

STONEBRIDGE PROPERTY OWNERS ASSOCIATION, INC.

FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

Camnetar & Co., CPAs
a professional accounting corporation

STONEBRIDGE PROPERTY OWNERS ASSOCIATION, INC.

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DECEMBER 31, 2021

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INDEPENDENT AUDITORS' REPORT

Camnetar & Co., CPAs

a professional accounting corporation

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Stonebridge Property Owners Association, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Stonebridge Property Owners Association, Inc. (a nonprofit organization), which comprise the statement of financial position-modified cash basis as of December 31, 2021, and the related statements of revenues, expenses, and changes in net assets-modified cash basis, cash flows-modified cash basis for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Stonebridge Property Owners Association, Inc. as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with the modified cash basis of accounting.

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 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Stonebridge Property Owners Association, Inc. 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 opinions.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with modified cash basis of accounting as described in Note 2, 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 Stonebridge Property Owners Association, Inc. ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's report that includes our opinion. 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 Stonebridge Property Owners Association, Inc. 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 Stonebridge Property Owners Association, Inc. 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The *Schedule of Compensation, Benefits, and Other Payments to Agency Head* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the 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 November 3, 2023, on our consideration of Stonebridge Property Owners Association, Inc. 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 Stonebridge Property Owners Association, Inc. 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 Stonebridge Property Owners Association, Inc. internal control over financial reporting and compliance.

Camnetar & Co.

Camnetar & Co., CPAs

a professional accounting corporation

Gretna, Louisiana

November 3, 2023

FINANCIAL STATEMENTS

STONEBRIDGE PROPERTY OWNERS ASSOCIATION, INC.
STATEMENT OF FINANCIAL POSITION - MODIFIED CASH BASIS
For the Year Ended December 31, 2021

	General	Security District	Total
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	\$ 46,890	\$ 223,802	\$ 270,692
NON CURRENT ASSETS			
Property and Equipment, net	12,788	30,466	43,254
TOTAL ASSETS	\$ 59,678	\$ 254,268	\$ 313,946
 NET ASSETS			
Net Assets Without Donor Restrictions	\$ 59,678	\$ 254,268	\$ 313,946
TOTAL NET ASSETS	\$ 59,678	\$ 254,268	\$ 313,946

STONEBRIDGE PROPERTY OWNERS ASSOCIATION, INC.
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS-MODIFIED CASH BASIS
For the Year Ended December 31, 2021

	<u>General</u>	<u>Security District</u>	<u>Total</u>
REVENUES			
Parcel fees	\$ -	409,496	\$ 409,496
Membership dues	30,275	-	30,275
	<u>30,275</u>	<u>-</u>	<u>30,275</u>
TOTAL REVENUES	30,275	409,496	439,771
EXPENSES			
Direct Expenses			
Patrols and guards	-	324,135	324,135
Insurance	7,402	14,797	22,199
Maintenance and repairs	-	18,411	18,411
Network communications	207	5,726	5,933
Utilities	-	5,153	5,153
Depreciation	1,301	9,462	10,763
	<u>8,910</u>	<u>377,684</u>	<u>386,594</u>
Total Direct Expenses	8,910	377,684	386,594
Administrative Expenses			
Accounting	3,553	13,807	17,360
Beautification / Lawn maintenance	4,443	10,032	14,475
Gifts and donations	500	500	1,000
Legal fees	51	-	51
Miscellaenous	30	326	356
Office supplies	380	768	1,148
Printing	1,525	-	1,525
	<u>10,482</u>	<u>25,433</u>	<u>35,915</u>
Total Administrative Expenses	10,482	25,433	35,915
Total Expenses	19,392	403,117	422,509
EXCESS OF REVENUES OVER EXPENSES	10,883	6,379	17,262
NET ASSETS AT BEGINNING OF YEAR	48,795	247,889	296,684
NET ASSETS AT END OF YEAR	\$ 59,678	\$ 254,268	\$ 313,946

STONEBRIDGE PROPERTY OWNERS ASSOCIATION, INC.
STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS
For the Year Ended December 31, 2021

	<u>General</u>	<u>Security District</u>	<u>Total</u>
Cash Flows from Operating Activities			
Excess of Revenues over Expenses	\$ 10,883	\$ 6,379	\$ 17,262
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:			
Depreciation	<u>1,301</u>	<u>9,462</u>	<u>10,763</u>
Net Cash Provided by Operating Activities	<u>12,184</u>	<u>15,841</u>	<u>28,025</u>
Cash Flows from Investing Activities			
Improvements purchases	<u>(3,278)</u>	<u>-</u>	<u>(3,278)</u>
Net Cash (Used) by Investing Activities	<u>(3,278)</u>	<u>-</u>	<u>(3,278)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	8,906	15,841	24,747
Cash and Cash Equivalents, Beginning of Year	<u>37,984</u>	<u>207,961</u>	<u>245,945</u>
Cash and Cash Equivalents, End of Year	<u><u>\$46,890</u></u>	<u><u>\$223,802</u></u>	<u><u>\$270,692</u></u>

STONEBRIDGE PROPERTY OWNERS ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 – NATURE OF ORGANIZATION

The Stonebridge Property Owners Association, Inc. (the Association) which was formed in 1982 was given authority, as a public body by Acts of the Louisiana Legislature, 1998, La. R.S. 33:9064 and by a contract with the Jefferson Parish Council, to aid in crime prevention and to add to the security of subdivision residents by providing for an increase in the presence of law enforcement personnel in the subdivision, located on the westbank of Jefferson Parish, Louisiana.

The Board of Directors is constituted of at least seven (7) members elected by the members of the Association. Board members are not compensated.

The Association services all parcels located in the geographic area it serves.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements of the Association have been prepared on the modified cash basis of accounting. Under that basis, revenues and the related assets are recognized when received rather than when earned, and expenses are recognized when paid rather than when the obligation is incurred. However, the Association does record depreciation on its property and equipment. That basis differs from accounting principles generally accepted in the United States of America primarily because the Association has not recognized prepayment of expenditures or accounts payable to vendors and their related effect on net position in the accompanying financial statements nor do they recognize revenue when earned. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Parcel fees are recorded as received from Jefferson Parish.

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amount and disclosures in the financial statements. Actual results could differ from those estimates. Significant items in these financial statements subject to such estimates is the calculation of depreciation expense and accumulated depreciation.

Cash and Cash Equivalents

The Association's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Functional Expenses

The Association's Statement of Revenues, Expenses, and Changes in Net Assets-Modified Cash Basis reports the direct allocation of expenses based upon direct usage from the respective revenue source. The Association does not use the indirect method to allocate expenses.

STONEBRIDGE PROPERTY OWNERS ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentrations and Sources of Revenue

The Association's revenue is derived from two sources homeowner association dues and parcel fees. The current level of operations and program services would be impacted if funding were not renewed.

Income Tax Status and Uncertain Tax Positions

The Association is exempt from Federal income tax under Section 501(c) (4). The federal and state tax returns of the Association are subject to examination by tax authorities for the years ended December 31, 2021, 2020, and, 2019. All tax returns have been filed by the Association. As of December 31, 2021 management has evaluated the Association's tax position and concluded that the Association has taken no uncertain tax positions that require disclosure under the provisions of *Accounting for Uncertainty in Income Taxes* topic of the FASB Accounting Standard Codification.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, November 3, 2023, and determined that no events occurred that require disclosure.

NOTE 3 – CASH AND CASH EQUIVALENTS

The Association maintains cash accounts at local financial institutions in demand deposit accounts.

Custodial credit risk is the risk that event of a bank failure, the Association's deposits may not be returned to it. The Association maintains cash accounts at local financial institutions. The Federal Deposit Insurance Corporation (FDIC) insures accounts at each institution up to \$250,000. At December 31, 2021, the Association's cash balance in the bank was \$287,047 and exceeded the FDIC insurance by \$37,047. The Association has not experienced any losses in such accounts and management believes it is not exposed to any significant custodial credit risk.

The Association had no noncash investing and financing transactions for the year ended December 31, 2021.

Supplemental cash flows information: amounts paid in 2021:

Interest	\$0
Taxes	\$0

STONEBRIDGE PROPERTY OWNERS ASSOCIATION, INC.
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2021

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment is stated at cost. Depreciation has been provided using the straight – line method over the estimated useful lives of the related assets, or lease terms, if applicable, which range from 5 to 15 years. Assets with a cost of \$1,000 are capitalized and depreciated. All equipment, land, and buildings acquired with property assessments are titled in the name of the Association. For the year ended December 31, 2021, depreciation expense was \$10,763.

During the year the Association spent \$3,278 for banners.

Property and equipment consisted of the following as of December 31, 2021:

	December 31 2020	Additions	Deletions	December 31 2021
Buildings and improvements	\$ 110,987	\$ -	\$ -	\$ 110,987
Machinery and equipment	166,126	3,278	-	169,404
Total depreciable assets	<u>277,113</u>	<u>3,278</u>	<u>-</u>	<u>280,391</u>
Less accumulated depreciation	<u>(226,374)</u>	<u>(10,763)</u>	<u>-</u>	<u>(237,137)</u>
Property and equipment, net	<u>\$ 50,739</u>	<u>\$ (7,485)</u>	<u>\$ -</u>	<u>\$ 43,254</u>

NOTE 5 – REVENUES

Parcel Fees

Parcel fee revenue is recognized when received, not when assessed by the Jefferson Parish Assessor. The residents of the special security district voted in December 2014 to extend the flat fee millage, which has an annual increase of 2.5%. The tax expires in 2024 unless a majority voters of the special security district vote to renew the assessment. Annually, the Jefferson Parish Council authorizes the Jefferson Parish Assessor to extend the tax millage rates for the Stonebridge Subdivision Special District to pay costs for annual security enhancements for each parcel in the district. There are 925 parcels in the subdivision special district. The per parcel fee for the prior, current and subsequent year are as follows:

2019 Parcel Fee	\$419.87
2020 Parcel Fee	\$430.37
2021 Parcel Fee	\$441.13

Membership Dues

Annually, homeowners in the subdivision are invoiced \$40 membership dues which are due at the first of the year. Membership dues revenue is recognized when received.

STONEBRIDGE PROPERTY OWNERS ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 6 – PATROLS AND GUARDS

The Association has a contract with the Jefferson Parish council to utilize the parcel fee as noted in Note-5 above to provide security enhancement services within the geographical boundaries of the special security district and said geographical boundaries shall be considered Association's security coverage area. Within the contract the Association agrees to employ all public funds, facilities and equipment entrusted to its care only for providing said security enhancement services necessary and incidental for the operation of their respective area in accordance with applicable laws. This agreement shall be considered effective as January 1, 2017 and shall terminate on December 31, 2025.

The Association has no paid employees but does have contracts with the Weiser Security Services, Inc. for guard services at the entrances and with Jefferson Parish deputies for patrols. Amounts paid for these services for the year ended December 31, 2019 are as follows:

Guard services	\$ 219,302
Deputies for patrols	<u>104,835</u>
Total for Guards and Patrols	\$ 324,137

NOTE 7 – LIQUIDITY

The following reflect the Association's financial assets as of December 31, 2021 reduced by amounts not available for general use within one year.

Financial assets at year end:

Cash and cash equivalents	<u>\$270,692</u>
Total financial assets available to meet general Expenditures over the next twelve months	<u>\$270,692</u>

NOTE 8 - LITIGATION AND CLAIMS

At December 31, 2021, the Association began pursuing a claim for damages of its property. This claim was outstanding at the end of the year.

The Association is not aware of any claims against them.

OTHER SUPPLEMENTARY INFORMATION

**STONEBRIDGE PROPERTY OWNERS ASSOCIATION, INC.
 SCHEDULE OF COMPENSATION, BENEFITS, AND
 OTHER PAYMENTS TO AGENCY HEAD
 For the Year Ended December 31, 2021**

Board Member	Compensation	Reimbursements
Dawn Peterson	\$ -	\$ -
Paul Leman	\$ -	\$ -
Regina LaCaze	\$ -	\$ -
Richard Blackman	\$ -	\$ -
Rachel Fleetwood	\$ -	\$ -
Mike Teachworth	\$ -	\$ -

COMPLIANCE AND INTERNAL CONTROL SECTION

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of
Stonebridge Property Owners Association Inc.

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 Stonebridge Property Owners Association Inc. (a nonprofit organization), which comprise the statement of financial position-modified cash basis as of December 31, 2021, and the related statements revenues, expenses, and changes in net assets-modified cash basis, and cash flows-modified cash basis for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 3, 2023

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Stonebridge Property Owners Association Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Stonebridge Property Owners Association Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Stonebridge Property Owners Association Inc.'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 the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2021-1 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Stonebridge Property Owners Association Inc'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2021-2.

Stonebridge Property Owners Association Inc's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on ABC Organization's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Stonebridge Property Owners Association Inc's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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

Under the Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Camnetar & Co.

Camnetar & Co., CPAs

a professional accounting corporation

Gretna, Louisiana
November 3, 2023

STONEBRIDGE PROPERTY OWNERS ASSOCIATION, INC.
SCHEDULE OF FINDINGS AND RESPONSES
For The Year Ended December 31, 2021

We have audited the modified cash basis financial statements of the Stonebridge Property Owners Association, Inc. as of and for the year ended December 31, 2021, and have issued our report thereon dated December 9, 2022. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the modified cash basis financial statements as of December 31, 2021, resulted in an unmodified opinion.

Section I Summary of Auditor's Reports

A. Report on Internal Control and Compliance Material to the Financial Statements.

- 1) Internal Control
 - a. Material Weakness Yes No
 - b. Significant Deficiency Yes No

- 2) Compliance
 - a. Compliance Material to Financial Statements Yes No

- 3) Was a management letter issued? Yes No

B. Federal Awards

Stonebridge Property Owners Association, Inc. did not expend federal awards exceeding \$750,000 during the year ended December 31, 2021, and therefore is exempt from the audit requirements under the Uniform Guidance.

Section II Financial Statement Findings

Report on Internal Control and Compliance Material to the Financial Statements

1. Internal Control – Material Weakness

2021-1 Preparation of Financial Statements by Auditor

Condition and Criteria: The Association does not have controls in place for proper oversight of its financial reporting and for the preparation of financial statements in accordance with the modified cash basis of accounting. As is common in small organizations, the Association has chosen to engage the auditor to prepare its annual financial statements. This condition is intentional by management, due to the cost constraints of acquiring the ability to prepare the financial statements in accordance with the modified cash basis of accounting.

Cause and Effect: Statement of Auditing Standards (SAS) 115 requires that we report the above condition as a control deficiency. SAS 115 does not provide exceptions to reporting deficiencies that are mitigated with non-audit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

STONEBRIDGE PROPERTY OWNERS ASSOCIATION, INC.
SCHEDULE OF FINDINGS AND RESPONSES
For The Year Ended December 31, 2021

Section II Financial Statement Findings (Continued)

**Report on Internal Control and Compliance Material to the Financial Statements
(Continued)**

1. Internal Control – Material Weakness (Continued)

2021-1 Preparation of Financial Statements by Auditor (Continued)

Effect: The Association engages the auditor to prepare its annual financial statements.

Recommendation: Whether or not it would be cost effective to cure a control deficiency is not a factor in applying SAS 115's reporting requirements. Prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all the deficiencies noted under SAS 115. We do not believe that curing the significant deficiency described in this finding would be cost effective or practical and accordingly, we do not believe any corrective action is necessary

Management's Response: The Association's bookkeeping staff and board members are familiar with the day-to-day accounting requirements and the monthly cash basis reporting requirements; however, due to limited staffing and funding we do not consider it practical to provide sufficient training to our staff to eliminate this condition and can only continue to rely on the auditor to prepare the financial statements at this time.

2. Compliance

2022-2 Delayed filing of Financial Statements

Criteria and Condition – The audit law, Louisiana RS 24:513 and 24:514, establishes the due dates of audit reports for local auditees including extension requests. The due dates for report submission are six month's from the auditees year end. The Association by law is not subject to an audit based upon its annual revenues. The Association voluntarily elects to a higher level of service and choses an audit, although not required. The Association's requirement is to an annual review of its financial statements to the Louisiana Legislative Auditor.

Cause & Effect – The Association was unable to comply with the statutory deadline of June 30, 2022. The Association applied for and was denied an emergency extension by the Louisiana Legislative Auditor, as extension requests were made in the two prior fiscal years, due to covid and other issues. Due to the effects of Hurricane Ida, Covid-19, health issues, on the auditee, auditor and the community, the Association, was unable to meet this deadline. It is to be noted the Association has worked diligently to meet all prescribed deadlines.

Recommendation: We recognize the unfortunate impact of Hurricane Ida, Covid-19 and other factors had on the Association, auditor, and community. We recommend the Association work closely with the auditor to provide accounting information 90 days after year end to achieve a timely filing

STONEBRIDGE PROPERTY OWNERS ASSOCIATION, INC.
SCHEDULE OF FINDINGS AND RESPONSES
For The Year Ended December 31, 2021

Section II Financial Statement Findings (Continued)

**Report on Internal Control and Compliance Material to the Financial Statements
(Continued)**

2. Compliance (continued)

2022-2 Delayed filing of Financial Statements (continued)

Management's Response: The Association will work to provide the auditor our financial records 90 days after year end.

**STONEBRIDGE PROPERTY OWNERS ASSOCIATION, INC.
MANAGEMENT'S CORRECTIVE ACTION PLAN
For The Year Ended December 31, 2021**

Financial Statement Findings

1. Material Weaknesses

2020-1 Preparation of Financial Statements by Auditor

Condition and Criteria: The Association does not have controls in place for proper oversight of its financial reporting and for the preparation of financial statements in accordance with the modified cash basis of accounting. As is common in small organizations, the Association has chosen to engage the auditor to prepare its annual financial statements. This condition is intentional by management, due to the cost constraints of acquiring the ability to prepare the financial statements in accordance with the modified cash basis of accounting. **Unresolved See 2021-1.**

2. Management Letter

2020-2 General Ledger Accounting System for Financial Reporting

Condition and Criteria: Financial reporting is the primary tool used by management to monitor income and expenditures and to make decisions. The Association is accountable for the manner in which funds are spent. It is essential to monitor actual progress against the budget (financial plan for the year) to ensure that the desired fiscal result will be achieved. An accounting system should be maintained that provides timely information and an accurate picture of the municipality's financial condition. The Association does not have an accounting system that can produce budget to actual financial information. The Association's Quicken accounting system should be upgraded to allow for financial statements to be generated unlike the categorized bank account activity reports that are currently generated.

Resolved