

RECREATION DISTRICT NO. 1

**OF THE PARISH OF ST. MARTIN
Stephensville, Louisiana**

Financial Statement

For the Year Ended December 31, 2022

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a corporation of
certified public accountants

The Board of Commissioners
Recreation District No. 1 of the Parish of St. Martin
Stephensville, Louisiana

Management is responsible for the accompanying financial statements of the governmental activities and the major fund of Recreation District No. 1 of the Parish of St. Martin (District), a component unit of the Parish of St. Martin, as of and for the year ended December 31, 2022, which collectively comprise the District's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The District has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the District's financial position and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.

The District has omitted the management's discussion and analysis and the budgetary comparison schedule that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, 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.

Supplementary Information

The supplemental information on page 8 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the representation of management. The information was subject to our compilation engagement, however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

P. H. C. + Matte

CERTIFIED PUBLIC ACCOUNTANTS

Morgan City, Louisiana
July 26, 2023

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARTIN
STATE OF LOUISIANA**

**Statement of Net Position
December 31, 2022**

| | <u>Governmental Activities</u> |
|--|------------------------------------|
| ASSETS | |
| Cash and interest bearing deposits | \$ 94,976 |
| Ad valorem taxes receivable | 146,790 |
| Deposits | 365 |
| Capital assets: | |
| Not being depreciated | 345,650 |
| Net of accumulated depreciation | <u>2,889,906</u> |
| Total current assets | <u>3,477,687</u> |
| LIABILITIES | |
| Accounts, salaries, and other payables | 7,727 |
| Long term liabilities: | |
| Due within one year | 68,000 |
| Due in more than one year | <u>633,000</u> |
| Total liabilities | <u>708,727</u> |
| NET POSITION | |
| Net investment in capital assets | 2,539,185 |
| Restricted for debt service | 88,571 |
| Unrestricted | <u>141,204</u> |
| Total net position | <u>\$ 2,768,960</u> |

See accountant's compilation report.

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARTIN
Stephensville, Louisiana

Statement of Activities
For the Year Ended December 31, 2022

| <u>Functions/Programs</u> | <u>Total</u> |
|---|---------------------|
| <u>Expenses</u> | |
| Culture and recreation | \$ 167,822 |
| Interest and fiscal charges on debt | <u>20,210</u> |
| Total program expenses | <u>188,032</u> |
| <u>Program revenues</u> | |
| Charges for services | |
| Facility rental | <u>500</u> |
| Net program revenue (expense) | <u>(187,532)</u> |
| <u>General revenues</u> | |
| Taxes: | |
| Property taxes, levied for maintenance & debt service | 146,068 |
| Intergovernmental | 2,339 |
| Interest and investment earnings | <u>110</u> |
| Total general revenues | <u>148,517</u> |
| Change in net position | (39,015) |
| Net position - beginning of year | <u>2,807,975</u> |
| Net position - end of year | <u>\$ 2,768,960</u> |

See accountant's compilation report.

FUND FINANCIAL STATEMENTS

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARTIN
Stephensville, Louisiana

Balance Sheet
Governmental Funds
December 31, 2022

| | <u>General</u> | <u>Debt Service</u> | <u>Total Governmental Funds</u> |
|---|-------------------|---------------------|---|
| ASSETS | | | |
| Cash and interest bearing deposits | \$ 88,591 | \$ 6,385 | \$ 94,976 |
| Ad valorem tax receivable | 57,967 | 88,823 | 146,790 |
| De from(to) other funds | | 110 | 110 |
| Deposits | 365 | - | 365 |
| Total assets | 146,923 | 95,318 | 242,241 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | | | |
| Liabilities | | | |
| Accounts payable | 1,206 | | 1,206 |
| Due to other funds | 110 | - | 110 |
| Total liabilities | 1,316 | - | 1,316 |
| Deferred inflows of resources: | | | |
| Unavailable ad valorem tax revenues | 4,403 | 6,747 | 11,150 |
| Fund balance: | | | |
| Restricted | 141,204 | 88,571 | 229,775 |
| Unassigned | - | - | - |
| Total fund balances | 141,204 | 88,571 | 229,775 |
| Total liabilities, deferred inflows of resources and Fund balances | | | |
| | \$ 146,923 | \$ 95,318 | \$ 242,241 |

See accountant's compilation report.

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARTIN
Stephensville, Louisiana

Balance Sheet (continued)
Governmental Funds
December 31, 2022

| | | |
|---|------------------|------------------|
| Reconciliation of the Governmental Funds at December 31, 2022 | | |
| Total fund balances for governmental funds at December 31, 2022 | \$ | 229,775 |
| Total net position reported for governmental activities in the statement of net position is different because: | | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. Those assets consist of: | | |
| Land | 345,650 | |
| Buildings and improvements, net of \$1,024,968 accumulated depreciation | <u>2,889,906</u> | |
| | | 3,235,556 |
| Deferred inflows of resources are not considered current financial resources and are reported as a liability in the funds | | 11,149 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds: | | |
| Bonds payable | (701,000) | |
| Accrued interest payable | (6,520) | <u>(707,520)</u> |
| Net position at December 31, 2022 | \$ | <u>2,768,960</u> |

See accountant's compilation report.

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARTIN
Stephensville, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2022

| | General <u>Fund</u> | Debt <u>Service</u> | Total Governmental <u>Funds</u> |
|--------------------------------------|------------------------|------------------------|---------------------------------------|
| <u>Revenues</u> | | | |
| Ad valorem taxes | \$ 57,014 | \$ 87,296 | \$ 144,310 |
| Intergovernmental | 1,500 | | 1,500 |
| State revenue sharing | 839 | | 839 |
| Rental income | 500 | | 500 |
| Interest Income | 43 | 67 | 110 |
| Total revenues | <u>59,896</u> | <u>87,363</u> | <u>147,259</u> |
| <u>Expenditures</u> | | | |
| Current: | | | |
| Culture and recreation | | | |
| Insurance | 5,198 | | 5,198 |
| Office supplies | 1,400 | | 1,400 |
| Professional services | 1,150 | | 1,150 |
| Repairs and maintenance | 3,267 | | 3,267 |
| Utilities and telephone | 7,471 | | 7,471 |
| Debt service | | | |
| Interest and fees | | 20,827 | 20,827 |
| Principal | - | 65,000 | 65,000 |
| Total expenditures | <u>18,486</u> | <u>85,827</u> | <u>104,313</u> |
| Excess of revenues over expenditures | <u>41,410</u> | <u>1,536</u> | <u>42,946</u> |
| Fund balances, beginning | <u>99,793</u> | <u>87,036</u> | <u>186,829</u> |
| Fund balances, ending | <u>141,203</u> | <u>88,572</u> | <u>229,775</u> |

See accountant's compilation report.

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARTIN
Stephensville, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances (continued)
Governmental Funds
For the Year Ended December 31, 2022

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities

| | | |
|---|------------|------------------|
| Total net changes in fund balance for the year ended December 31, 2022 per Statement of Revenues, Expenditures and Changes in Fund Balances | \$ | 42,946 |
| The change in net position reported for governmental activities in the statement of activities is different because: | | |
| Difference between prior year and current year revenues that were not considered available | | 1,778 |
| The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. | | |
| Principal payment | 65,000 | |
| Change in accrued interest | <u>617</u> | |
| | | 65,617 |
| Depreciation expense for the year ended December 31, 2022 | | <u>(149,356)</u> |
| Total changes in net position for the year ended December 31, 2022 per Statement of Activities | \$ | <u>(39,015)</u> |

See accountant's compilation report.

MAJOR FUND DESCRIPTION

General Fund

The General Fund is used to accounting for resources traditionally associated with governments which are not required to be accounting for in another fund.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general obligation bond principal, interest, and related costs.

SUPPLEMENTARY INFORMATION

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARTIN
Stephensville, Louisiana

Schedule of Compensation Paid to Agency Head

Year Ended December 31, 2022

Act 706 of the 2014 Legislative Session amended R.S. 24:513A requiring additional disclosure of total compensation, benefits, reimbursements, or other payments made to agency head or chief officer. Expenses paid to Chairperson, Charlotte Ratcliff, for the year ended December 31, 2022 are as follows:

| | |
|--------------------------|----------------|
| Reimbursements-Telephone | \$ 793 |
| Reimbursements-Internet | <u>462</u> |
| | <u>\$1,265</u> |

REQUIREMENTS OF THE
LOUISIANA GOVERNMENTAL AUDIT GUIDE

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARTIN
Stephensville, Louisiana

Summary Schedule of Prior Findings
For the Year Ended December 31, 2021

2021-001 Inadequate Segregation of Accounting Functions

Condition: Due to the small number of accounting personnel, the District did not have adequate segregation of functions within its accounting system.

Recommendation: An analysis of the benefits that would be obtained by adequately segregating functions within the accounting system and the costs to employ additional individuals to achieve segregation should be performed.

Current Status: See Schedule of Findings, item 2022-001.

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARTIN
Stephensville, Louisiana

Schedule of Findings
For the Year Ended December 31, 2022

The following finding is related to the compilation of the District's December 31, 2022 financial statements.

2022-001 Inadequate Segregation of Accounting Functions

Condition: Due to the small number of accounting personnel, the District did not have adequate segregation of functions within its accounting system.

Criteria: A strong internal control system requires the segregation of responsibilities between different individuals responsible for separate major areas of the accounting system.

Cause: The failure to design and implement policies and procedures necessary to achieve adequate internal control led to this condition.

Effect: The likelihood that a material misstatement will not be prevented or detected and corrected on a timely basis is increased. The perpetration of fraudulent activity is easier to achieve under this condition.

Recommendation: An analysis of the benefits that would be obtained by adequately segregating functions within the accounting system and the costs to employ additional individuals to achieve adequate segregations should be performed.

2022-002 Late Report Submission Subject to Approval Extension

Condition: The District failed to submit its annual financial statement to the Legislative Auditor's Office by the statutory due date.

Criteria: LSA R.S. 24:513 states that financial statements shall be completed within six months of the close of the entity's fiscal year.

Cause: A change in the outside accountants' office caused a late completion of the basic accounting records and the compilation of the annual financial statements.

Effect: The District did receive an extension and filed its financial statements within the extended time frame.

Recommendation: The District should take the necessary steps to ensure its' financial statements will be timely filed.

RECREATION DISTRICT NO. 1 OF THE PARISH OF ST. MARTIN
Stephensville, Louisiana

Management's Corrective Action Plan for Current Year Findings
For the Year Ended December 31, 2022

2022-001 Inadequate Segregation of Accounting Functions

Management's Response and Planned Corrective Action: The District is aware of the condition and has determined that based upon the size of the District and the negative cost-benefit consideration of employing additional personnel, it is not feasible to take the steps necessary to achieve complete segregation of duties.

2022-002 Late Report Submission but Subject to Approval Extension

Management did receive an extension of time to file its annual financial statements, however, they will take steps to ensure that it will file its reports within six months of its fiscal year end.