel C-1 and Lot 1, Square 16 to "Country Club, community center and accessory uses as defined in the Jefferson Parish Code of Ordinances." The current covenants restrict the District's other property to the following uses, "a golf course, parks, playgrounds, recreational uses, conservation areas, green spaces, and accessory uses as defined in the Jefferson Parish Code of Ordinances." The covenants automatically renew upon the expiration of the initial term for additional 10-year periods unless revoked or amended by approval of two-thirds of the District's Board of Commissioners and at least 25% of the owners of the residential lots within the District.

**9. Deficit Net Position**

At December 31, 2021, the District reports a net position deficit of \$1,042,335. The District expects 2022 operating revenues and property tax revenues to fund the deficit balance in net position.

**10. Commitments**

During the year ended December 31, 2020, the District entered into a contract for the renovation to the Clubhouse. The contract includes two Phases. At December 31, 2021, Phase 1 is substantially complete and the remaining balance on Phase 2 is \$161,786.

**11. Outbreak of COVID-19**

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had an adverse impact on the economies and financial markets in the local area and around the world. The District is uncertain how long these conditions will last and what the complete financial effect will be.

**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT  
AND BEAUTIFICATION DISTRICT  
SCHEDULE OF COMPENSATION, BENEFITS AND  
OTHER PAYMENTS TO AGENCY HEAD  
FOR THE YEAR ENDED DECEMBER 31, 2021**

Agency Head Name: Edward Woolman, Board Chairman

There were no payments to the agency head during the year ended December 31, 2021.

See accompanying independent auditors' report.



**INDEPENDENT AUDITORS' 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**

The Board of Commissioners  
Stonebridge Neighborhood Improvement and Beautification District  
Gretna, Louisiana

We have audited, in accordance with the 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, the financial statements of the Stonebridge Neighborhood Improvement and Beautification District (the District), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 3, 2022.

**Report on Internal Control Over Financial Reporting**

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

*A deficiency in internal control* 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from 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 financial statements. 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*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Postlethwaite & Netterville*

Metairie, Louisiana  
June 3, 2022

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**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT  
& BEAUTIFICATION DISTRICT**

**GRETNA, LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES**

**FOR THE YEAR ENDED DECEMBER 31, 2021**

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**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT & BEAUTIFICATION  
DISTRICT**

**GRETN, LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES**

**FOR THE YEAR ENDED DECEMBER 31, 2021**

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INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES

To the Governing Board of Stonebridge Neighborhood Improvement and Beautification District  
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. Stonebridge Neighborhood Improvement and Beautification District's management is responsible for those C/C areas identified in the SAUPs.

Stonebridge Neighborhood Improvement and Beautification District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures we performed, and the associated findings are summarized in the attached Schedule A, which is an integral part of this report.

We were engaged by Stonebridge Neighborhood Improvement and Beautification District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Stonebridge Neighborhood Improvement and Beautification District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

*Postlethwaite & Netterville*

Metairie, Louisiana  
June 3, 2022

**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT & BEAUTIFICATION DISTRICT**

**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**

**FOR THE YEAR ENDED DECEMBER 31, 2021**

*SCHEDULE A*

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read “*no exception noted*” or for step 25 “*we performed the procedure and discussed the results with management*”. If not, then a description of the exception ensues.

***A. Written Policies and Procedures***

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1. Obtain and inspect the entity’s written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity’s operations:
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget  
*No exceptions were found as a result of this procedure.*
  - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.  
*No exceptions were found as a result of this procedure.*
  - c) ***Disbursements***, including processing, reviewing, and approving.  
*No exceptions were found as a result of this procedure.*
  - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management’s actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).  
*No exceptions were found as a result of this procedure.*
  - e) ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.  
*No exceptions were found as a result of this procedure.*
  - f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.  
*No exceptions were found as a result of this procedure.*
  - g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).  
*No exceptions were found as a result of this procedure.*



**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT & BEAUTIFICATION DISTRICT**

**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**

**FOR THE YEAR ENDED DECEMBER 31, 2021**

*SCHEDULE A*

- h) *Travel and expense reimbursement*, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

*No exceptions were found as a result of this procedure.*

- i) *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

*No exceptions were found as a result of this procedure.*

- j) *Debt Service*, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

*No exceptions were found as a result of this procedure.*

- k) *Information Technology Disaster Recovery/Business Continuity*, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

*No exceptions were found as a result of this procedure.*

- l) *Sexual Harassment*, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

*No exceptions were found as a result of this procedure.*

**B. Board or Finance Committee**

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2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

*No exceptions were found as a result of this procedure.*

- b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue fund. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

*No exceptions were found as a result of this procedure.*

**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT & BEAUTIFICATION DISTRICT**

**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**

**FOR THE YEAR ENDED DECEMBER 31, 2021**

*SCHEDULE A*

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

*No exceptions were found as a result of this procedure.*

**C. Bank Reconciliations**

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- 3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

*No exceptions were found as a result of this procedure.*

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged);

*No exceptions were found as a result of this procedure.*

- c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

*No exceptions were found as a result of this procedure.*

**D. Collections (excluding electronic funds transfers)**

---

- 4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

*No exceptions were found as a result of this procedure.*

- 5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees responsible for cash collections do not share cash drawers/registers.

*Exception noted. Clubhouse bartenders and cashiers share cash drawers/registers.*

**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT & BEAUTIFICATION DISTRICT**

**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**

**FOR THE YEAR ENDED DECEMBER 31, 2021**

*SCHEDULE A*

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

*No exceptions were found as a result of this procedure.*

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

*No exceptions were found as a result of this procedure.*

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

*No exceptions were found as a result of this procedure.*

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

*No exceptions were found as a result of this procedure.*

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

*Exception noted. Receipts are not sequentially pre-numbered.*

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

*No exceptions were found as a result of this procedure. Although there are no pre-numbered receipts, system reports were traced to deposit slips.*

- c) Trace the deposit slip total to the actual deposit per the bank statement.

*No exceptions were found as a result of this procedure.*

- d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

*No exceptions were found as a result of this procedure.*

- e) Trace the actual deposit per the bank statement to the general ledger.

*No exceptions were found as a result of this procedure.*

**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT & BEAUTIFICATION DISTRICT**

**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**

**FOR THE YEAR ENDED DECEMBER 31, 2021**

*SCHEDULE A*

***E. Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)***

---

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

*No exceptions were found as a result of this procedure.*

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

*No exceptions were found as a result of this procedure.*

- b) At least two employees are involved in processing and approving payments to vendors.

*No exceptions were found as a result of this procedure.*

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

*No exceptions were found as a result of this procedure.*

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

*No exceptions were found as a result of this procedure.*

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe whether the disbursement matched the related original itemized invoice, and that supporting documentation indicates deliverables included on the invoice were received by the entity.

*No exceptions were found as a result of this procedure.*

- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

*No exceptions were found as a result of this procedure.*

**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT & BEAUTIFICATION DISTRICT**

**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**

**FOR THE YEAR ENDED DECEMBER 31, 2021**

*SCHEDULE A*

***F. Credit Cards/Debit Cards/Fuel Cards/P-Cards***

---

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

*No exceptions were found as a result of this procedure.*

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

*No exceptions were found as a result of this procedure.*

- b) Observe that finance charges and late fees were not assessed on the selected statements.

*No exceptions were found as a result of this procedure.*

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

*No exceptions were found as a result of this procedure.*

***G. Travel and Travel-Related Expense Reimbursements (excluding card transactions)***

---

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

*No exceptions were found as a result of this procedure.*

**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT & BEAUTIFICATION DISTRICT**

**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**

**FOR THE YEAR ENDED DECEMBER 31, 2021**

*SCHEDULE A*

- b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

*No exceptions were found as a result of this procedure.*

- c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

*No exceptions were found as a result of this procedure.*

- d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*No exceptions were found as a result of this procedure.*

***H. Contracts***

---

- 15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

*No exceptions were found as a result of this procedure.*

- b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

*No exceptions were found as a result of this procedure.*

- c) If the contract was amended (e.g. change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g. if approval is required for any amendment was approval documented).

*No exceptions were found as a result of this procedure.*

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

*No exceptions were found as a result of this procedure.*

**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT & BEAUTIFICATION DISTRICT**

**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**

**FOR THE YEAR ENDED DECEMBER 31, 2021**

*SCHEDULE A*

***I. Payroll and Personnel***

---

*Stonebridge was established as a special taxing district in April of 2018 and hired a management company, Touchstone Management, to run the facility in August of 2018 through the present. As of August 2018, Stonebridge has no employees, as all personnel are employed by Touchstone Management. Board members are not paid for their service. Therefore, this section of the AUP is not applicable to Stonebridge.*

***J. Ethics***

---

16. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.  
*No exceptions were found as a result of this procedure.*
  - b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.  
*No exceptions were found as a result of this procedure.*

***K. Debt Service***

---

17. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.  
*No exceptions were found as a result of this procedure.*
18. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).  
*No exceptions were found as a result of this procedure.*

**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT & BEAUTIFICATION DISTRICT**

**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**

**FOR THE YEAR ENDED DECEMBER 31, 2021**

*SCHEDULE A*

***L. Fraud Notice***

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19. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

*No exceptions were found as a result of this procedure.*

20. Observe the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

*No exceptions were found as a result of this procedure.*

***M. Information Technology Disaster Recovery/Business Continuity***

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21. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

*We performed the procedure and discussed the results with management.*

- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

*We performed the procedure and discussed the results with management.*

- c) Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

*We performed the procedure and discussed the results with management.*



**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT & BEAUTIFICATION DISTRICT**

**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**

**FOR THE YEAR ENDED DECEMBER 31, 2021**

*SCHEDULE A*

***N. Sexual Harassment***

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26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

*No exceptions were found as a result of this procedure.*

27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

*No exceptions were found as a result of this procedure.*

28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

***Exception noted. The District's annual sexual harassment report for the fiscal period January 1, 2021 through December 31, 2021 included the applicable requirements of R.S. 42:344 but it was not dated on or before February 1.***

a) Number and percentage of public servants in the agency who, have completed the training requirements;

*No exceptions were found as a result of this procedure.*

b) Number of sexual harassment complaints received by the agency;

*No exceptions were found as a result of this procedure.*

c) Number of complaints which resulted in a finding that sexual harassment occurred;

*No exceptions were found as a result of this procedure.*

d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action;

*No exceptions were found as a result of this procedure.*

e) Amount of time it took to resolve each complaint.

*No exceptions were found as a result of this procedure.*

**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT & BEAUTIFICATION DISTRICT**

**MANAGEMENT'S RESPONSE AND CORRECTIVE ACTION PLAN**

**FOR THE YEAR ENDED DECEMBER 31, 2021**

**Collections**

*Management Response:* During social events when more than one staff member is required one will handle credit cards only while the other will handle cash only. Going forward we will explore the cost of adding a second register if necessary.

**Sexual Harassment Compliance Report per R.S. 42:344**

*Management Response:* All required training was taken by our commissioners during 2021 and their completed certificates posted on our SNIBD.org website. An oversight due to the resignation of our secretary resulted in our required report not being posted to our site until April 23, 2022, thus missing the February 1<sup>st</sup> requirement. Going forward this report will be posted by year end.