

EISNER&ER

**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT
AND BEAUTIFICATION DISTRICT**

GRETN, LOUISIANA

FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022



**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 the 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 year ended December 31, 2023, 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, 2023, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those 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 relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The financial statements of the District for the year ended December 31, 2022, were audited by another auditor who expressed an unmodified opinion on those statements on May 19, 2023.

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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government 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 comprise the District's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head on page 29 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 relates 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 6, 2024, 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.

EisnerAmper LLP

EISNERAMPER LLP
Metairie, Louisiana
June 6, 2024



**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT
AND BEAUTIFICATION DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023 AND 2022**

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 years ended December 31, 2023 and 2022. We encourage readers to consider the information presented here in conjunction with the financial statements as a whole.

Financial Highlights - 2023

- The assets and deferred outflows of the District were less than the liabilities and deferred inflows by \$1,474,384 at December 31, 2023 and by \$1,295,500 at December 31, 2022 (net deficit).
- The District's total net deficit increased by \$178,884 during the year ended December 31, 2023 and by \$253,165 during the year ended December 31, 2022.
- During the year ended December 31, 2023, the District acquired golf course equipment of \$13,232.
- During the year ended December 31, 2023, the District increased construction in progress by \$39,217 for kitchen remodeling. Qualifying expenses related to the kitchen remodeling are reimbursable from Jefferson Parish.
- During the year ended December 31, 2023, the District's total noncurrent liabilities decreased by \$378,628 related to principal payments on the leases payable and bonds.

Financial Highlights - 2022

- The assets and deferred outflows of the District were less than the liabilities and deferred inflows by \$1,295,500 at December 31, 2022 and by \$1,042,335 at December 31, 2021 (net deficit).
- The District's total net deficit increased by \$253,165 during the year ended December 31, 2022 and by \$425,055 during the year ended December 31, 2021.
- During the year ended December 31, 2022, the District acquired lawn maintenance equipment of \$74,654.
- During the year ended December 31, 2022, the District increased construction in progress by \$136,489 for construction costs and engineering fees for clubhouse improvements. The projects were completed in 2022 and \$1,653,479 was reclassified to capital assets.
- During the year ended December 31, 2022, the District's total noncurrent liabilities decreased by \$416,830 related to principal payments on the leases payable and bonds.

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.

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.

**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT
AND BEAUTIFICATION DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023 AND 2022**

Financial Analysis - 2023

The Statement of Net Position includes information on all the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources 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
CONDENSED STATEMENTS OF NET POSITION
DECEMBER 31, 2023 AND 2022**

	<u>ASSETS</u>		
	<u>2023</u>	<u>2022</u>	<u>Change</u>
<u>CURRENT ASSETS</u>			
Cash and cash equivalents	\$ 738,649	\$ 912,430	\$ (173,781)
Property tax receivable	925,328	954,538	(29,210)
Other current assets	131,198	112,093	19,105
Total current assets	<u>1,795,175</u>	<u>1,979,061</u>	<u>(183,886)</u>
<u>NONCURRENT ASSETS</u>			
Capital assets, net	<u>2,850,201</u>	<u>3,314,356</u>	<u>(464,155)</u>
Total noncurrent assets	<u>2,850,201</u>	<u>3,314,356</u>	<u>(464,155)</u>
<u>TOTAL ASSETS</u>	<u>\$ 4,645,376</u>	<u>\$ 5,293,417</u>	<u>\$ (648,041)</u>
<u>LIABILITIES AND NET POSITION</u>			
<u>CURRENT LIABILITIES</u>			
Accounts payable and accruals	\$ 195,289	\$ 247,923	\$ (52,634)
Current portion of noncurrent liabilities	<u>378,628</u>	<u>416,523</u>	<u>(37,895)</u>
Total current liabilities	<u>573,917</u>	<u>664,446</u>	<u>(90,529)</u>
<u>NONCURRENT LIABILITIES</u>			
Bonds payable	5,535,000	5,890,000	(355,000)
Leases payable	10,843	34,471	(23,628)
Total noncurrent liabilities	<u>5,545,843</u>	<u>5,924,471</u>	<u>(378,628)</u>
<u>TOTAL LIABILITIES</u>	<u>\$ 6,119,760</u>	<u>\$ 6,588,917</u>	<u>\$ (469,157)</u>
<u>NET POSITION (DEFICIT)</u>			
Net investment in capital assets	\$ (622,770)	\$ (436,246)	\$ (186,524)
Unrestricted (deficit)	<u>(851,614)</u>	<u>(859,254)</u>	<u>7,640</u>
<u>TOTAL NET POSITION (DEFICIT)</u>	<u>\$ (1,474,384)</u>	<u>\$ (1,295,500)</u>	<u>\$ (178,884)</u>

**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT
AND BEAUTIFICATION DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023 AND 2022**

Financial Analysis – 2023 (continued)

In 2023, the net deficit increased by \$178,884 to a net deficit of \$1,474,384. Current assets decreased by \$183,886 due to use of cash to fund construction in progress and operations. Cash and cash equivalents decreased by \$173,781. Capital assets, net of accumulated depreciation / amortization decreased by \$464,155 to \$2,850,201 due to current year depreciation / amortization expense in excess of additions. The current liabilities decreased by \$90,529 to \$573,917 due to a decrease in accounts payable and accruals. Non-current liabilities decreased by \$378,628 to \$5,545,843 due to payments on leases payable and 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
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>	<u>Change</u>
Operating revenues	\$ 1,805,811	\$ 1,262,124	\$ 543,687
Operating expenses, excluding depreciation / amortization	(2,117,095)	(1,967,336)	(149,759)
Depreciation / amortization expense	(575,864)	(463,109)	(112,755)
Operating (loss)	<u>(887,148)</u>	<u>(1,168,321)</u>	<u>281,173</u>
Property tax revenue	990,808	998,670	(7,862)
Miscellaneous revenue	33,896	-	33,896
Interest expense	(328,884)	(349,111)	20,227
Insurance proceeds	-	262,921	(262,921)
Interest income	12,444	2,676	9,768
Nonoperating income, net	<u>708,264</u>	<u>915,156</u>	<u>(206,892)</u>
Change in net position (deficit)	(178,884)	(253,165)	74,281
Net position (deficit), beginning of year	(1,295,500)	(1,042,335)	(253,165)
Net position (deficit), end of year	<u>\$ (1,474,384)</u>	<u>\$ (1,295,500)</u>	<u>\$ (178,884)</u>

Operating revenues increased by \$543,687 primarily due to an increase in food and beverage sales revenue. Operating expenses increased by \$149,759 for the year ended December 31, 2023 due to marketing, and food and beverage expenses. This together with the increase in depreciation / amortization expense of \$112,755 resulted in a decreased operating loss of \$281,173 for the year ended December 31, 2023, compared to the year ended December 31, 2022. Net non-operating income decreased by \$206,892 primarily due to the decrease in insurance proceeds of \$262,921 for the year ended December 31, 2023, compared to the year ended December 31, 2022.

**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT
AND BEAUTIFICATION DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023 AND 2022**

Financial Analysis – 2023 (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, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>	<u>Change</u>
<u>CASH FLOWS FROM:</u>			
Operating activities	\$ (381,620)	\$ (899,717)	\$ 518,097
Non capital financing activities	1,020,018	994,132	25,886
Capital financing activities	(824,623)	(761,029)	(63,594)
Investing activities	12,444	2,676	9,768
Net change in cash and cash equivalents	<u>(173,781)</u>	<u>(663,938)</u>	<u>490,157</u>
Beginning of year, cash and cash equivalents	912,430	1,576,368	(663,938)
End of year, cash and cash equivalents	<u>\$ 738,649</u>	<u>\$ 912,430</u>	<u>\$ (173,781)</u>

Cash and cash equivalents decreased by \$173,781 during the year ended December 31, 2023. The District recognized the following significant cash transactions during the year ended December 31, 2023:

- Cash used in operations of \$381,620 as the 2023 year was the fifth full year of golf course operations and the fifth full year of management by the third-party company.
- Cash provided by noncapital financing activities of \$1,020,018 due to the receipt of property taxes during the 2023 year.
- Cash used in capital and related financing activities of \$824,623 includes the payments of interest of \$330,287, building and equipment purchases of \$27,992, bonds and leases payable principal payments of \$416,523, and purchase of construction in progress of \$49,821.
- Cash provided by investing activities of \$12,444 represents proceeds from interest income received during the 2023 year.

Financial Analysis - 2022

The Statement of Net Position includes information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources 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, 2023 AND 2022**

Financial Analysis – 2022 (continued)

**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT AND BEAUTIFICATION DISTRICT
CONDENSED STATEMENTS OF NET POSITION
DECEMBER 31, 2022 AND 2021**

ASSETS

	<u>2022</u>	<u>2021</u>	<u>Change</u>
<u>CURRENT ASSETS</u>			
Cash and cash equivalents	\$ 912,430	\$ 1,576,368	\$ (663,938)
Property tax receivable	954,538	950,000	4,538
Other current assets	112,093	96,098	15,995
Total current assets	<u>1,979,061</u>	<u>2,622,466</u>	<u>(643,405)</u>
<u>NONCURRENT ASSETS</u>			
Capital assets, net	3,314,356	3,523,756	(209,400)
Total noncurrent assets	<u>3,314,356</u>	<u>3,523,756</u>	<u>(209,400)</u>
<u>TOTAL ASSETS</u>	<u>\$ 5,293,417</u>	<u>\$ 6,146,222</u>	<u>\$ (852,805)</u>

LIABILITIES AND NET POSITION

<u>CURRENT LIABILITIES</u>			
Accounts payable and accruals	\$ 247,923	\$ 427,727	\$ (179,804)
Current portion of noncurrent liabilities	416,523	419,529	(3,006)
Total current liabilities	<u>664,446</u>	<u>847,256</u>	<u>(182,810)</u>
<u>NONCURRENT LIABILITIES</u>			
Bonds payable	5,890,000	6,230,000	(340,000)
Capital lease	34,471	111,301	(76,830)
Total noncurrent liabilities	<u>5,924,471</u>	<u>6,341,301</u>	<u>(416,830)</u>
Total liabilities	<u>\$ 6,588,917</u>	<u>\$ 7,188,557</u>	<u>\$ (599,640)</u>
<u>NET POSITION (DEFICIT)</u>			
Net investment in capital assets	\$ (436,246)	\$ (554,574)	\$ 118,328
Unrestricted (deficit)	<u>(859,254)</u>	<u>(487,761)</u>	<u>(371,493)</u>
<u>TOTAL NET POSITION (DEFICIT)</u>	<u>\$ (1,295,500)</u>	<u>\$ (1,042,335)</u>	<u>\$ (253,165)</u>

**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT
AND BEAUTIFICATION DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023 AND 2022**

Financial Analysis – 2022 (continued)

In 2022, the net deficit increased by \$253,165 to a net deficit of \$1,295,500. Current assets decreased by \$643,405 due to use of cash to fund construction in progress and operations. Cash and cash equivalents decreased by \$663,938. Capital assets, net of accumulated depreciation / amortization decreased by \$209,400 to \$3,314,356 due to current year depreciation / amortization expense in excess of additions. The current liabilities decreased by \$182,810 to \$664,446 due to a decrease in accounts payable and accruals. Non-current liabilities decreased by \$416,830 to \$5,924,471 due to payments on leases payable and 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, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>	<u>Change</u>
Operating revenues	\$ 1,262,124	\$ 1,044,701	\$ 217,423
Operating expenses, excluding depreciation / amortization	(1,967,336)	(1,770,143)	(197,193)
Depreciation / amortization expense	<u>(463,109)</u>	<u>(370,499)</u>	<u>(92,610)</u>
Operating income (loss)	<u>(1,168,321)</u>	<u>(1,095,941)</u>	<u>(72,380)</u>
Property tax revenue	998,670	955,410	43,260
Miscellaneous revenue	-	11,250	(11,250)
Interest expense	(349,111)	(349,127)	16
Insurance proceeds	262,921	50,000	212,921
Interest income	<u>2,676</u>	<u>3,353</u>	<u>(677)</u>
Nonoperating income (loss)	<u>915,156</u>	<u>670,886</u>	<u>244,270</u>
Change in net position	(253,165)	(425,055)	171,890
Net position, beginning of year	<u>(1,042,335)</u>	<u>(617,280)</u>	<u>(425,055)</u>
Net position, end of year	<u>\$ (1,295,500)</u>	<u>\$ (1,042,335)</u>	<u>\$ (253,165)</u>

Operating revenues increased by \$217,423 primarily due to an increase in food and beverage sales revenue. Operating expenses increased by \$197,193 for the year ended December 31, 2022 due to marketing, and food and beverage expenses. This together with the increase in depreciation / amortization expense of \$92,610 resulted in an increased operating loss of \$72,380 for the year ended December 31, 2022, compared to the year ended December 31, 2021. Net non-operating income increased by \$244,270 primarily due to the increase in insurance proceeds of \$212,921, an increase in property tax revenue of \$43,260, and a decrease in miscellaneous revenue of \$11,250 for the year ended December 31, 2022, compared to the year ended December 31, 2021.

**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT
AND BEAUTIFICATION DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023 AND 2022**

Financial Analysis – 2022 (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, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>	<u>Change</u>
<u>CASH FLOWS FROM:</u>			
Operating activities	\$ (899,717)	\$ (970,428)	\$ 70,711
Non capital financing activities	994,132	916,410	77,722
Capital financing activities	(761,029)	(1,203,730)	442,701
Investing activities	2,676	3,353	(677)
Net change in cash and cash equivalents	<u>(663,938)</u>	<u>(1,254,395)</u>	<u>590,457</u>
Beginning of year, cash	1,576,368	2,830,763	(1,254,395)
End of year, cash	<u>\$ 912,430</u>	<u>\$ 1,576,368</u>	<u>\$ (663,938)</u>

Cash and cash equivalents decreased by \$663,938 during the year ended December 31, 2022. The District recognized the following significant cash transactions during the year ended December 31, 2022:

- Cash used in operations of \$899,717 as the 2022 year was the fourth full year of golf course operations and the fourth full year of management by the third-party company.
- Cash provided by noncapital financing activities of \$994,132 due to the receipt of property taxes during the 2022 year.
- Cash used by capital and related financing activities of \$761,029 includes the payments of interest of \$350,405, building and equipment purchases of \$117,220, bonds and leases payable principal payments of \$419,836, purchase of construction in progress of \$136,489, and proceeds from insurance claims of \$262,921.
- Cash provided by investing activities of \$2,676 represents proceeds from interest income received during the 2022 year.

Capital Assets

At December 31, 2023, 2022 and 2021, the District had \$2,850,201, \$3,314,356 and \$3,523,756, respectively, invested in a range of capital assets including buildings and equipment as shown below.

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Buildings and improvements	\$ 2,551,819	\$ 2,895,973	\$ 1,484,509
Golf course equipment	177,570	245,616	255,299
Right to use asset - leased equipment	35,435	113,564	209,863
Furniture and fixtures	46,160	59,203	57,095
Construction in progress	39,217	-	1,516,990
Capital assets, net	<u>\$ 2,850,201</u>	<u>\$ 3,314,356</u>	<u>\$ 3,523,756</u>

**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT
AND BEAUTIFICATION DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023 AND 2022**

Capital Assets (continued)

During the year ended December 31, 2023, the District upgraded and improved existing equipment of the District. The 2023 significant capital asset additions are the golf course equipment of \$13,232 and the kitchen remodeling construction in progress of \$39,217.

During the year ended December 31, 2022, the District upgraded and improved existing equipment of the District. The 2022 significant capital asset additions are the golf course equipment of \$74,654 and the furniture and fixtures of \$19,168. All projects related to construction in progress in 2021 were completed in 2022 and reclassified to buildings and improvements.

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

Debt Administration

The District had outstanding bonds of \$5,890,000 and \$6,230,000 at December 31, 2023 and 2022, respectively. Proceeds from the original bonds were used for the acquisition of the Stonebridge Golf Club and related amenities. The remaining bond proceeds were 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 leases payable with an outstanding balance of \$34,471 and \$110,994 at December 31, 2023 and 2022, respectively.

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 2024 Budgets and Rates

The 2023 year was the fifth 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 capital improvements to the clubhouse and the grounds in 2021 and 2022 (which were delayed in 2020 due to COVID-19) were completed in 2022. The repairs made to the facilities from Hurricane Ida damage were completed in 2023.

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, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 738,649	\$ 912,430
Property tax receivable	925,328	954,538
Inventory	67,110	61,941
Prepaid expenses and other assets	64,088	50,152
Total current assets	<u>1,795,175</u>	<u>1,979,061</u>
<u>NONCURRENT ASSETS</u>		
Capital assets, net	2,810,984	3,314,356
Capital assets not depreciated: construction in progress	39,217	-
Total noncurrent assets	<u>2,850,201</u>	<u>3,314,356</u>
<u>TOTAL ASSETS</u>	<u>\$ 4,645,376</u>	<u>\$ 5,293,417</u>
<u>CURRENT LIABILITIES</u>		
Accounts payable and accrued expenses	\$ 91,550	\$ 115,486
Accrued interest on bonds payable	26,990	28,393
Bonds payable, current portion	355,000	340,000
Leases payable, current portion	23,628	76,523
Other current liabilities	50,989	43,888
Unearned event deposits	25,760	60,156
Total current liabilities	<u>573,917</u>	<u>664,446</u>
<u>NONCURRENT LIABILITIES</u>		
Bonds payable	5,535,000	5,890,000
Leases payable	10,843	34,471
Total noncurrent liabilities	<u>5,545,843</u>	<u>5,924,471</u>
<u>TOTAL LIABILITIES</u>	<u>\$ 6,119,760</u>	<u>\$ 6,588,917</u>
<u>NET POSITION (DEFICIT)</u>		
Net investment in capital assets	\$ (622,770)	\$ (436,246)
Unrestricted (deficit)	<u>(851,614)</u>	<u>(859,254)</u>
<u>TOTAL NET POSITION (DEFICIT)</u>	<u>\$ (1,474,384)</u>	<u>\$ (1,295,500)</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, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>OPERATING REVENUES</u>		
Golf and related activities	\$ 694,646	\$ 487,187
Merchandise sales	130,616	95,318
Food and beverage sales	767,615	516,504
Membership dues	212,934	163,115
Total operating revenues	<u>1,805,811</u>	<u>1,262,124</u>
<u>EXPENSES</u>		
Golf and related activities	913,725	1,026,054
Merchandise	89,362	64,895
Food and beverage	552,071	418,887
Marketing	79,819	48,164
General and administrative	482,118	409,336
Depreciation / amortization	575,864	463,109
Total operating expenses	<u>2,692,959</u>	<u>2,430,445</u>
<u>OPERATING LOSS</u>	(887,148)	(1,168,321)
<u>NONOPERATING INCOME (LOSS)</u>		
Property tax revenue	990,808	998,670
Capital grant from Jefferson Parish	33,896	-
Interest income	12,444	2,676
Insurance proceeds	-	262,921
Interest expense	(328,884)	(349,111)
Total nonoperating income (loss). net	<u>708,264</u>	<u>915,156</u>
<u>CHANGE IN NET POSITION</u>	(178,884)	(253,165)
<u>NET POSITION (DEFICIT), BEGINNING OF THE YEAR</u>	<u>(1,295,500)</u>	<u>(1,042,335)</u>
<u>NET POSITION (DEFICIT), END OF THE YEAR</u>	<u>\$ (1,474,384)</u>	<u>\$ (1,295,500)</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, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Received from customers and members	\$ 1,805,811	\$ 1,262,124
Paid to suppliers for goods and services	<u>(2,187,431)</u>	<u>(2,161,841)</u>
Net cash used in operating activities	<u>(381,620)</u>	<u>(899,717)</u>
<u>CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES</u>		
Property tax receipts	<u>1,020,018</u>	<u>994,132</u>
Net cash provided by noncapital and related financing activities	<u>1,020,018</u>	<u>994,132</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Purchase of building and equipment	(72,492)	(117,220)
Purchase of construction in progress	(39,217)	(136,489)
Proceeds from Jefferson Parish for capital	33,896	-
Payments of interest	(330,287)	(350,405)
Proceeds from insurance claim	-	262,921
Principal payments on leases	(76,523)	(99,836)
Principal payments on bonds	<u>(340,000)</u>	<u>(320,000)</u>
Net cash used in capital and related financing activities	<u>(824,623)</u>	<u>(761,029)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Interest received	<u>12,444</u>	<u>2,676</u>
Net cash provided by investing activities	<u>12,444</u>	<u>2,676</u>
Net change in cash and cash equivalents	(173,781)	(663,938)
Cash and cash equivalents, beginning of year	<u>912,430</u>	<u>1,576,368</u>
Cash and cash equivalents, end of year	<u>\$ 738,649</u>	<u>\$ 912,430</u>
Reconciliation of net operating loss to net cash used in operating activities are as follows:		
Operating loss	\$ (887,148)	\$ (1,168,321)
Adjustments to reconcile net operating loss to net cash used in operating activities:		
Depreciation / amortization	575,864	463,109
Bad debt expense	11,951	-
Change in operating assets and liabilities:		
Increase in inventory	(5,169)	(14,970)
Increase in prepaid expenses and other assets	(25,887)	(1,025)
Decrease in accounts payable and accrued expenses	(23,936)	(216,048)
Increase in other current liabilities	7,101	851
(Decrease) Increase in unearned event deposits	<u>(34,396)</u>	<u>36,687</u>
Net cash used in operating activities	<u>\$ (381,620)</u>	<u>\$ (899,717)</u>

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

**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT
AND BEAUTIFICATION DISTRICT**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

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), (2) Two members elected from the property owners of the Harvey side of the District (two-year term), (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, 2023 AND 2022**

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 expected receivables at December 31, 2022 to be fully collectible; therefore, no allowance for doubtful accounts was recorded at December 31, 2022. At December 31, 2023, the District recorded an allowance for doubtful accounts of \$11,951 on membership receivables.

Inventory

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

**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT
AND BEAUTIFICATION DISTRICT**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

1. Summary of Significant Accounting Policies (continued)

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. Right to use assets are recorded at the present value of effectively fixed minimum lease payments, of the determined non-cancellable lease term. 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

Right of use assets are amortized over the shorter period of the lease term or the useful life of the asset. 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 assets 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, 2023 or 2022.

Long-term Liabilities

Long-term debt and other long-term liabilities 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 assets 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, 2023 and 2022.

**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT
AND BEAUTIFICATION DISTRICT**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

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 / amortization 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.

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, 2023 and 2022.

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.

Leases – Lessee

The District is a lessee for noncancellable lease agreements for golf and lawn equipment used for operations. In accordance with GASB Statement No. 87, *Leases*, the District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the financial statements for those lease contracts with an initial individual value that is material to the financial statements and whose terms call for a lease period greater than one year. The lease liability is measured at the commencement of the lease at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for the lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Key estimates and judgements related to leases include (1) the discount rate used to value the expected lease payments, (2) lease term, and (3) lease payments.

**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT
AND BEAUTIFICATION DISTRICT**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

1. Summary of Significant Accounting Policies (continued)

- The District uses the interest rate charged by the lessor as the discount rate, if provided. When the interest rate charged by the lessor is not provided, the District uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease terms include the noncancellable period of the lease and option renewal periods. Lease payments included in the measurement of the lease liability are composed of fixed payments through the noncancellable term of the lease and renewal periods that management considers reasonably certain to be exercised.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Right to use lease assets are reported with capital assets and lease liabilities are reported with long-term obligations on the statements of net position.

New Pronouncements - Adopted

The District adopted the Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA). Under this Statement, SBITA, as defined, are financings of the right to use an underlying IT asset. SBITA liabilities are measured at the present value of SBITA payments over the term of each respective contract. Options to renew the SBITA are included in the lease term if reasonably certain to be exercised. The right-to-use IT asset may also include certain implementation phase costs. The adoption of GASB 96 did not have a significant impact to the District's financial statements.

The District adopted GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This Statement addresses issues related to public-private and public-public partnership arrangements (PPPs). The Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The adoption of GASB 94 did not have a significant impact to the District's financial statements.

2. Cash and Cash Equivalents

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

	<u>2023</u>	<u>2022</u>
Demand deposits and cash on hand	\$ 229,495	\$ 96,929
Money market account	<u>509,154</u>	<u>815,501</u>
Total cash and investments	<u>\$ 738,649</u>	<u>\$ 912,430</u>

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

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 exposed to custodial credit risk as they are fully insured or collateralized.

**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT
AND BEAUTIFICATION DISTRICT**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

2. Cash and Cash Equivalents (continued)

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, 2023 and 2022, the entire bank balance was covered by the FDIC or by collateral of \$1,650,742 and \$1,818,889, respectively held by the District's agent in the District's name.

3. Capital Assets

Capital asset balances as of December 31, 2023 and current year activity for the year ended December 31, 2023 is as follows:

	<u>January 1, 2023</u>	<u>Additions/ Transfers In</u>	<u>Retirements/ Transfers Out</u>	<u>December 31, 2023</u>
Non-Depreciable Assets:				
Construction in progress	\$ -	\$ 39,217	\$ -	\$ 39,217
Total Non-Depreciable Assets	<u>-</u>	<u>39,217</u>	<u>-</u>	<u>39,217</u>
Depreciable Assets:				
Buildings and improvements	3,572,241	40,537	-	3,612,778
Golf course equipment	487,018	13,232	-	500,250
Right to use asset - leased equipment	481,489	-	-	481,489
Furniture and fixtures	98,400	6,642	-	105,042
Computer equipment	3,084	3,148	-	6,232
Ground improvement	285,342	8,933	-	294,275
Landscaping	12,374	-	-	12,374
Total Depreciable Assets	<u>4,939,948</u>	<u>72,492</u>	<u>-</u>	<u>5,012,440</u>
Total Assets Cost	<u>4,939,948</u>	<u>111,709</u>	<u>-</u>	<u>5,051,657</u>
Accumulated depreciation / amortization				
Buildings and improvements	(871,521)	(360,321)	-	(1,231,842)
Golf course equipment	(241,402)	(83,989)	-	(325,391)
Right to use asset - leased equipment	(367,925)	(78,129)	-	(446,054)
Furniture and fixtures	(39,196)	(19,686)	-	(58,882)
Computer equipment	(3,084)	(437)	-	(3,521)
Ground improvement	(90,090)	(33,302)	-	(123,392)
Landscaping	(12,374)	-	-	(12,374)
Accumulated depreciation / amortization	<u>(1,625,592)</u>	<u>(575,864)</u>	<u>-</u>	<u>(2,201,456)</u>
Capital assets, net	<u>\$ 3,314,356</u>	<u>\$ (464,155)</u>	<u>\$ -</u>	<u>\$ 2,850,201</u>

At December 31, 2023, the construction in progress of \$39,217 represents architecture and design fees related to the planned remodeling to the kitchen.

**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT
AND BEAUTIFICATION DISTRICT**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

3. Capital Assets (continued)

Capital asset balances as of December 31, 2022 and current year activity for the year ended December 31, 2022 is as follows:

	<u>January 1, 2022</u>	<u>Additions/ Transfers In</u>	<u>Retirements/ Transfers Out</u>	<u>December 31, 2022</u>
Non-Depreciable Assets:				
Construction in progress	\$ 1,516,990	\$ 136,489	\$ (1,653,479)	\$ -
Total Non-Depreciable Assets	<u>1,516,990</u>	<u>136,489</u>	<u>(1,653,479)</u>	<u>-</u>
Depreciable Assets:				
Buildings and improvements	1,906,072	1,666,169	-	3,572,241
Golf course equipment	412,364	74,654	-	487,018
Right to use asset - leased equipment	481,489	-	-	481,489
Furniture and fixtures	79,232	19,168	-	98,400
Computer equipment	3,084	-	-	3,084
Ground improvement	274,634	10,708	-	285,342
Landscaping	12,374	-	-	12,374
Total Depreciable Assets	<u>3,169,249</u>	<u>1,770,699</u>	<u>-</u>	<u>4,939,948</u>
Total Assets Cost	<u>4,686,239</u>	<u>1,907,188</u>	<u>(1,653,479)</u>	<u>4,939,948</u>
Accumulated depreciation / amortization				
Buildings and improvements	(638,731)	(232,790)	-	(871,521)
Golf course equipment	(157,065)	(84,337)	-	(241,402)
Right to use asset - leased equipment	(271,626)	(96,299)	-	(367,925)
Furniture and fixtures	(22,137)	(17,059)	-	(39,196)
Computer equipment	(3,084)	-	-	(3,084)
Ground improvement	(59,101)	(30,989)	-	(90,090)
Landscaping	(10,739)	(1,635)	-	(12,374)
Accumulated depreciation / amortization	<u>(1,162,483)</u>	<u>(463,109)</u>	<u>-</u>	<u>(1,625,592)</u>
Capital assets, net	<u>\$ 3,523,756</u>	<u>\$ 1,444,079</u>	<u>\$ (1,653,479)</u>	<u>\$ 3,314,356</u>

At December 31, 2022, the construction in progress related to planned renovations and repairs to the main clubhouse and grounds has been completed and reclassified to capital assets.

**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT
AND BEAUTIFICATION DISTRICT**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

4. Long -Term Obligations

Bonds Payable

Long-term obligations consist of the following bonds payable at December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
\$6,550,000 Taxable Limited Tax Bonds, Series 2021, issued July 29, 2021, interest between 4.85% and 5.800%, payable in annual principal and quarterly interest payments through 2035.	\$ 5,890,000	\$ 6,230,000
Less: current portion	(355,000)	(340,000)
Long term bonds payable	<u>\$ 5,535,000</u>	<u>\$ 5,890,000</u>

The future minimum payments of the outstanding bonds as of December 31, 2023, are as follows:

<u>Year ended December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 355,000	310,437	665,437
2025	375,000	291,471	666,471
2026	395,000	271,089	666,089
2027	415,000	249,253	664,253
2028	440,000	225,718	665,718
2029 - 2033	2,630,000	708,993	3,338,993
2034 - 2035	1,280,000	53,900	1,333,900
Total	<u>\$ 5,890,000</u>	<u>2,110,861</u>	<u>8,000,861</u>

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 Notes 5 and 6 to the financial statements. The bond payable has 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.

**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT
AND BEAUTIFICATION DISTRICT**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

4. Long -Term Obligations (continued)

Leases Payable Commitments

At December 31, 2023 and 2022, the District owns golf and lawn equipment valued at \$481,489 that was financed with lease purchase agreements. Leases payable payments are generally made monthly. See Note 3 for the total amount of leased assets and related accumulated amortization. Amortization expense of \$78,129 relating to assets acquired under leases payable is included in depreciation expense for both of the years ended December 31, 2023 and 2022. The leases payable commitment is collateralized by golf and lawn equipment.

Obligations of the District under the leases payable as of December 31, 2023 are as follows:

Year ended December 31	Lease Payment Requirements
2024	\$ 24,858
2025	11,428
Total minimum lease payments	36,286
Less: Interest cost	(1,815)
Present value of minimum lease payments	\$ 34,471

At December 31, 2023 and 2022, the combined value of the lease liability was \$34,471 and \$110,994, respectively. In determining the present values, the interest rate charged by the lessor was the discount rate, if provided.

Long-term obligations activity

Long term obligations activity for the years ended December 31, 2023 and 2022 are as follows:

	January 1, 2023	Additions	Retirements	December 31, 2023
Tax bonds, Series 2021	\$ 6,230,000	\$ -	\$ (340,000)	\$ 5,890,000
Leases payable	110,994	-	(76,523)	34,471
Total	<u>6,340,994</u>	<u>-</u>	<u>(416,523)</u>	<u>5,924,471</u>
	January 1, 2022	Additions	Retirements	December 31, 2022
Tax bonds, Series 2021	6,550,000	-	(320,000)	6,230,000
Leases payable	210,830	-	(99,836)	110,994
Total	<u>\$ 6,760,830</u>	<u>\$ -</u>	<u>\$ (419,836)</u>	<u>\$ 6,340,994</u>

**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT
AND BEAUTIFICATION DISTRICT**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

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 been 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 \$1,035,551 are projected to produce approximately 155% of the debt service requirements over the life of the bonds. For the year ended December 31, 2022, net property tax revenues were \$998,670 and debt service on the outstanding bonds was \$668,090. For the year ended December 31, 2023, net property tax revenues were \$990,808 and debt service on the outstanding bonds was \$665,437.

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 was \$7,000 per month. An Incentive Management Fee is due, if Touchstone meets financial metrics in the agreement. In January 2023, the District and Touchstone agreed to the first amendment to the facility management agreement to extend the initial term through December 31, 2023. The amended agreement will automatically renew on a quarterly basis. Beginning January 1, 2023 the base management fee shall be \$6,000 per month. For the years ended December 31, 2023 and 2022, included in general and administrative expense was \$84,000 and \$72,000, respectively, for this agreement.

**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT
AND BEAUTIFICATION DISTRICT**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

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.

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, 2023 and 2022, the District reports a net position deficit of \$1,474,384 and \$1,295,500, respectively. The District expects 2024 and 2025 operating revenues and property tax revenues to begin to reduce the deficit balance in net position.

10. Subsequent Events

In January 2024, the District entered into a construction contract in the amount of \$610,079 for the kitchen area expansion.

On February 5, 2024, the District agreed to a final settlement of \$952,804 with the insurance company related to damages sustained during Hurricane Ida on August 29, 2021. No amounts are included in the financial statements as of and for the year then ended December 31, 2023 related to this settlement.

STONEBRIDGE NEIGHBORHOOD IMPROVEMENT AND BEAUTIFICATION DISTRICT

**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2023**

Agency Head Name: Edward Woolman, Board Chairman

There were no payments to the agency head during the year ended December 31, 2023.

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, 2023, 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 6, 2024.

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 opinions 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

EisnerAmper LLP

EISNERAMPER LLP
Metairie, Louisiana
June 6, 2024

EISNERAMPER
LLP



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**STONEBRIDGE NEIGHBORHOOD IMPROVEMENT &
BEAUTIFICATION DISTRICT**

**AGREED-UPON PROCEDURES ON COMPLIANCE
AND CONTROL AREAS**

FOR THE YEAR ENDED DECEMBER 31, 2023



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated in Schedule A on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) of Stonebridge Neighborhood Improvement and Beautification District (the District) for the fiscal period January 1, 2023 through December 31, 2023. The 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 performing specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal period January 1, 2023 through December 31, 2023. Additionally, the 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 the District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs of the District for the fiscal period January 1, 2023 through December 31, 2023. 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 the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

The purpose of 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.



EISNERAMPER LLP

Metairie, Louisiana

June 6, 2024

STONEBRIDGE NEIGHBORHOOD IMPROVEMENT & BEAUTIFICATION DISTRICT

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

DECEMBER 31, 2023

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 13 *“we performed the procedure and discussed the results with management”*. If not, then a description of the exception ensues.

1) *Written Policies and Procedures*

A. 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):

i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

No exception noted.

ii. ***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 exception noted.

iii. ***Disbursements***, including processing, reviewing, and approving.

No exception noted.

iv. ***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 exception noted.

v. ***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 rates of pay or approval and maintenance of pay rate schedules.

No exception noted.

vi. ***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 exception noted.

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

No exception noted.

STONEBRIDGE NEIGHBORHOOD IMPROVEMENT & BEAUTIFICATION DISTRICT

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

DECEMBER 31, 2023

Schedule A

- viii. ***Credit Cards (and debit cards, fuel cards, purchase 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 exception noted.

- ix. ***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 exception noted.

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

No exception noted.

- xi. ***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 exception noted.

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

No exception noted.

2) Board or Finance Committee

- A. 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:

- i. Observe whether 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 exception noted.

- ii. 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 comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit 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 exception noted.

STONEBRIDGE NEIGHBORHOOD IMPROVEMENT & BEAUTIFICATION DISTRICT

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

DECEMBER 31, 2023

Schedule A

- iii. 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 exception noted.

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

No exception noted.

3) Bank Reconciliations

- A. 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 listing of bank accounts was provided and included a total of three bank accounts. Management identified the entity's main operating account. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected all three bank accounts and obtained the bank reconciliations for the month ending December 31, 2023, resulting in three bank reconciliations obtained and subjected to the below procedures.

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

No exception noted.

- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and

No exception noted.

- iii. 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 reconciling items outstanding for more than 12 months noted.

STONEBRIDGE NEIGHBORHOOD IMPROVEMENT & BEAUTIFICATION DISTRICT

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

DECEMBER 31, 2023

Schedule A

4) Collections (excluding electronic funds transfers)

- A. 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).

A listing of deposit sites was provided and included a total of one deposit site. No exceptions were noted as a result of performing this procedure.

We selected the one deposit site and performed the procedures below.

- B. 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 (e.g. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then 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 listing of collection locations for the one deposit site selected in procedure #4A was provided and included a total of two collection locations. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected one collection location for the one deposit site. Review of the District's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

- i. Employees responsible for cash collections do not share cash drawers/registers;

Exception noted. During social events when more than one staff member is required, clubhouse bartenders and cashiers share cash drawers/registers.

- ii. Each employee responsible for collecting cash is not also 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 exception noted.

- iii. Each employee responsible for collecting cash is not also 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; and

No exception noted.

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

No exception noted.

STONEBRIDGE NEIGHBORHOOD IMPROVEMENT & BEAUTIFICATION DISTRICT

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

DECEMBER 31, 2023

Schedule A

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

No exception noted.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (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). *Alternatively, 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:

- i. Observe that receipts are sequentially pre-numbered.

No exception noted.

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

No exception noted.

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

No exception noted.

- iv. Observe that 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 exception noted.

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

No exception noted.

5) *Non-payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)*

- A. 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).

The listing of locations that process payments for the fiscal period was provided and included a total of one location. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected the one location and performed the procedures below.

- B. For each location selected under #5A 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, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:

STONEBRIDGE NEIGHBORHOOD IMPROVEMENT & BEAUTIFICATION DISTRICT

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

DECEMBER 31, 2023

Schedule A

The listing of employees involved with non-payroll purchasing and payment functions for each payment processing location selected in procedure #5A was provided. No exceptions were noted as a result of performing this procedure.

Review of the District's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

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

No exception noted.

- ii. At least two employees are involved in processing and approving payments to vendors;

No exception noted.

- iii. 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 exception noted.

- iv. 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; and

No exception noted.

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

No exception noted.

- C. For each location selected under #5A 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 listing of non-payroll disbursements for the one payment processing location selected in procedures #5A was provided related to the reporting period. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected five disbursements and performed the procedures below.

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice, and that supporting documentation indicates that deliverables included on the invoice were received by the entity, and

No exception noted.

STONEBRIDGE NEIGHBORHOOD IMPROVEMENT & BEAUTIFICATION DISTRICT

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

DECEMBER 31, 2023

Schedule A

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

No exception noted.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

No exception noted.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase 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.

A listing of cards was provided and included a total of two active cards. No exceptions were noted as a result of performing this procedure.

- B. 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

From the listing provided, we selected both cards used in the fiscal period. We randomly selected one monthly statement for each of the two cards selected and performed the procedures noted below.

- i. 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 (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported; and

No exception noted.

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

No exception noted.

STONEBRIDGE NEIGHBORHOOD IMPROVEMENT & BEAUTIFICATION DISTRICT

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

DECEMBER 31, 2023

Schedule A

- C. Using the monthly statements or combined statements selected under procedure #6B 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 (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that 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 observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

We randomly selected ten transactions for the two cards selected in procedure #6B and performed the specified procedures. No exception noted.

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

- A. 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, and 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:

The listing of travel and travel-related expense reimbursements was provided for the fiscal period. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected five reimbursements and performed the procedures below.

- i. If reimbursed using a per diem, observe that 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);

No exception noted.

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

No exception noted.

- iii. Observe that 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 Policies and Procedures", procedure #1A(vii); and

No exception noted.

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

No exception noted.

STONEBRIDGE NEIGHBORHOOD IMPROVEMENT & BEAUTIFICATION DISTRICT

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

DECEMBER 31, 2023

Schedule A

8) *Contracts*

- A. 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. *Alternatively, 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 listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period was provided and included a total of two contracts. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected the two contracts and performed the procedures below.

- i. 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 exception noted.

- ii. 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 exception noted.

- iii. If the contract was amended (e.g., change order), observe that 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, the documented approval); and

No exception noted.

- iv. 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 that the invoice and related payment agreed to the terms and conditions of the contract.

No exception noted.

9) *Payroll and Personnel*

The District 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, the District 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 the District.

STONEBRIDGE NEIGHBORHOOD IMPROVEMENT & BEAUTIFICATION DISTRICT

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

DECEMBER 31, 2023

Schedule A

10) Ethics

- A. Using the 5 randomly selected employees/officials from procedure "Payroll and Personnel" procedure #9A, above obtain ethics documentation from management, and

As procedure #9A is not applicable to the District, we randomly selected five commissioners to perform the specified procedures below.

- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

No exception noted.

- ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

No exception noted.

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

No exception noted.

11) Debt Service

- A. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued as required by Article VII, Section 8 of the Louisiana Constitution.

No bonds/notes issued during the fiscal period noted.

- B. 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 exception noted.

12) Fraud Notice

- A. 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 as required by R.S. 24:523.

No exception noted.

STONEBRIDGE NEIGHBORHOOD IMPROVEMENT & BEAUTIFICATION DISTRICT

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

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Schedule A

- B. Observe that 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 exception noted.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures:

- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

We performed the procedure and discussed the results with management.

- ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then 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.

- iii. 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.

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidenced that the selected terminated employees have been removed or disabled from the network.

We performed the procedure and discussed the results with management.

- C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

- Hired before June 9, 2020 - completed the training; and
- Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

The District 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, the District has no employees, as all personnel are employed by Touchstone Management. Therefore, this procedure of the AUP is not applicable to the District.

STONEBRIDGE NEIGHBORHOOD IMPROVEMENT & BEAUTIFICATION DISTRICT

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

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Schedule A

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from "Payroll and Personnel" procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

As procedure #9A is not applicable to the District, we used the sample selected for procedure #10A to perform the specified procedures. No exception noted.

- B. Observe that 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 exception noted.

- C. 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 that the report includes the applicable requirements of R.S. 42:344:

- i. Number and percentage of public servants in the agency who have completed the training requirements;

No exception noted.

- ii. Number of sexual harassment complaints received by the agency;

No exception noted.

- iii. Number of complaints which resulted in a finding that sexual harassment occurred;

No exception noted.

- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

No exception noted.

- v. Amount of time it took to resolve each complaint.

No exception noted.

STONEBRIDGE NEIGHBORHOOD IMPROVEMENT & BEAUTIFICATION DISTRICT

MANAGEMENT'S RESPONSE AND CORRECTIVE ACTION PLAN

DECEMBER 31, 2023

Schedule B

Collections

Management Response: Our new system Club Caddie does allow for multiple registers to be used for the same event. We added a clover system that is used for credit card only transactions and have ordered an additional cash draw so we can also accept cash with both registers at the same time, during busy times and events.