

GOING FURTHER

TRAILER ESTATES PARK &
RECREATION DISTRICT

FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2024

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Trailer Estates Park & Recreation District

2023-2024 FISCAL YEAR

BOARD OF TRUSTEES

Mr. Duane Trotter, Chairman
Mr. Russell McAlister, 1st Vice Chairman
Ms. Kathleen Gregory, 2nd Vice Chairwoman
Mr. Louis Nickels, Treasurer
Ms. Lori Dalton, Secretary
Mr. Todd Lombardi
Mr. Rodney Smith
Dr. Dottie Deerwester
Ms. Cynthia O'Brien



Independent Auditor's Report

**Board of Trustees
Trailer Estates Park & Recreation District
Bradenton, Florida**

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 Trailer Estates Park & Recreation District (the "District"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of September 30, 2024, and the respective changes in financial position and budgetary comparison schedule for the General Fund 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 for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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 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.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. According, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section 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 July 22, 2025, on our consideration of the Trailer Estates Park & Recreation District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Bradenton, Florida
July 22, 2025

Management's Discussion and Analysis

(Unaudited)

The following pages represent Management's Discussion and Analysis (MD&A) for the financial statements of Trailer Estates Park & Recreation District (the "District"). It depicts and reviews the financial picture and activities as of and for the year ending September 30, 2024.

The intent of this MD&A is to present a picture and assessment of the District's financial performance in an effort to more clearly demonstrate to readers the results of this year's financial operations. Readers should review this MD&A along with the basic financial statements and notes enclosed.

Financial Highlights

- The District's assets exceeded its liabilities and deferred inflows of resources (net position at September 30, 2024) by \$5,228,761 and net position decreased during the year by \$104,335.
- During the year ending September 30, 2024, revenues decreased \$2,489,238 due mostly to the 2022 Special Assessment that was levied in fiscal year 2023. Expenses (including depreciation and amortization of \$191,471) increased \$243,366, or approximately 11.41% from the prior year.

Using the Financial Statements

The financial report includes a series of financial statements and notes to those financial statements. These statements are organized so the reader can understand the District as a financial whole, or as an entire operating entity. These financial statements consist of three sections: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to financial statements.

Government-Wide Financial Statements

The government-wide financial statements provide both long- and short-term information about the District's overall financial status. These statements are prepared using the accrual basis of accounting similar to private sector businesses. They include a statement of net position and a statement of activities.

The statement of net position presents information on the District's assets, liabilities, and deferred inflows of resources and the difference between the assets and liabilities and deferred inflows of resources (net position) using accounting methods similar to those used by private sector companies. This is a useful way to measure the financial health of the District.

The statement of activities presents information showing how the District's net position changed during the fiscal year. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other governmental entities, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has three governmental funds, the General Fund, the Special Revenue Bond Fund, and the Capital Projects Fund.

The General Fund is used to account for the main operations of the District, and is prepared using the modified accrual basis of accounting. The fund financial statements focus on near-term inflows and outflow of spendable resources, as well as on the balances of spendable resources available at the end of the fiscal year. It is a narrower focus than the government-wide financial statements.

By comparing functions between the two sets of financial statements for the governmental funds and governmental activities, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison.

The District adopts an annual appropriated budget for the General Fund. A budgetary comparison schedule has been provided in the basic financial statements.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and General Fund financial statements.

Government-Wide Financial Analysis

Statement of Net Position

	2024	2023	Change
Current and other assets	\$ 2,788,639	\$ 3,167,411	\$ (378,772)
Capital assets	3,214,194	3,095,664	118,530
Total assets	<u>\$ 6,002,833</u>	<u>\$ 6,263,075</u>	<u>\$ (260,242)</u>
Current liabilities	\$ 133,211	\$ 140,669	\$ (7,458)
Noncurrent liabilities	640,861	789,310	(148,449)
Total liabilities	<u>\$ 774,072</u>	<u>\$ 929,979</u>	<u>\$ (155,907)</u>
Investment in capital assets	\$ 2,602,207	\$ 2,313,906	\$ 288,301
Unrestricted	2,626,554	3,019,190	(392,636)
Total net position	<u>\$ 5,228,761</u>	<u>\$ 5,333,096</u>	<u>\$ (104,335)</u>

Total Assets decreased \$260,242 as follows:

	<u>Change</u>
Cash and cash equivalents	\$ (188,442)
Accounts receivable	9,751
Assessments receivable	(196,579)
Prepaid expenses	(3,502)
Right to use lease assets, net	(7,606)
Capital assets, net	126,136

The decrease of \$196,579 in assessments receivable was due to the current year collections and prepayments of special assessments. The decrease of \$188,442 in cash is due primarily to capital outlay.

Liabilities decreased \$155,907 as follows:

	<u>Change</u>
Accounts payable and accrued expenses	\$ 23,096
Unearned revenue	29,146
Refundable deposits	(59,700)
Compensated absences	21,322
Lease liability	(7,753)
Bond payable	(162,018)

The reduction in bond payable is due to the paydown of bond principal with Special Assessment collections.

Statement of Activities

	2024	2023	Change
Revenues			
Program revenues			
Charges for services	\$ 385,785	\$ 650,978	\$ (265,193)
Capital grants and contributions	-	267,258	(267,258)
General revenues			
Assessments	1,825,036	3,791,405	(1,966,369)
Investment income	60,628	51,046	9,582
Total revenues	<u>2,271,449</u>	<u>4,760,687</u>	<u>(2,489,238)</u>
Expenses			
Culture and recreation	2,343,907	2,036,541	307,366
Interest on long-term debt	31,877	95,877	(64,000)
Total expenses	<u>2,375,784</u>	<u>2,132,418</u>	<u>243,366</u>
Change in net position	(104,335)	2,628,269	(2,732,604)
Beginning net position	5,333,096	2,704,827	2,628,269
Ending net position	<u>\$ 5,228,761</u>	<u>\$ 5,333,096</u>	<u>\$ (104,335)</u>

Total Revenues decreased \$2,489,238 as follows:

	Change
Assessments	\$ (1,966,369)
Capital grants and contributions	(267,258)
Charges for services	(265,193)
Investment income	9,582

Decreases in Assessments are due to a Special Assessment levied during fiscal year 2023. Decrease in Capital Grants and Contributions is due to the contribution of the Fire Control District during fiscal year 2023.

Total Expenses increased \$243,366 as follows:

	<u>Change</u>
Payroll and employee benefits	\$ 153,366
Sanitation	18,513
Utilities	53,540
Cable TV	(50,694)
Repair and maintenance	91,817
Administrative	15,298
Social activities	5,935
Miscellaneous	(65,071)
Depreciation	84,662
Interest	(64,000)

Payroll and employee benefits increased due to hiring of additional employees. Interest expense increased due to a full year of the outstanding bond payable.

Budgetary Highlights

In the second quarter of 2023, the Board of Trustees approved a budget for the fiscal year 2023-2024. State law requires the District have a balanced budget. Capital outlay projects were again emphasized along with continued social, cultural, and recreation activities.

Capital Assets and Long-Term Liabilities

At September 30, 2024, the District reported total capital assets of \$6,107,896 with accumulated depreciation of \$2,893,702 for net capital assets of \$3,214,194. There were additions of \$310,001 offset by current depreciation and amortization expense of \$191,471 for a net increase of \$118,530.

Capital Assets (Net of Accumulated Depreciation)

	<u>2024</u>	<u>2023</u>	<u>Change</u>
Construction in progress	\$ -	\$ 31,026	\$ (31,026)
Land	692,252	692,252	-
Buildings	551,505	482,870	68,635
Furniture and equipment	85,436	64,025	21,411
Improvements	1,877,394	1,810,278	67,116
Lease asset	7,607	15,213	(7,606)
	<u>\$ 3,214,194</u>	<u>\$ 3,095,664</u>	<u>\$ 118,530</u>

See Note 3 to the financial statements for a detail of activity during the fiscal year and other related information.

Long-Term Liabilities

As of September 30, 2024 and 2023, the District reported long-term liabilities for bonds payable in the amount of \$603,915 and \$765,933, respectively. See Note 4 to the financial statements for a detail of activity during the fiscal year and other related information.

Economic Factors and Next Year's Budget

The window to prepay the Special Marina Assessment closed within the 2023-2024 fiscal year which allowed us to generate a final re-amortized bond payment schedule and finalized our long-term liabilities for the Marina. In late September 2024, Hurricane Helene hit our area with high winds and a damaging 5-7 foot surge. The surge caused damage to privately owned homes, common ground areas, and the District's Marina and Maintenance/Treasure Barn buildings. A few weeks prior to Hurricane Helene an unnamed Electrical Storm hit our Buildings and caused widespread electrical component damage. Each of these instances are covered by the District's insurance, however we are still working on finalizing reimbursements.

One of the largest expenses in the District budget continues to be wages and benefits. The District has five full-time employees and six part-time employees. Increased costs related to employee health insurance coverage for full-time employees continues to challenge the District to find cost-saving measures.

The bulk cost for television and the addition of internet services provides significant savings to each resident. The approximate \$673,302 paid represents a cost of only about \$43 per home per month compared to a normal retail cost of over \$100 per home for retail cable and internet.

The District's Board continues to consider fees and rising costs associated with the operation of the District's Marina and Storage Lots by raising rates by 5%.

As we look to the future, the District will continue at balancing future development opportunities with the need to keep assessments at a reasonable level.

Request for Information

This financial report is designed to provide a general overview of the District's finances for all those with interest. Questions concerning any of the information in this report or requests for additional information should be addressed to the Treasurer and the Board of Trustees of Trailer Estates Park & Recreation District, 1903 69th Avenue West, Bradenton, Florida 34207.

Trailer Estates Park & Recreation District

STATEMENT OF NET POSITION SEPTEMBER 30, 2024

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 1,253,311
Accounts receivable	9,751
Assessments receivable	1,495,614
Prepaid expenses	29,963
Capital assets (net of accumulated depreciation)	
Land	692,252
Right to use lease assets (net of accumulated amortization)	7,607
Buildings	551,505
Furniture and equipment	85,436
Improvements	1,877,394
Total assets	6,002,833
LIABILITIES	
Current liabilities	
Accounts payable and accrued expenses	48,406
Unearned revenue	84,805
Total current liabilities	133,211
Noncurrent liabilities	
Due within one year	73,017
Due in more than one year	567,844
Total noncurrent liabilities	640,861
Total liabilities	774,072
NET POSITION	
Net investment in capital assets	2,602,207
Unrestricted	2,626,554
Total net position	\$ 5,228,761

See accompanying notes to financial statements.

Trailer Estates Park & Recreation District

STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Expenses	Program Revenues Charges for Services	Net (Expense) Revenue and Change in Net Position Governmental Activities
Functions/programs			
Governmental activities			
Culture and recreation	\$ 2,343,907	\$ 385,785	\$ (1,958,122)
Interest on long-term debt	31,877	-	(31,877)
Total governmental activities	<u>\$ 2,375,784</u>	<u>\$ 385,785</u>	<u>(1,989,999)</u>
General revenues			
Assessments			1,825,036
Investment income			60,628
Total general revenues			<u>1,885,664</u>
Change in net position			(104,335)
Net position, beginning			<u>5,333,096</u>
Net position, ending			<u>\$ 5,228,761</u>

See accompanying notes to financial statements.

Trailer Estates Park & Recreation District

BALANCE SHEET – GOVERNMENTAL FUNDS

SEPTEMBER 30, 2024

	<u>General Fund</u>	<u>Special Revenue Bond Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
Assets				
Cash and cash equivalents	\$ 1,249,977	\$ 3,334	\$ -	\$ 1,253,311
Accounts receivable	9,751	-	-	9,751
Assessment receivable	-	1,495,614	-	1,495,614
Prepaid items	29,963	-	-	29,963
Total assets	<u>\$ 1,289,691</u>	<u>\$ 1,498,948</u>	<u>\$ -</u>	<u>\$ 2,788,639</u>
Liabilities, deferred inflows of resources and fund balances				
Liabilities				
Accounts payable and accrued expenses	\$ 48,406	\$ -	\$ -	\$ 48,406
Unearned revenue	84,805	-	-	84,805
Total liabilities	<u>133,211</u>	<u>-</u>	<u>-</u>	<u>133,211</u>
Deferred inflows of resources				
Unavailable revenue	-	1,495,614	-	1,495,614
Fund balances				
Nonspendable, prepaid items	29,963	-	-	29,963
Restricted, debt service	-	3,334	-	3,334
Unassigned	1,126,517	-	-	1,126,517
Total fund balances	<u>1,156,480</u>	<u>3,334</u>	<u>-</u>	<u>1,159,814</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,289,691</u>	<u>\$ 1,498,948</u>	<u>\$ -</u>	<u>\$ 2,788,639</u>

See accompanying notes to financial statements.

Trailer Estates Park & Recreation District

RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Fund balances, total governmental funds		\$	1,159,814
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.			3,206,587
Right to use lease assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.			7,607
Revenues not available to pay current period expenditures are reported as unavailable revenue in the governmental funds.			1,495,614
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.			
Bond payable	\$	(603,915)	
Lease liability		(8,072)	
Compensated absences		(28,874)	(640,861)
		<u> </u>	<u> </u>
Net position of governmental activities		\$	<u>5,228,761</u>

See accompanying notes to financial statements.

Trailer Estates Park & Recreation District

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	General Fund	Special Revenue Bond Fund	Capital Projects Fund	Total Governmental Funds
REVENUES				
Assessments	\$ 1,825,036	\$ 196,579	\$ -	\$ 2,021,615
Rent	173,303	-	-	173,303
Investment income	60,628	-	-	60,628
Social activities	20,866	-	-	20,866
Miscellaneous	191,616	-	-	191,616
Total revenues	2,271,449	196,579	-	2,468,028
EXPENDITURES				
Current				
Culture and recreation				
Payroll and employee benefits	639,180	-	-	639,180
Sanitation	163,993	-	-	163,993
Utilities	177,213	-	-	177,213
Cable TV	651,064	-	-	651,064
Repair and maintenance	163,376	-	-	163,376
Administrative	265,952	-	-	265,952
Social activities	41,699	-	-	41,699
Miscellaneous	28,636	-	-	28,636
Debt service				
Principal	7,753	162,018	-	169,771
Interest	650	31,227	-	31,877
Capital outlay	153,560	-	156,442	310,002
Total expenditures	2,293,076	193,245	156,442	2,642,763
Net change in fund balance	(21,627)	3,334	(156,442)	(174,735)
FUND BALANCE, beginning	1,178,107	-	156,442	1,334,549
FUND BALANCE, ending	\$ 1,156,480	\$ 3,334	\$ -	\$ 1,159,814

See accompanying notes to financial statements.

Trailer Estates Park & Recreation District

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance, governmental funds	\$ (174,735)
The 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/amortization expense. This is the amount by which depreciation and amortization expense (\$191,471) is exceeded by capital outlays (\$310,001) in the current year.	118,530
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(196,579)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	
Payment of bond principal	162,018
Payment of lease liability	7,753
Change in accrued compensated absences	<u>(21,322)</u>
Change in net position of governmental activities	<u><u>\$ (104,335)</u></u>

See accompanying notes to financial statements.

Trailer Estates Park & Recreation District

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET (GAAP BASIS) AND ACTUAL – GENERAL FUND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Assessments	\$ 1,758,025	\$ 1,758,025	\$ 1,825,036	\$ 67,011
Rent	245,345	245,345	173,303	(72,042)
Investment income	-	-	60,628	60,628
Social activities	312,340	312,340	20,866	(291,474)
Miscellaneous	-	-	191,616	191,616
	<u>2,315,710</u>	<u>2,315,710</u>	<u>2,271,449</u>	<u>(44,261)</u>
EXPENDITURES				
Current				
Culture and recreation				
Payroll and employee benefits	642,717	642,717	639,180	3,537
Sanitation	149,500	149,500	163,993	(14,493)
Utilities	108,450	108,450	177,213	(68,763)
Cable TV	639,113	639,113	651,064	(11,951)
Repair and maintenance	84,400	84,400	163,376	(78,976)
Administrative	318,270	318,270	265,952	52,318
Social activities	45,760	45,760	41,699	4,061
Miscellaneous	-	-	28,636	(28,636)
Debt service				
Principal	-	-	7,753	(7,753)
Interest	-	-	650	(650)
Capital outlay	327,500	327,500	153,560	173,940
	<u>2,315,710</u>	<u>2,315,710</u>	<u>2,293,076</u>	<u>22,634</u>
Net change in fund balance	-	-	(21,627)	(21,627)
FUND BALANCE, beginning of year	<u>1,178,107</u>	<u>1,178,107</u>	<u>1,178,107</u>	<u>-</u>
FUND BALANCE, end of year	<u>\$ 1,178,107</u>	<u>\$ 1,178,107</u>	<u>\$ 1,156,480</u>	<u>\$ (21,627)</u>

See accompanying notes to financial statements.

Notes To Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies followed by the Trailer Estates Park & Recreation District (the "District"):

Reporting Entity

The District is a political subdivision of Manatee County, Florida, and was created in 1969 by special legislative act HR 2595 in accordance with Florida Law Chapter 69-1287. The District is governed by a nine-member Board of Trustees and is independent of all local governing bodies.

Although the District is a special district located within Manatee County (the "County"), the Manatee County Board of County Commissioners does not exercise any control over the District. Control is primarily determined based upon the financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. Because the District elects its own Board of Trustees, levies its own taxes, and is responsible for its own operations, the District is not included with the County's financial statements and is presented independently of the County.

Criteria for determining if other entities are potential component units which should be reported within the District's financial statements are described in GASB Statement No. 14, as amended. The application of these criteria provide for identification of any entities for which the District is financially accountable and other organizations for which the nature and significance of their relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete. Based on these criteria, no potential component units are required to be included within the reporting entity of the District.

The District is an instrumentality of the State of Florida, and is exempt from federal income tax.

Basis of Presentation

The financial statements of the District have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB has issued a codification of governmental accounting and financial reporting standards. This codification and subsequent GASB pronouncements are recognized as GAAP for state and local governments.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements

The District's basic financial statements include both government-wide (reporting on the District as a whole) and fund financial statements. The government-wide financial statements (i.e., statement of net position and statement of activities) report information on all non-fiduciary activities of the District. The government-wide financial statements present governmental activities only. The District has no business-type activities. Separate financial statements are provided for the governmental funds.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a given function (or segment) are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other revenues not properly included among program revenues are reported instead as *general revenues*.

Measurement Focus and Basis of Accounting

Government-Wide Financial Statements: The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax assessments are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements: Governmental funds are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and lease liabilities, are recorded only when payment is due. General capital asset acquisitions, including entering into contracts giving the District the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

Property tax assessments and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The government reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Special Revenue Bond Fund* is used to account for the receipts of special assessments levied and the payment of long-term debt associated with the assessment.

The *Capital Projects Fund* is used to account for the construction of capital projects for the District.

Budgets and Budgetary Accounting: The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Treasurer and Budget Committee prepare a preliminary budget to be presented to the Board of Trustees and residents. Two or more meetings are held for resident comments and suggestions. Public hearings are conducted by the District to obtain taxpayer comments.
2. The budget is approved at the March Board of Trustees meeting.
3. Tax bills are rendered, become a lien against the property and are due on November 1, of each year. Payments of assessments due are allowed various discounts if paid in the months of November to February. Assessments become delinquent on April 1.
4. Tax certificates are sold by the County tax collector on June 1.
5. No expenditures in excess of total fund appropriations are allowable without Board of Trustee approval. The Board of Trustees may legally amend the budget. The legal level of budgetary control is the function level.
6. Budgets for governmental funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
7. Appropriations lapse at year-end.

Cash and Cash Equivalents: Cash and cash equivalents include amounts on deposits in checking and money market accounts.

Receivables: All receivables are deemed collectible.

Property Taxes: Property taxes become due and payable on November 1, of each year. The County tax collector remits the District's portion as such revenues are received. The District collects nearly all of its tax revenues during the period November 1 through April 1, at which time the taxes become delinquent. The maximum rates of tax are set by the Legislature of the State of Florida. The actual amount assessed is determined by the Board of Trustees of the District, on or before June 1, through adoption of a resolution.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets: Capital assets, which include land, buildings, improvements, and infrastructure assets, are reported in the governmental activities of the government-wide financial statements. Capital assets are defined by the District as assets with an initial cost of more than \$500 and an estimated useful life of more than one year. Purchased or constructed capital assets are recorded at historical cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Depreciation is provided using the straight-line method.

The estimated useful lives of the various classes of depreciable capital assets are as follows:

	<u>Years</u>
Buildings	10 - 39
Furniture and equipment	3 - 10
Improvements	5 - 20
Right to use land	10

Leases: The District is a lessee for a noncancellable lease of land. The District recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the District determines: (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments per the agreement.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease liabilities are reported with long-term debt on the statement of net position.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences: The District allows salaried employees vacation and sick leave based upon the number of years of service to the District. Unused vacation hours lapse at year-end. Sick leave is accrued monthly and may be carried into future periods, subject to maximum limits. The District has recorded a liability for accrued sick leave in the amount of \$28,874 as of September 30, 2024 based on expected future payments.

Fund Equity: Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Fund Balance: Generally, fund balance represents the difference between the assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- *Nonspendable:* Fund balances are reported as nonspendable when amounts cannot be spent because they are either: (a) not in spendable form (i.e., items that are not expected to be converted to cash), or (b) legally or contractually required to be maintained intact.
- *Restricted:* Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.
- *Committed:* Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Trustees. Only the Board of Trustees may modify or rescind the commitment.
- *Assigned:* Fund balances are reported as assigned when amounts are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Currently, the Board of Trustees is authorized to assign fund balances.
- *Unassigned:* Fund balances are reported as unassigned as the residual amount when balances do not meet any of the above criterion. The District reports a positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in other funds.

Net Position: Net position represents the difference between assets and liabilities in the statement of net position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets, excludes unspent debt proceeds. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, laws or regulations.

All net position not reported as investment in capital assets or restricted net position is reported as unrestricted net position.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Flow Assumptions: When both restricted and unrestricted amounts of fund balance/net position are available for use for expenditures/expenses incurred, it is the District's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the District's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

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.

NOTE 2. CASH AND CASH EQUIVALENTS

At September 30, 2024, the carrying amount of the District's deposits was \$1,253,311 and the bank balance was \$1,256,267. The Federal Deposit Insurance Corporation (FDIC) insures each depositor up to \$250,000. At September 30, 2024, the District had \$1,006,267 of cash balances not insured by the FDIC. However, all deposits are with institutions that are Qualified Public Depositories and, therefore, are covered by amounts in excess of depository insurance pursuant to the Florida Statutes, Chapter 280, *Florida Security for Public Deposits Act*.

NOTE 3. CAPITAL ASSETS

Changes in capital assets by major classes of assets during the year ended September 30, 2024 consist of:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets not being depreciated				
Land	\$ 692,252	\$ -	\$ -	\$ 692,252
Construction in progress	31,026	85,307	(116,333)	-
Total capital assets not being depreciated	<u>723,278</u>	<u>85,307</u>	<u>(116,333)</u>	<u>692,252</u>
Capital assets being depreciated				
Buildings	1,957,498	116,973	-	2,074,471
Furniture and equipment	433,655	44,261	-	477,916
Right to use asset - land	30,425	-	-	30,425
Improvements	2,653,039	179,793	-	2,832,832
Total capital assets being depreciated	<u>5,074,617</u>	<u>341,027</u>	<u>-</u>	<u>5,415,644</u>
Less accumulated depreciation/amortization for				
Buildings	1,474,628	48,338	-	1,522,966
Furniture and equipment	369,630	22,850	-	392,480
Right to use asset - land	15,212	7,606	-	22,818
Improvements	842,761	112,677	-	955,438
Total accumulated depreciation	<u>2,702,231</u>	<u>191,471</u>	<u>-</u>	<u>2,893,702</u>
Total capital assets being depreciated, net	<u>2,372,386</u>	<u>149,556</u>	<u>-</u>	<u>2,521,942</u>
Governmental activities capital assets, net	<u>\$ 3,095,664</u>	<u>\$ 234,863</u>	<u>\$ (116,333)</u>	<u>\$ 3,214,194</u>

NOTE 4. LONG-TERM LIABILITIES

In September 2022, the District issued a bond for \$1,500,000 to finance the acquisition and construction of capital projects throughout the District. The District is required to make annual principal and semi-annual interest payments beginning November 2022. The bond has an interest rate of 4.11%. The principal outstanding as of September 30, 2024 was \$603,915.

In February 2016, the District entered into a ten-year lease agreement as lessee for the right to use land within the District. As of September 30, 2024, the value of the lease liability was \$8,072. The District is required to an annual payment of principal and interest in the amount of \$8,400. The lease has an interest rate of 4.11%.

Long-term liability activity for the year ended September 30, 2024 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Bond payable	\$ 765,933	\$ -	\$ (162,018)	\$ 603,915	\$ 36,071
Lease liability	15,825	-	(7,753)	8,072	8,072
Compensated absences	7,552	27,173	(5,851)	28,874	28,874
Total long-term liabilities	<u>\$ 789,310</u>	<u>\$ 27,173</u>	<u>\$ (175,622)</u>	<u>\$ 640,861</u>	<u>\$ 73,017</u>

The compensated absences liability will be paid from the General Fund from which employees' salaries are paid.

Future maturities of debt service payments are as follows:

Fiscal Year Ending	Bond Payable		Lease	
	Principal	Interest	Principal	Interest
2025	\$ 36,071	\$ 24,821	\$ 8,072	\$ 332
2026	37,553	23,338	-	-
2027	39,097	21,795	-	-
2028	40,704	20,188	-	-
2029	42,377	18,515	-	-
2030-2034	239,485	64,974	-	-
2035-2037	168,628	14,046	-	-
	<u>\$ 603,915</u>	<u>\$ 187,677</u>	<u>\$ 8,072</u>	<u>\$ 332</u>

NOTE 5. SPECIAL ASSESSMENT

In September 2022, the District Board adopted a non-ad valorem special assessment to be levied against each property owner within the District in order to pay for the Seawall Project and outstanding debt related to the project.

All proceeds from the collection of the Special Assessments are restricted to fund the cost of the specific construction project and the related debt. The 2022 project commenced during fiscal year 2022, with completion during fiscal year 2023.

As of September 30, 2024, the Special Assessment receivable still outstanding was \$1,495,614. An allowance was not established as the District expects the full amount to be repaid. The District Board is expected to finish collections of the 2022 Special Assessment in fiscal year 2037.

NOTE 6. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. The District has not had any reduction in insurance coverage and the amount of claims resulting from these risks has not exceeded insurance coverage for the past three years.

NOTE 7. COMMITMENTS AND CONTINGENCIES

Litigation: The District is not currently involved in any lawsuits.

Grant Contingencies: The District has received federal and state grants in prior years for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, management of the District believes such disallowances, if any, will not be significant.

NOTE 8. SUBSEQUENT EVENTS

The District has evaluated all subsequent events through July 22, 2025 the date the financial statements were available to be issued.

OTHER INDEPENDENT AUDITOR'S REPORTS



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*

**Board of Trustees
Trailer Estates Park & Recreation District
Bradenton, Florida**

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 Trailer Estates Park & Recreation District, (the "District") as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated July 22, 2025.

Report on Internal Control Over Financial Reporting

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

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Bradenton, Florida
July 22, 2025





Independent Auditor's Management Letter

**Board of Trustees
Trailer Estates Park & Recreation District
Bradenton, Florida**

Report on the Financial Statements

We have audited the financial statements of the Trailer Estates Park & Recreation District (the "District") as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated July 22, 2025.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reports and Schedule

We have issued our 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*. Disclosures in that report, which are dated July 22, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. No audit findings were noted in the District's September 30, 2023 audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. Trailer Estates Park & Recreation District is a political subdivision of Manatee County, Florida, and was created in 1969 by special legislative act HR 2595 in accordance with Florida Law Chapter 69-1287. The District has no component units.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the District. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Specific Information

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the District reported:

- a. The total number of District employees compensated in the last pay period of the District's fiscal year as 11.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year as none.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$642,717.
- d. All compensation earned or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$0.
- e. Each construction project with a total cost of at least \$65,000 approved by the District that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as: None.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final adopted budget under Section 189.016(6), Florida Statutes, as see page 17.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)9, Rules of the Auditor General, the District reported:

- a. The rate of non-ad valorem special assessment imposed by the District at (Operational - \$1,274.70, Capital \$100.44 per EAU).
- b. The total amount of special assessments collected by or on behalf of the District as (Operational - \$1,825.036; Capital - \$196,579).
- c. The total amount of outstanding bonds issued by the District as \$603,915.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the Board of Trustees and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



Bradenton, Florida
July 22, 2025

Trailer Estates Park & Recreation District

SCHEDULE OF FINDINGS AND RESPONSES FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

SECTION I SUMMARY OF AUDIT RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:
Material weaknesses identified?

yes no

Significant deficiencies identified not considered to be material weaknesses?

yes none reported

Noncompliance material to financial statements noted?

yes no

Federal Programs and State Financial Assistance Projects

There was not an audit of major federal award programs or state award programs as of September 30, 2024, due to the total amount expended being less than \$750,000.

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES

None.

SECTION III FEDERAL PROGRAMS FINDINGS AND QUESTIONED COSTS

Not applicable.

SECTION IV SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

None.