

**TERREBONNE PARISH
RECREATION DISTRICT NO. 8
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2023**

TERREBONNE PARISH RECREATION DISTRICT NO. 8
ANNUAL FINANCIAL REPORT
As of and for the Year Ended December 31, 2023

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TERREBONNE PARISH RECREATION DISTRICT NO. 8
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023

This discussion and analysis of the Terrebonne Parish Recreation District No. 8's financial performance provides an overview of the financial activities as of and for the fiscal year ended December 31, 2023. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

FINANCIAL HIGHLIGHTS

Our financial statements provide these insights into the results of this year's operations:

- The net position decreased by approximately 10% as a result of this year's operations. As a result of this year's operations assets exceeded liabilities by \$1,522,486 (net position).
- During the year, expenses were \$588,905 more than the \$21,726 generated in program revenues for governmental programs. General revenues of \$427,203 added to the program revenues resulted at end the year with expenses exceeding revenue totaling \$161,702.
- The General Fund ended the year with a fund balance of \$688,700 – all considered unassigned and available to use to fund operations.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Government-Wide Financial Statements) provide information about the governmental activities as a whole and present a longer-term view of the finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds (Fund Financial Statements) tell how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the operations in more detail than the government-wide statements by providing information about the most significant funds.

Our auditor has provided assurance in his independent auditor's report that the basic financial statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Other Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Report.

TERREBONNE PARISH RECREATION DISTRICT NO. 8
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as an indicator of whether the financial position is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues, governmental activities, from other functions that are intended to recover all or a significant portion of their costs through user fees and charges, business-type activities.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds—not as a whole. Some funds are required to be established by State laws.

The District utilizes the governmental type of fund with the following accounting approach. Most of the basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements.

TERREBONNE PARISH RECREATION DISTRICT NO. 8
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023

FINANCIAL ANALYSIS AS A WHOLE (GWFS)

Net position decreased approximately 10%. Capital Assets and Net Invested in Capital Assets increased due to capital outlay in excess of depreciation, the Unrestricted Net Position—the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements— decreased this year. The balance in net assets represents the accumulated results of all past years' operations.

Our analysis below focuses on the net position and changes in net assets of the governmental-type activities.

Condensed Statement of Net Position	2022	2023	Dollar Change
Current and Other Assets	\$ 1,300,662	\$ 1,096,684	\$ (203,978)
Capital Assets	803,010	833,786	30,776
Total Assets	2,103,672	1,930,470	(173,202)
Total Liabilities	1,694	1,720	26
Deferred Inflows	417,790	406,264	(11,526)
Net Invested in Capital Assets	803,010	833,786	30,776
Unrestricted	881,178	688,700	(192,478)
Total Net Position	\$ 1,684,188	\$ 1,522,486	\$ (161,702)

Cash decreased mainly due to the loss created by operations during the year. Receivables and deferred inflows for ad valorem taxes also decreased due to the decrease in ad valorem tax revenue.

Condensed Statement of Activities	2022	2023	Dollar Change
Total program expenses	\$ (337,318)	\$ (610,631)	\$ 273,313
Total program revenues	19,276	21,726	2,450
Net program income	(318,042)	(588,905)	270,863
General revenues	372,961	427,203	54,242
Change in Net Position	54,919	(161,702)	(216,621)

TERREBONNE PARISH RECREATION DISTRICT NO. 8
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023

Net Position:

Beginning of the year	1,629,269	1,684,188	54,919
End of the year	<u>\$ 1,684,188</u>	<u>\$ 1,522,486</u>	<u>\$ (161,702)</u>

Program expenses – that included personnel expenses, supplies and repair and maintenance increased while operations were getting back to normal and repairs needed from Hurricane Ida were made. General revenues increased slightly for the increase in the collection of ad property taxes.

FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS (FFS)

The Terrebonne Parish Recreation District No. 8 uses funds to help it control and manage money for particular purposes. Looking at individual funds helps you consider whether the District is being accountable for the resources provided to it but may also give you more insight into the overall financial health.

The General fund reported an ending fund balance of \$688,178 – all considered unassigned and available to fund recreational activities. This reflects a decrease of \$192,478 or 22 from last year. Total revenues for the current year were \$448,929 – an increase of 14% from the prior year. Current expenditures for recreational activities were \$517,481, a large increase in repairs and maintenance from prior year expenditures. Capital outlay equaled \$110,057 for building improvements projects completed and furniture and equipment purchased.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget for the General Fund was revised during the year. The budget was increased for property taxes (\$31,000), interest (\$23,000), repairs and maintenance (\$89,000) and capital expenditures (\$273,000) The budget was decreased for other services and charges (\$25,000). All variances were in compliance with the LA Budget laws.

TERREBONNE PARISH RECREATION DISTRICT NO. 8
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023

CAPITAL ASSETS

Capital asset information for the past and current year is as follows:

	Balance	Balance
	12/31/2023	12/31/2022
NON-DEPRECIABLE ASSETS		
Land	\$70,820	\$70,820
CIP	-	13,809
Total cost of non-depreciable assets	70,820	84,629
DEPRECIABLE ASSETS		
COST		
Buildings	995,565	995,565
Improvements other than buildings	691,026	660,907
Furniture & equipment	338,179	298,114
Total cost of depreciable assets	2,024,770	1,954,586
Total Cost of Assets	2,095,590	2,039,215
Total accumulated depreciation	1,261,804	1,236,205
Net depreciable assets	762,966	718,381
Net capital assets	\$ 833,786	\$ 803,010

Depreciation of \$65,473 was recorded on capital assets in the governmental activities. More detailed information about the capital assets is presented in Note 6 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Highlights of next year's General Fund budget include:

Condensed Summary of Budgeted Finances	
	<u>2024</u>
Anticipated revenues	\$421,916
Expenditures:	
Current	358,300
Capital outlay	-
Anticipated expenditures	<u>358,300</u>

TERREBONNE PARISH RECREATION DISTRICT NO. 8
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023

Excess (deficiency) of revenues	63,616
Fund Balance:	
Beginning of the year	695,185
End of the year	<u>\$758,801</u>

CONTACTING FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Terrebonne Parish Recreation District No. 8's finances and to show accountability for the money it received. If you have questions about this report or need additional financial information, contact:

Mr. Roosevelt Seymore, Chairman
1705 Highway 20
Schriever, LA 70395
Phone number 985-447-9040



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Commissioners of
Terrebonne Parish Recreation District No. 8
Houma, LA

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Terrebonne Parish Recreation District No. 8 (the District), a component unit of Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the District as of December 31, 2023, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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 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 opinions.

Responsibilities of Management's for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement that are free of 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 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.

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 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 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, 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 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 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 and the Required Supplementary Information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not 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 sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Schedule of Compensation of Payments to the Agency Heads but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 2, 2024 on our consideration of the 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of testing, and not to provide an opinion on the 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 internal control over financial reporting and compliance.

Stagni & Company

May 2, 2024
Thibodaux, Louisiana



STAGNI & COMPANY, LLC

TERREBONNE PARISH RECREATION DISTRICT NO. 8

Statement of Net Position

December 31, 2023

ASSETS

Cash	\$ 687,220
Receivables:	
Property taxes receivable	118,186
Due from tax collector	282,116
Prepaid Insurance	8,607
Meter Deposits	555
Capital Assets, net of accumulated depreciation	833,786
TOTAL ASSETS	<u><u>1,930,470</u></u>

LIABILITIES

Accounts payable and other accrued liabilities	1,720
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DEFERRED INFLOWS OF RESOURCES

Property taxes levied for the next fiscal year	406,264
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NET POSITION

Net Invested in capital assets	833,786
Unrestricted	688,700
TOTAL NET POSITION	<u><u>\$ 1,522,486</u></u>

See notes to financial statements.

TERREBONNE PARISH RECREATION DISTRICT NO. 8

Statement of Activities

For the Year Ended December 31, 2023

	Program Revenue			Net Revenue (Expense)
	Expenses	Charges for services	Operating & Capital Grants	
FUNCTIONS/PROGRAMS				
Recreational activities:	\$ 610,631	\$ 5,287	\$ 16,439	\$ (588,905)
Total governmental activities	\$ 610,631	\$ 5,287	\$ 16,439	(588,905)
GENERAL REVENUES				
				397,775
Ad valorem taxes				4,893
State revenue sharing				24,535
Interest earned				427,203
			<i>Total General Revenues</i>	
Change in Net Position				(161,702)
NET POSITION:				
				1,684,188
Beginning of year				\$ 1,522,486
End of year				\$ 1,522,486

See notes to the financial statements.

TERREBONNE PARISH RECREATION DISTRICT NO. 8

Balance Sheet - Governmental Fund - General Fund

December 31, 2023

ASSETS

Cash and cash equivalents	\$ 687,220
Receivables:	
Property taxes receivable	118,186
Due from tax collector	282,116
Prepaid Insurance	8,607
Meter Deposits	555
TOTAL ASSETS	<u>\$ 1,096,684</u>

LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE

Liabilities -

Accounts payable and other accrued liabilities	\$ 1,720
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Deferred Inflows of Resources -

Property taxes levied for the next fiscal year	406,264
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Fund balances:

Unassigned	<u>688,700</u>
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RECONCILIATION TO THE STATEMENT OF NET POSITION:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Capital assets- Non Depreciable	70,820	
Capital assets - Depreciable	2,024,770	
Accumulated depreciation	<u>(1,261,804)</u>	
Net Capital assets		<u>833,786</u>
Net assets of governmental activities		<u>\$ 1,522,486</u>

See notes to financial statements.

TERREBONNE PARISH RECREATION DISTRICT NO. 8

Statement of Revenues, Expenditures, and Changes
in Fund Balances - Governmental Fund - General Fund
For the Year Ended December 31, 2023

REVENUES

Property Taxes	\$ 397,775
State Revenue Sharing	4,893
Facility Rentals	3,830
Day Camp Grant and Fees	17,534
Miscellaneous	362
Interest	24,535
TOTAL REVENUES	<u>448,929</u>

EXPENDITURES

General government - current:

Ad valorem deductions	13,869
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Recreational - current:

Personal Services	82,231
Supplies & Materials	12,969
Other Services & Charges	111,971
Repairs & Maintenance	310,310
Total recreational - current	<u>517,481</u>

Capital outlay

TOTAL EXPENDITURES	<u>110,057</u>
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NET CHANGE IN FUND BALANCES

641,407
(192,478)

FUND BALANCES:

Beginning of year	881,178
End of year	<u>\$688,700</u>

RECONCILIATION TO THE STATEMENT OF ACTIVITIES:

Net change in fund balances per above	\$ (192,478)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	110,057
Adjustment to beginning balance	(13,808)
Depreciation expense	(65,473)
Change in net position - governmental activities	<u>\$ (161,702)</u>

See notes to financial statements.

TERREBONNE PARISH RECREATION DISTRICT NO. 8

Notes to the Financial Statements
For the Year Ended December 31, 2023

The Terrebonne Parish Recreation District No. 8 was created by the Terrebonne Parish Council under La Revised Statute 33:4562 and legally constitutes a body corporate and has the power and right to incur debts and enter into contract and to perform any and all acts in its corporate name that are necessary or proper for carrying out the objects and purposes for which the recreations district is created. This district provides maintenance and operations of recreation facilities, equipment, etc. for the residents of Ward 8 of the Parish of Terrebonne. The District is governed by 5 Commissioners who are appointed by the Terrebonne Parish Council.

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying basic financial statements have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

As the governing authority, the Terrebonne Parish Consolidated Government is the financial reporting entity for Terrebonne Parish. Because the Terrebonne Parish Consolidated Government could by definition in statute be financially burdened by the Terrebonne Parish Recreation District No. 8, the District was determined to be a component unit of the Terrebonne Parish Consolidated Government. The accompanying financial statements present information only on the funds maintained by the District and its component unit and do not present information on the Terrebonne Parish Consolidated Government, the general government services provided by that governmental unit, or the other governmental reporting entity.

The accompanying financial statements will be included in the comprehensive annual financial report (CAFR) of the Parish for the year ending December 31, 2023.

C. Fund Accounting

The accounting system is organized and operated on a fund basis whereby a separate self-balancing set of accounts is maintained for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The various funds in the financial statements in this report are as follows:

TERREBONNE PARISH RECREATION DISTRICT NO. 8

Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

Governmental Fund Type

Governmental funds account for all of the recreational activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid.

The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources that may be used to finance future period programs or operations. The General Fund is used to account for all financial resources and expenditures except those required to be accounted for in other funds.

D. Measurement Focus / Basis of Accounting

Fund Financial Statements (FFS)

The amounts reflected in fund financial statements, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of operations.

The amounts reflected in the fund financial statements, use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available).

Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The court considers all revenues available if they are collected within 60 days after the fiscal year end.

TERREBONNE PARISH RECREATION DISTRICT NO. 8

Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

D. Measurement Focus / Basis of Accounting (continued)

Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues – Ad valorem taxes and the related state revenue sharing are recorded as revenue in the period for which levied, thus the 2022 property taxes which were levied to finance the 2023 budget are recognized as revenue in 2023. The 2023 tax levy is recorded as deferred revenue in the current financial statements. Charges for services are recorded when earned since they are measurable and available. Miscellaneous revenues are recorded as revenues when received in cash by the District because they are generally not measurable or available until actually received.

Expenditures – The major expenditures for recreational programs and maintenance are recorded when payable or when the fees are incurred.

Government-Wide Financial Statements (GWFS)

The government-wide financial statements display information as a whole. These statements include all the financial activities. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed).

Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of Section N50.

Program Revenues - Program revenues included in the column labeled Statement of Activities are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from the general revenues.

TERREBONNE PARISH RECREATION DISTRICT NO. 8

Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

General Revenues - Taxes and other items not properly included among program revenues are reported instead as general revenues.

E. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

F. Operating Budgets

As required by Louisiana Revised Statutes, The Board of Commissioners adopted a budget for the District's General Fund. The Board, as allowed by state law, does not obtain public participation in the budget process. The Board must approve any amendment involving the transfer of monies from one function to another, or increases in expenditures. The district amended its budget as required during the year. All budgeted amounts that are not expended or obligated through contracts lapse at year-end. The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

G. Cash and Investments

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Under state law, the District may deposit funds in 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. Investments are limited by Louisiana Revised Statute (R.S.) 33:2955. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less.

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States or any other federally insured investments, certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana, guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations. Investments consist of a certificate of deposit which is stated at cost and approximates market value.

TERREBONNE PARISH RECREATION DISTRICT NO. 8

Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

H. Receivables

The financial statements for the District contain no allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the funds.

I. Capital Assets

In the government-wide financial statements, additions, improvements and other capital outlays that significantly extend the useful life of an asset are recorded and depreciated (capitalized). Capital assets are recorded at historical cost or estimated if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. Capital assets purchased or acquired with an original cost of \$500 or more are recorded in the GWFS.

All capital assets, other than land, are depreciated using the straight-line method over the following estimated useful lives:

<u>CATEGORY</u>	<u>LIFE</u>
BUILDINGS	7-40 YEARS
IMPROVEMENTS	5-25 YEARS
FURNITURE & EQUIPMENT	5-20 YEARS

In the fund financial statements, capital assets purchased in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

J. Restricted Net Assets

For government-wide statement of net position, net assets are reported as restricted when constraints placed on net asset use are either:

1. externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
2. imposed by law through constitutional provisions or enabling legislation.

TERREBONNE PARISH RECREATION DISTRICT NO. 8

Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

K. Fund Equity

For government-wide financial statements net assets are classified and displayed in three components:

- Net Invested in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets, if any.
- Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

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

Governmental fund equity is classified as fund balance. Fund balance is further classified as *non-spendable*, *restricted*, *committed*, *assigned*, or *unassigned*.

- *Non-spendable* fund balance cannot be spent because of its form.
- *Restricted* fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions.
- *Committed* fund balance is a limitation imposed by the entity’s board through approval of resolutions.
- *Assigned* fund balances is a limitation imposed by a designee of the entity’s board.
- *Unassigned* fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

TERREBONNE PARISH RECREATION DISTRICT NO. 8

Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 DEPOSITS

A summary of deposits are listed as follows:

	Reported Amount	Bank Balance
Cash	\$687,220	\$700,897

State law requires that deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits.

Obligations furnished, as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the Terrebonne Parish Recreation District No. 8. Under the provision of GASB, pledged securities, which are not in the name of the governmental unit, are considered uncollateralized.

Custodial credit risk is the risk that in the event of a bank failure, deposits may not be returned to it. As of year-end \$450,897 of the bank balance of deposits was considered exposed to custodial credit risk. At December 31, 2023 these deposits in excess of FDIC were adequately insured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name.

Even though the pledged securities are considered subject to custodial credit risk under the provisions of GASB Statement 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

TERREBONNE PARISH RECREATION DISTRICT NO. 8

Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 3 PROPERTY TAX REVENUE

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Parish. Assessed values are established by the Terrebonne Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed for the list of January 1, 2020.

Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The tax rate for the year ended December 31, 2022 – for which the revenue was recognized in 2023 - was 9 mills of assessed valuation on property within Terrebonne Parish Recreation District No. 8 for the purpose of acquiring, constructing, maintaining and operating recreation facilities within the District, including purchases of equipment. The assessed values of real property upon which 2022 property tax were based was \$46,421,130.

Note 4 DUE FROM TAX COLLECTOR

The Terrebonne Parish Sheriff collects and remits property taxes on behalf of all taxing districts in Terrebonne Parish. Property taxes receivable represents real property taxes, and outstanding delinquencies which are measurable as of December 31, 2023 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by deferred revenue since the current taxes were not levied to finance 2023 operations and the collection of delinquent taxes has been offset by a deferred inflow of resources since the collection of the taxes during the available period is not subject to reasonable estimation. On a modified accrual basis the revenue is reported as a deferred inflow of resources. The amount that was collected in December but not yet remitted to the District is considered due from the tax collector; the remaining amount of the total deferred levy is recorded as a property tax receivable. The entire levy is reported as a deferred inflow of resources of \$406,264.

The tax rate for the year 2023 levy – for revenue to be recognized in 2024 was 9 mills of assessed valuation on property within Terrebonne Parish Recreation District No. 8 for the purpose of constructing, maintaining and operating recreation facilities within the District. The assessed values of real property upon which the 2023 property tax levy is based on is \$45,140,410.

TERREBONNE PARISH RECREATION DISTRICT NO. 8

Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 5 RISK MANAGEMENT

The District is exposed to various risks of loss related to workmen's compensation; torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters and group benefits for which the District carries commercial insurance and also participates in the Parish's risk management program for general liability and workers' compensation. No settlements were made during the year that exceeded the District's insurance coverage.

Note 6 CAPITAL ASSETS

Information about capital assets and depreciation for the year follows:

	Balance	Additions	Deletions	Balance
	12/31/2022			12/31/2023
NON-DEPRECIABLE ASSETS				
Land	\$70,820	\$ -	\$ -	\$70,820
CIP	13,809	-	(13,809)	-
Total Cost of non-depreciable assets	84,629	-	(13,809)	70,820
DEPRECIABLE ASSETS COST				
Buildings	995,565	-	-	995,565
Improvements other than buildings	660,907	64,205	(34,086)	691,026
Furniture & equipment	298,114	45,852	(5,787)	338,179
Total cost of depreciable assets	1,954,586	110,057	(39,873)	2,024,770
Total Cost of Assets	2,039,215	110,057	(53,682)	2,095,590
ACCUMULATED DEPRECIATION				
Buildings	856,166	5,827	-	861,993
Improvements other than buildings	174,781	16,712	(34,087)	157,406
Furniture & equipment	205,258	42,934	(5,787)	242,405
Total accumulated depreciation	1,236,205	65,473	(39,874)	1,261,804
Net depreciable assets	718,381			762,966
Net capital assets	\$803,010			\$833,786

Depreciation Expense of \$65,473 was recorded in the governmental activities.

TERREBONNE PARISH RECREATION DISTRICT NO. 8

Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 7 COMPENSATION OF BOARD MEMBERS

Total compensation of \$1,425 was paid to the following Board Members:

Sue Adams	\$300
Carlotta Bailey	\$250
John Campbell	\$200
Darrell Hebert	\$325
Johnny L. Marks	\$350

TERREBONNE PARISH RECREATION DISTRICT NO. 8

Budget Comparison Schedule - General Fund
For the Year Ended December 31, 2023

	Budgets		Actual	Variance Favorable (Unfavorable)
	Original	Final (amended)		
REVENUES				
Property Taxes	\$351,491	\$382,491	\$397,775	\$ 15,284
State Revenue Sharing	5,349	5,349	4,893	(456)
Facility Rentals	3,000	3,000	3,830	830
TPCG Grant - Day Camp	15,040	15,040	17,534	2,494
Miscellaneous	-	-	362	362
Interest	2,000	25,000	24,535	(465)
TOTAL REVENUES	<u>376,880</u>	<u>430,880</u>	<u>448,929</u>	<u>18,049</u>
EXPENDITURES				
General government - current:				
Ad valorem deductions	10,700	10,700	13,869	(3,169)
Recreational - current:				
Personal Services	80,700	80,700	82,231	(1,531)
Supplies & Materials	16,000	16,000	12,969	3,031
Other Services & Charges	151,950	126,950	111,971	14,979
Repairs & Maintenance	55,000	144,000	310,310	(166,310)
Total recreational - current	<u>303,650</u>	<u>367,650</u>	<u>517,481</u>	<u>(149,831)</u>
Capital expenditures	-	273,000	110,057	162,943
TOTAL EXPENDITURES	<u>314,350</u>	<u>651,350</u>	<u>641,407</u>	<u>9,943</u>
Revenues over (under) expenditures	62,530	(220,470)	(192,478)	27,992
FUND BALANCES				
Beginning of year	881,178	881,178	881,178	-
End of year	<u>\$ 943,708</u>	<u>\$ 660,708</u>	<u>\$ 688,700</u>	<u>\$ 27,992</u>

TERREBONNE PARISH RECREATION DISTRICT NO. 8

Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended December 31, 2023

Agency Head Name: Johnny Marks, Chairman of the Board

Purpose	Amount
Salary	\$0
Benefits-insurance	\$0
Benefits-retirement	\$0
Deferred compensation (contributions made by the agency)	\$0
Benefits-other (describe)	\$0
Car allowance	\$0
Vehicle provided by government (enter amount reported on W-2 adjusted for various fiscal years)	\$0
Cell phone	\$0
Dues	\$0
Vehicle rental	\$0
Per diem	\$350
Reimbursements	\$88
Travel	\$0
Registration fees	\$0
Conference travel	\$0
Housing	\$0
Unvouchered expenses (expample: travel advances, etc.)	\$0
Special meals	\$0
Other (including payments made by other parties on behalf of the agency head)	\$0

This form is used to satisfy the reporting requirement of R.S. 24:513(A)(3) on Supplemental Reporting



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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 Commissioners of
Terrebonne Parish Recreation District No. 8
Houma, LA

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 governmental activities and each major fund of the Terrebonne Parish Recreation District No. 8, a component unit of Terrebonne Parish Consolidated Government as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents and have issued our report thereon dated May 2, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the internal control over financial reporting (internal control) to determine the 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 internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 misstatements on a timely basis. A *material weakness* is a deficiency or 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Stagni & Company

May 2, 2024
Thibodaux, Louisiana



STAGNI & COMPANY, LLC
