PONCHATOULA AREA RECREATION DISTRICT NO. 1
PONCHATOULA, LOUISIANA

ANNUAL FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2025

Ponchatoula Area Recreation District No. 1
Ponchatoula, Louisiana
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For the Year Ended December 31, 2025

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Independent Auditor's Report

Mr. Terry Byers, Chairman
and Members of the Board of Commissioners
Ponchatoula Area Recreation District No. 1
Ponchatoula, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Ponchatoula Area Recreation District No. 1 (the "District") as of and for the year ended December 31, 2025, 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 financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of December 31, 2025, 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 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.

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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.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 27 through 28 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 inquires, 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.

Management has omitted the management's discussion and analysis 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. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying Schedule of Changes in Unsettled Deposits – Agency Fund; the Schedule of Compensation Paid Board of Commissioners; and the Schedule of Compensation, Benefits, and Other Payments to Agency Head are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Changes in Unsettled Deposits – Agency Fund; the Schedule of Compensation Paid Board of Commissioners; and the Schedule of Compensation, Benefits, and Other Payments to Agency Head are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

James Lambert Riggs & Associates

James Lambert Riggs & Associates, Inc.
Hammond, Louisiana

June 18, 2026

Basic Financial Statements

Ponchatoula Area Recreation District No. 1
Ponchatoula, Louisiana
Statement of Net Position
December 31, 2025

Exhibit A

	Governmental Activities
Assets	
Cash and Cash Equivalents	$ 1,287,516
Investments	65,336
Accounts Receivable, Net	2,840,389
Prepaid Expenses	125,202
Restricted Assets:	
Cash and Cash Equivalents	651,062
Cash Held in Trust	464,559
Capital Assets Not Being Depreciated:	
Construction in Progress	175,000
Land	1,819,453
Capital Assets, Net of Accumulated Depreciation	8,952,689
Total Assets	$ 16,381,206
Liabilities	
Accounts Payable	$ -
Accrued Payroll	6,992
Pension Fund Mandate Payable	108,011
Accrued Interest Payable	12,595
Long-Term Debt - Current	495,000
Long-Term Debt - Non-Current	3,785,000
Total Liabilities	$ 4,407,598
Net Position	
Net Investment in Capital Assets	$ 6,667,142
Restricted	1,103,026
Unrestricted	4,203,440
Total Net Position	$ 11,973,608

The accompanying notes are an integral part of this statement.

Exhibit B

Ponchatoula Area Recreation District No. 1
Ponchatoula, Louisiana
Statement of Activities
For the Year Ended December 31, 2025

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants	Program Revenues: Capital Grants	Net Revenue (Expense) & Changes in Net Position: Governmental Activities
Governmental Activities:					
Parks and Recreation	$ 2,031,066	$ 40,802	$ -	$ -	$ (1,990,264)
Depreciation	439,657	-	-	-	(439,657)
Interest on Debt Service	158,864	-	-	-	(158,864)
Total Governmental Activities	$ 2,629,587	$ 40,802	$ -	$ -	(2,588,785)
General Revenues:					
Ad Valorem Taxes					2,900,721
State Revenue Sharing					134,416
Donations					175,000
Sponsorships					12,700
Rental Income					36,259
Interest Income					31,623
Other Income					28,719
Total General Revenues					3,319,438
Change in Net Position					730,653
Net Position - Beginning of the Year					11,242,955
Net Position - End of the Year					$ 11,973,608

The accompanying notes are an integral part of this statement.

Ponchatoula Area Recreation District No. 1
Ponchatoula, Louisiana
Governmental Funds Balance Sheet
December 31, 2025

Exhibit C

	General Fund	4-Mil Gymnasium Fund	Total
Assets			
Cash and Cash Equivalents	$ 1,287,516	$ -	$ 1,287,516
Investments	65,336	-	65,336
Accounts Receivable, Net	2,057,334	783,055	2,840,389
Due from Other Funds	-	36,241	36,241
Restricted Assets:			
Cash and Cash Equivalents	-	651,062	651,062
Cash Held in Trust	459,068	5,491	464,559
Total Assets	$ 3,869,254	$ 1,475,849	$ 5,345,103
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities:			
Accounts Payable	$ -	$ -	$ -
Accrued Payroll	6,992	-	6,992
Due to Other Funds	36,241	-	36,241
Pension Fund Mandate Payable	77,151	30,860	108,011
Total Liabilities	120,384	30,860	151,244
Deferred Inflows of Resources			
Unavailable Revenue - Ad Valorem Taxes	54,865	21,946	76,811
Unavailable Revenue - State Revenue Sharing	89,611	-	89,611
Total Deferred Inflows of Resources	144,476	21,946	166,422
Fund Balances:			
Restricted for Construction	459,068	-	459,068
Restricted for Debt Service	-	656,553	656,553
Unassigned	3,145,326	766,490	3,911,816
Total Fund Balances	3,604,394	1,423,043	5,027,437
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 3,869,254	$ 1,475,849	$ 5,345,103

The accompanying notes are an integral part of this statement.

Ponchatoula Area Recreation District No. 1
Ponchatoula, Louisiana
Reconciliation of the Governmental Funds Balance Sheet to the
Government-Wide Statement of Net Position
For the Year Ended December 31, 2025

Exhibit D

Fund Balances - Total Governmental Funds (Exhibit C)	$	5,027,437
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.		
Total Governmental Capital Assets		16,715,862
Less: Accumulated Depreciation		(5,768,720)
Prepaid insurance is not available to pay for current-period expenditures and, therefore, is not reported in the governmental fund.		125,202
In the statement of net position, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditures is reported when due.		(12,595)
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the governmental funds:		
Current (Short-Term) Obligations:		
Revenue Bonds		(495,000)
Non-Current (Long-Term) Obligations:		
Revenue Bonds		(3,785,000)
Certain revenues are not available to pay for current-period expenditures and therefore are reported as deferred inflows of resources in the govermental fund.		166,422
Net Position of Governmental Activities (Exhibit A)	$	11,973,608

The accompanying notes are an integral part of this statement.

Ponchatoula Area Recreation District No. 1 Exhibit E
Ponchatoula, Louisiana
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended December 31, 2025

	General Fund	4-Mil Gymnasium Fund	Total
Revenues:			
Ad Valorem Taxes	$ 2,024,421	$ 883,124	$ 2,907,545
State Revenue Sharing	130,041	-	130,041
Donations	175,000	-	175,000
Sponsorships	12,700	-	12,700
Rental Income	36,259	-	36,259
Sports Registrations	40,802	-	40,802
Interest Income	26,087	5,536	31,623
Other Income	28,719	-	28,719
Total Revenues	2,474,029	888,660	3,362,689
Expenditures:			
Parks and Recreation:			
Salaries and Related Benefits	1,027,654	-	1,027,654
Advertising	43,281	-	43,281
Insurance	220,919	-	220,919
Legal and Professional	47,064	-	47,064
Office Expenditures	159,787	-	159,787
Pension Fund Mandate	77,151	30,860	108,011
Repairs & Maintenance	161,457	-	161,457
Sports Program Expenditures	62,679	-	62,679
Telephone and Utilities	151,300	-	151,300
Other	32,549	-	32,549
Capital Outlay	417,554	-	417,554
Debt Service	-	640,050	640,050
Total Expenditures	2,401,395	670,910	3,072,305
Excess of Revenues Over Expenditures	72,634	217,750	290,384
Fund Balance:			
Beginning of the Year, Originally Stated	3,676,726	1,229,198	4,905,924
Error Correction (See Note 12)	(144,966)	(23,905)	(168,871)
Beginning of the Year, Restated	3,531,760	1,205,293	4,737,053
End of the Year	$ 3,604,394	$ 1,423,043	$ 5,027,437

The accompanying notes are an integral part of this statement.

Ponchatoula Area Recreation District No. 1
Ponchatoula, Louisiana
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance to the Government-Wide Statement of Activities
For the Year Ended December 31, 2025

Exhibit F

Net Change in Fund Balances - Total Governmental Funds (Exhibit E)	$	290,384
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. These differences consist of:		
Capital Outlay		417,554
Depreciation Expense		(439,657)
Governmental funds expense insurance payments when paid. In the statement of activities, only the portion applicable to the current year is expensed. The remaining is recorded in the statement of net position as prepaid insurance.		
Prior Year Prepaid Insurance		(141,567)
Current Year Prepaid Insurance		125,202
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. This is the change in accrued interest from the prior year:		
Prior Year Accrued Interest		13,781
Current Year Accrued Interest		(12,595)
The issuance of long-term debt (e.g. bonds) 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 issuance costs, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Repayments of Long-Term Debt		480,000
Certain revenues in the government-wide statement of activities include economic resources that are not reported as revenues in the governmental fund operating statement.		(2,449)
Change in Net Position of Governmental Activities (Exhibit B)	$	730,653

The accompanying notes are an integral part of this statement.

Ponchatoula Area Recreation District No. 1
Ponchatoula, Louisiana
Statement of Fiduciary Net Position
December 31, 2025

Exhibit G

	PARD Sports Program
Assets	
Cash and Cash Equivalents	$ 80,947
Total Assets	$ 80,947
Liabilities	
Due to Others	$ 80,947
Total Liabilities	$ 80,947
Total Net Position	$ -

The accompanying notes are an integral part of this statement.

Narrative Profile

Ponchatoula Area Recreation District No. 1, Ponchatoula, Louisiana, was created by an ordinance of the Tangipahoa Parish Council on April 22, 1996, *"…as a recreation district to consist of territorial lands and property, both real and personal, in the parish, in accordance with Louisiana Revised Statutes (LRS) 33:4562 et seq., and Article 6, Section 19 of the Louisiana Constitution of 1974 and other constitutional and statutory authority supplemental thereto, to be a body corporate in law and a subdivision of the State, known as "Ponchatoula Area Recreation District No. 1 (the "District")."*

The District contains within its limits one municipality, the City of Ponchatoula. The governing body of this municipality has given consent to the inclusion of such municipality in the District. The District shall be and is a political subdivision of the State of Louisiana, within the meaning of the constitution and statutes of the State relating to incurring debt and issuing bonds therefore.

The objectives and purposes of the District are to own and operate playgrounds and other facilities and to engage in activities that would promote recreation and any related activity designed to encourage recreation and promote the general health and well-being of youths and all of the goals and purposes as authorized by law. Major revenues for the District include property taxes and state revenue sharing. Major expenditures of the District include capital outlay, debt service, maintenance, supplies, and salaries and related benefits.

1. Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying financial statements of the District have been prepared in conformity 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 accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, issued in June 1999, and as amended by GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes and to guides set forth in the Louisiana Governmental Audit Guide and to the industry audit guide, *Audits of State and Local Governmental Units*.

B. Financial Reporting Entity

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Because the board members of the District are appointed by the Tangipahoa Parish Council, the District was determined to be a component unit of the Council, under the provisions of GASB Statement No. 14. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the parish government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. Fund Accounting

The District uses fund accounting to maintain its financial records and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Governmental Funds

Governmental funds account for all of the District's general 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 of the District.

General Fund – the primary operating fund of the District, which accounts for the operations of the District, except those operations required to be handled in a separate fund. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to District policy.

4-Mil Gymnasium Special Revenue Fund – used to account for the collection of the 4-mil property tax dedicated for the construction and debt service for the gymnasium facility in the District.

Fiduciary Fund

The focus of the fiduciary fund is on net position and changes in net position. This fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations. Consequently, this fund has no measurement focus, but uses the modified accrual basis of accounting. The District reports a single fiduciary fund:

Sports Program Fund – this fund is used to account for registration fees collected and held by the District as an agent for local sports organizations.

D. Measurement Focus / Basis of Accounting

Basic Financial Statements – Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include all the non-fiduciary activities of the District with most of the interfund activities removed. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities 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, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

The 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. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Interest earnings and other revenues not properly included among program revenues are reported instead as general revenues. The District does not allocate indirect expenses.

Basic Financial Statements – Governmental Funds

The amounts reflected in the General Fund and 4-Mil Gymnasium Special Revenue Fund 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 Governmental Fund 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 the District's operations.

The amounts reflected in the General Fund and 4-Mil Gymnasium Special Revenue Fund 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). 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 District considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt, which are 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 tax revenue, state revenue sharing revenue, and interest revenue are recorded when due. Other revenues are generally recognized when they become measurable and available as net current assets (i.e. when the service is performed). Substantially all other revenues are recorded when received.

Expenditures – Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Reconciliation – Explanation of differences between the Governmental Fund Balance Sheet and the government-wide Statement of Net Position is presented in Exhibit D of the basic financial statements. Explanation of differences between the Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances and the government-wide Statement of Activities is presented in Exhibit F of the basic financial statements.

E. Budgets and Budgetary Accounting

Budgetary procedures applicable to the District are defined in state law, LRS 39:1301-15. The major requirements of the Louisiana Local Government Budget Act are summarized as follows:

1. The District adopts a budget each year for the general fund and special revenue funds, if applicable.

2. The Chairman prepares a proposed budget and submits it to the Board of Commissioners for consideration no later than fifteen days prior to the beginning of each fiscal year. At the same time, if total proposed expenditures are $500,000 or more, a notice of public hearing on the proposed budget must be published in the official journal.

3. All action necessary to adopt and implement the budget must be completed prior to the beginning of the fiscal year. A hearing on the proposed budget was held on December 13, 2024. The budget was adopted on December 13, 2024.

4. Budgetary amendments involving the transfer of funds from one program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board. The budget was amended on December 18, 2025.

5. The budgets are integrated into the accounting system, and the budgetary data, as presented in the financial statements for all funds with annual budgets, compare the expenditures with the amended budgets. All budgets are presented on the modified accrual basis of accounting. Accordingly, the Budgetary Comparison Schedule for the General Fund presents actual expenditures in accordance with the accounting principles generally accepted in the United States of America on a basis consistent with the legally adopted budgets as amended. Unexpended appropriations on annual budgets lapse at the end of each fiscal year.

F. Deposits and Investments

The District's cash is considered to be cash on hand, demand deposits, interest bearing demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Under state law, the District may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. In addition, the District may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments for the District are stated at fair value using published market values. The state investment pool (LAMP) operates in accordance with state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

G. Receivables and Payables

All ad valorem taxes receivable and user fees receivable are shown net of an allowance for uncollectible amounts.

Property Taxes

For the year 2025, total taxes of 14.00 mils (a 10-year tax of 10.00 mils and a 30-year tax of 4.00 mils) were levied on property within the District's boundaries. Total taxes levied were $2,035,501

(10.00 mils) and $814,201 (4.00 mils). At December 31, 2025, the total ad valorem tax receivable was $2,645,032 and ad valorem taxes receivable at December 31, 2025, are recorded net of a 2% allowance for uncollectible taxes (total of $56,994).

State Revenue Sharing

For the year 2025, the District received $134,416 in Louisiana State Revenue Sharing. At December 31, 2025, state revenue sharing receivable totaled $89,611. The District considers this receivable fully collectible and, therefore, has not recorded an allowance for uncollectible state revenue sharing.

H. Inventory

The District utilizes the "purchase method" of accounting for supplies, whereby expendable operating supplies are recognized as expenditures when purchased. The District did not record any inventory at December 31, 2025, as the amount is immaterial.

I. Prepaid Items

The District recognizes expenditures for insurance and similar services extending over more than one accounting period when paid.

J. Capital Assets

Capital outlays are recorded as expenditures of the governmental funds and as assets in the government-wide financial statements, to the extent the District's capitalization threshold of $300 is met. Capital assets are valued at historical cost or estimated historical cost if actual cost was not available. Donated capital assets are valued at their estimated fair market value at the date of donation.

Maintenance, repairs, and minor equipment are charged to operations when incurred. Expenditures that materially change capacities or extend useful lives are capitalized. Upon sale or retirement of land, buildings, and equipment, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts, and any resulting gain or loss is included in the results of operations.

K. Long-Term Obligations

In the government-wide financial statements, debt principal payments of both governmental activities are reported as decreases in the balance of the liability on the Statement of Net Position. In the fund financial statements, however, debt principal payments of governmental funds are recognized as expenditures when paid.

Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued and premiums received on debt issuances are reported as other financing sources. Discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

L. Compensated Absences

The District has the following policies related to sick and vacation leave:

Sick Leave

Full-time employees who have been with the District for one year will be given one-week sick leave. Full-time employees can accrue up to two weeks of sick leave time. When an employee has more than two weeks of sick leave available, they will lose the excess time.

Vacation Leave

All full-time employees who have been with the District for one year will be given one week of paid vacation based on their vacation hours earned. All full-time employees who have been with the District for two years or more will be given two weeks of paid vacation based on their vacation hours earned. Full-time employees can accrue vacation time up to three weeks. When an employee has more than three weeks' vacation time available, they will lose the excess time.

At the time of termination, full-time employees who have worked less than one year will not receive any paid vacation.

M. Deferred Inflows of Resources

The governmental fund balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. Currently, the District has two items that qualify for reporting in the category on the balance sheet, which are unavailable ad valorem taxes and unavailable state revenue sharing.

N. Net Position

In the government-wide statements, equity is classified as net position and displayed in three components:

1. Net Investment in Capital Assets – consists of the historical cost of capital assets, including any 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.

2. Restricted – this component of net position consists of assets that have constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.

3. Unrestricted – all other net position is reported in this category.

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.

O. Fund Balance

Governmental fund equity is classified as fund balance. GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purpose for which resources can be used:

1. Nonspendable Fund Balance – amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.

2. Restricted Fund Balance – amounts that can be spent only for specific purposes due to enabling legislation, State or Federal laws, or externally imposed conditions by grantors, creditors, or citizens. Funds in the 4-Mil Gymnasium Special Revenue Fund are considered to be restricted due to existing debt service paid from this fund.

3. Committed Fund Balance – amounts that can be used only for the specific purposes determined by a resolution of the Board of Commissioners (the District's highest level of decision-making authority).

4. Assigned Fund Balance – amounts intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed.

5. Unassigned Fund Balance – all amounts not included in other spendable classifications.

When fund balance resources are available for a specific purpose in multiple classifications, the District will generally use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. However, the District's management reserves the right to selectively spend unassigned resources first and to defer the use of the other classified funds.

P. Estimates

The preparation of financial statements in conformity with GAAP require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reported period. Actual results could differ from those estimates.

2. Stewardship, Compliance, and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and Special Revenue Fund. All annual appropriations lapse at year-end. See Note 1-E for the procedures the District follows regarding budgets and budgetary accounting. The District complied with the Louisiana Local Government Budget Act in adopting and amending its budget for the year ended December 31, 2025.

B. Deposits and Investment Laws and Regulations

In accordance with state law, all uninsured deposits in financial institutions must be secured with acceptable collateral valued at the lower of market or par. As reflected in Note 3, regarding cash, cash equivalents, and investments, the District was in compliance with the deposit and investment laws and regulations.

C. Deficit Fund Equity

As of December 31, 2025, no District funds had deficit fund balances.

3. Cash, Cash Equivalents, and Investments

As reflected on Exhibit A, the District has cash totaling $2,403,137 (of which $1,115,621 is restricted) and investments totaling $65,336 at December 31, 2025. As reflected on Exhibit G, the District is holding cash totaling $80,947 for fiduciary purposes at December 31, 2025.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The District does not have a deposit policy for custodial credit risk. The following is a summary of cash and investments at December 31, 2025, with the related federal deposit insurance and pledged securities:

Bank Balances:		
Insured (FDIC Insurance)	$	250,000
Uninsured and Collateralized:		
Collateral held by pledging bank's trust department not in the District's name		1,951,867
Uninsured and Uncollateralized		-
Total Deposits	$	2,201,867

The $464,559 shown as "Cash Held in Trust" represents the remaining cash proceeds from the sale of the $3,310,000 Series 2018 Revenue Bonds. These funds are currently being held by Hancock Whitney Bank on behalf of the District. Hancock Whitney Bank maintains adequate insurance and collateral on these funds.

Even though the pledged securities are not held in the entity's name, LRS 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

At December 31, 2025, the District's investment balance was as follows:

	Reported Amount	Fair Value
Louisiana Asset Management Pool	$ 65,336	$ 65,336

Louisiana Asset Management Pool (LAMP) is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LRS 33:2955.

GASB Statement No. 40, *Deposit and Investment Risk Disclosures – An Amendment of GASB Statement No. 3*, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public entity investments.

LAMP is a 2a7-like investment pool that, to the extent practical, invests in a manner consistent with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. The following facts are relevant for investment pools:

- Credit Risk: LAMP is rated AAAm by Standard & Poor's.
- Custodial Credit Risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of Credit Risk: Pooled investments are excluded from the 5% disclosure requirement.
- Interest Rate Risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating / variable rate investments. The WAM for LAMP's total investments was 31 days as of December 31, 2025.
- Foreign Currency Risk: Not applicable.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

LAMP, Inc., issues an annual publicly available financial report that includes financial statements and required supplementary information for LAMP, Inc. That report may be obtained by writing to LAMP, Inc., 650 Poydras Street, Suite 2220, New Orleans, Louisiana 70130, or by calling (504) 525-LAMP.

4. Receivables

Receivables represent revenues earned in 2025 and received in 2026 as follows:

	General Fund	4-Mil Gymnasium Fund	Total
Tangipahoa Parish Sheriff:			
Ad Valorem Taxes	$ 1,998,433	$ 799,339	$ 2,797,772
State Revenue Sharing	89,611	-	89,611
Other Receivables	10,000	-	10,000
Less: Allowance for Uncollectible	(40,710)	(16,284)	(56,994)
Accounts Receivable, Net	$ 2,057,334	$ 783,055	$ 2,840,389

Uncollectible amounts are recognized as bad debts through the establishment of an allowance account at the time information becomes available that would indicate the uncollectibility of the receivable.

5. Capital Assets

Capital assets and depreciation activity as of and for the year ended December 31, 2025, are as follows:

	Balance 12/31/24	Increases	Decreases	Balance 12/31/25
Capital Assets not Depreciated:				
Construction in Progress	$ -	$ 175,000	$ -	$ 175,000
Land	1,819,453	-	-	1,819,453
Total Capital Assets not Depreciated	1,819,453	175,000	-	1,994,453
Other Capital Assets:				
Buildings	8,805,842	-	-	8,805,842
Land Improvements	4,778,226	172,221	-	4,950,447
Equipment	894,787	70,333	-	965,120
Total Other Capital Assets	14,478,855	242,554	-	14,721,409
Less Accumulated Depreciation:				
Buildings	2,319,779	220,639	-	2,540,418
Land Improvements	2,259,058	190,453	-	2,449,511
Equipment	750,226	28,565	-	778,791
Total Accumulated Depreciation	5,329,063	439,657	-	5,768,720
Other Capital Assets, Net	9,149,792	(197,103)	-	8,952,689
Totals	$ 10,969,245	$ (22,103)	$ -	$ 10,947,142

Depreciation expense of $439,657 for the year ended December 31, 2025, was charged to the governmental activities.

All capital assets are depreciated using the straight-line method on the government-wide basis over the following useful lives:

Description	Estimated Lives
Land	N/A
Construction in Progress	N/A
Buildings	40 Years
Land Improvements	20 - 30 Years
Equipment	15 Years

6. Long-Term Debt

The following is a summary of changes in long-term debt for the year ended December 31, 2025:

Type of Debt	Balance at 12/31/24	Debt Issued	Debt Retired	Balance at 12/31/25	Due Within One Year
Series 2015 $4,030,000 Revenue Bonds	$ 3,175,000	$ -	$ 160,000	$ 3,015,000	$ 165,000
Series 2018 $3,310,000 Revenue Bonds	1,585,000	-	320,000	1,265,000	330,000
	$ 4,760,000	$ -	$ 480,000	$ 4,280,000	$ 495,000

As of December 31, 2025, long-term debt of the District consisted of the following:

Revenue Bonds:

$4,030,000 Limited Tax Refunding Bonds, Series 2015 dated December 23, 2015; Due in annual installments of $25,000 - $270,000 through June 1, 2039; With interest at variable rates (Payable from a pledge and dedication of the proceeds of the 30-year, 10 mil ad valorem tax). $ 3,015,000

$3,310,000 Limited Tax Refunding Bonds, Series 2018 dated August 23, 2018; Due in annual installments of $55,000 - $330,000 through June 1, 2039; With interest at variable rates (Payable from a pledge and dedication of the proceeds of the 30-year, 4 mil ad valorem tax). $ 1,265,000

Payments of Revenue Bond principal and interest are secured primarily by a pledge and dedication of the proceeds of the ten (10.00) mils, ten-year property tax renewed on October 14, 2023, and the four (4.00) mils, thirty-year property tax approved by the voters in the District on November 4, 2008.

The annual requirements to amortize all debt outstanding at December 31, 2025, including interest payments of $1,089,581 are as follows:

Year Ended December 31,	$4,030,000 Revenue Bonds	$3,310,000 Revenue Bonds	Total
2026	$ 273,050	$ 366,550	$ 639,600
2027	276,250	85,706	361,956
2028	274,150	88,838	362,988
2029	276,750	86,888	363,638
2030	278,950	84,938	363,888
2031 - 2035	1,367,615	455,432	1,823,047
2036 - 2039	1,095,400	359,064	1,454,464
	3,842,165	1,527,416	5,369,581
Less: Interest Portion	827,165	262,416	1,089,581
	$ 3,015,000	$ 1,265,000	$ 4,280,000

7. Dedication of Proceeds and Flow of Funds – Ad Valorem Tax

Proceeds of the 10-year special tax of 10 mils on the dollar of assessed valuation on all property subject to taxation in the District (2025 collections $2,035,501) are dedicated for the purpose of acquiring, constructing, improving, maintaining, and / or operating recreational facilities and activities in and for the District.

Proceeds of the 30-year special tax of 4 mils on the dollar of assessed valuation on all property subject to taxation in the District (2025 collections $814,201) are dedicated for the purpose of providing funds to acquire, improve, and equip a multipurpose gymnasium facility and other recreation facilities within the District; to pay the operation and maintenance costs and expenses in connection therewith; and to authorize the funding of the proceeds of said tax into bonds.

The District, through its governing authority, adopted a resolution on December 23, 2015, authorizing the issuance of $4,030,000 of Refunding Bonds, Series 2015, for the purpose of an advance refunding on the $6,160,000 Limited Tax Revenue Bonds (Ponchatoula Area Recreation District No. 1 Project), Series 2009. In that resolution, the proceeds of the ten (10.00) mils, ten (10) year property tax and the four (4.00) mils, thirty (30) year property tax were pledged and dedicated in an amount sufficient for payment of the bonds authorized and interest as they become due and for other purposes.

The District, through its governing authority, adopted a resolution on April 19, 2018, authorizing the issuance of $3,310,000 of Revenue Bonds, Series 2018, for the purpose of financing the construction and equipping of additional recreation facilities, including, but not limited to, a new multi-purpose gymnasium facility within the District. In that resolution, the proceeds of the ten (10.00) mils, ten (10) year property tax and the four (4.00) mils, thirty (30) year property tax were pledged and dedicated in an amount sufficient for payment of the bonds authorized and interest as they become due and for other purposes.

After funds have been set aside out of the revenues of the taxes for each tax roll year sufficient to pay the principal and interest on the bonds for the ensuing calendar year, then any excess of annual revenues of the taxes remaining for that tax roll year shall be free for expenditure by the District for the purposes for which the taxes were authorized by the voters.

As of December 31, 2025, the District was in compliance with all bond covenants.

8. Ad Valorem Taxes

The following is a summary of authorized and levied ad valorem taxes:

General Fund	10.00 Mills
4-Mil Gymnasium Fund	4.00 Mills

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the District in September or October and are actually billed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed and recognized as revenue when billed.

The Tangipahoa Parish Sheriff bills and collects property taxes for the District using the assessed values determined by the Tax Assessor of Tangipahoa Parish. For the year ended December 31, 2025, taxes were levied on property with taxable assessed valuations totaling $203,550,075.

9. Tax Abatements

The Louisiana Industrial Ad Valorem Tax Exemption Program (ITEP) is an original state incentive program which offers attractive tax incentive for manufacturers within the state. The program abates, for up to ten years, local property taxes (ad valorem) on a manufacturer's new investment and annual capitalized additions related to the manufacturing site. This exemption is granted per contract with the Louisiana Department of Economic Development and will specify the buildings and / or personal property items covered by the exemption. For the 2025 calendar year, estimated forgone ad valorem taxes due to this abatement program was $12,884 for the District.

10. Deferred Compensation Plan

The District maintains an Oppenheimer Funds SIMPLE IRA plan under Section 408 of the Internal Revenue Code. Under the plan, qualified employees may defer up to $13,000 of their salary. The District will match up to 3% of the employee's salary. The District's contributions totaled $12,198 during the year ended December 31, 2025

11. Contingent Liabilities

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. These risks of loss are covered by a comprehensive commercial insurance policy and workers compensation insurance. Claims resulting from

these risks have historically not exceeded insurance coverage. Therefore, no accrual for any loss contingency has been made in the financial statements.

12. Error Corrections

The District's 2025 financial statements reflect the correction of errors in previously issued financial statements. GASB Statement No. 100, *Accounting Changes and Error Corrections*, requires disclosure of their nature and effect on amounts reported in the financial statements.

During the year ended December 31, 2025, the District determined that the prior year financial statements for the General Fund and 4-Mil Gymnasium Fund omitted deferred inflows of resources related to unavailable ad valorem taxes. Additionally, the prior year financial statements for the General Fund omitted deferred inflows of resources related to state revenue sharing. As a result, deferred inflows of resources were understated and beginning fund balance of the General Fund and 4-Mil Gymnasium Fund was overstated by $144,966 and $23,905, respectively, in the District's 2024 financial statements. The error has been corrected in the accompanying financial statements by restating the beginning fund balance of the General Fund and 4-Mil Gymnasium Fund as of January 1, 2025.

The following table summarize the restatements to the General Fund and 4-Mil Gymnasium Fund's beginning fund balance as a result of the error corrections:

	General Fund	4-Mil Gymnasium Fund	Total
Fund Balance - Beginning of the Year, Originally Stated	$ 3,676,726	$ 1,229,198	$ 4,905,924
Error Corrections due to:			
Deferred Inflows of Resources -			
Unavailable Ad Valorem Taxes	(59,730)	(23,905)	(83,635)
Unavailable State Revenue Sharing	(85,236)	-	(85,236)
Total Error Corrections	(144,966)	(23,905)	(168,871)
Fund Balance - Beginning of the Year, Restated	$ 3,531,760	$ 1,205,293	$ 4,737,053

13. Subsequent Event

Management has evaluated the subsequent events through the date that the financial statements were available to be issued, June 18, 2026. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Required Supplemental Information:

Budgetary Comparison Schedules

Ponchatoula Area Recreation District No. 1
Ponchatoula, Louisiana
Budgetary Comparison Schedule – General Fund
For the Year Ended December 31, 2025

Schedule 1

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Final Budget Variance - Favorable / (Unfavorable)
Revenues:				
Ad Valorem Taxes	$ 1,852,000	$ 1,852,000	$ 2,024,421	$ 172,421
State Revenue Sharing	130,000	130,000	130,041	41
Donations	-	-	175,000	175,000
Sponsorships	15,000	15,000	12,700	(2,300)
Rental Income	20,000	20,000	36,259	16,259
Sports Registrations	-	-	40,802	40,802
Interest Income	6,000	6,000	26,087	20,087
Other Income	40,250	40,250	28,719	(11,531)
Total Revenues	2,063,250	2,063,250	2,474,029	410,779
Expenditures:				
Parks and Recreation:				
Salaries & Related Benefits	940,000	940,000	1,027,654	(87,654)
Advertising	60,000	60,000	43,281	16,719
Insurance	240,000	240,000	220,919	19,081
Legal and Professional	35,000	35,000	47,064	(12,064)
Office Expenditures	123,000	123,000	159,787	(36,787)
Pension Fund Mandate	65,000	65,000	77,151	(12,151)
Repairs & Maintenance	255,000	255,000	161,457	93,543
Sports Program Expenditures	-	-	62,679	(62,679)
Telephone and Utilities	135,000	135,000	151,300	(16,300)
Other	10,500	10,500	32,549	(22,049)
Capital Outlay	455,000	455,000	417,554	37,446
Total Expenditures	2,318,500	2,318,500	2,401,395	(82,895)
Excess of Revenues Over / (Under) Expenditures	(255,250)	(255,250)	72,634	327,884
Fund Balance:				
Beginning of the Year, Originally Stated	3,676,726	3,676,726	3,676,726	-
Error Corrrection (See Note 12)	-	-	(144,966)	(144,966)
Beginning of the Year, Restated	3,676,726	3,676,726	3,531,760	(144,966)
End of the Year	$ 3,421,476	$ 3,421,476	$ 3,604,394	$ 182,918

See independent auditor's report.

Ponchatoula Area Recreation District No. 1 Schedule 2
Ponchatoula, Louisiana
Budgetary Comparison Schedule – 4-Mil Gymnasium Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Final Budget Variance - Favorable / (Unfavorable)
Revenues:				
Ad Valorem Taxes	$ 740,550	$ 740,550	$ 883,124	$ 142,574
Interest Income	-	-	5,536	5,536
Total Revenues	740,550	740,550	888,660	148,110
Expenditures:				
Parks and Recreation:				
Pension Fund Mandate	21,000	21,000	30,860	(9,860)
Debt Service	640,050	640,050	640,050	-
Total Expenditures	661,050	661,050	670,910	(9,860)
Excess / (Deficiency) of Revenues over Expenditures	79,500	79,500	217,750	138,250
Fund Balance:				
Beginning of the Year, Originally Stated	1,229,198	1,229,198	1,229,198	-
Error Correction (See Note 12)	-	-	(23,905)	(23,905)
Beginning of the Year, Restated	1,229,198	1,229,198	1,205,293	(23,905)
End of the Year	$ 1,308,698	$ 1,308,698	$ 1,423,043	$ 114,345

See independent auditor's report.

Other Supplemental Information

Ponchatoula Area Recreation District No. 1
Ponchatoula, Louisiana
Schedule of Changes in Unsettled Deposits – Agency Fund
For the Year Ended December 31, 2025

Schedule 3

Unsettled Deposits - Beginning of the Year	$	33,372
Additions:		
Deposits:		
Online Registrations		149,461
Interest		166
Total Additions		149,627
Reductions:		
Ponchatoula Youth Baseball / Softball		62,720
Ponchatoula Basketball Association		-
Ponchatoula Youth Volleyball		21,970
Ponchatoula Little Conference Football		16,500
Youth Pickleball		395
Online Processing Fees		467
Total Reductions		102,052
Unsettled Deposits - End of the Year	$	80,947

See independent auditor's report.

Ponchatoula Area Recreation District No. 1
Ponchatoula, Louisiana
Schedule of Compensation Paid Board Members
For the Year Ended December 31, 2025

Schedule 4

Name and Address	Position	Salary	Term Expires
Terry Byers 40271 Byers Rd Ponchatoula, LA 70454	Chairman	-	April 2027
Marshall Graves 42238 Landing View Rd. Ponchatoula, LA 70454	Commissioner	-	April 2029
Patricia Landaiche 385 W. Chestnut Hammond 70403	Commissioner	-	April 2026
Kyle Mitchell 25353 Winston St Ponchatoula, LA 70454	Commissioner	-	April 2028
Christy Whitaker 254 Forrest Lane Ponchatoula, LA 70454	Commissioner	-	April 2029
		$ -	

See independent auditor's report.

Ponchatoula Area Recreation District No. 1 Schedule 5
Ponchatoula, Louisiana
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ended December 31, 2025

Agency Head: Mark Verbois, Park Director

Purpose	Amount
Salary	$ 71,689
Benefits - Insurance	11,140
Benefits - Retirement	-
Deferred Compensation	-
Benefits - Other - Supplemental Pay	-
Car Allowance	-
Vehicle Provided by Government	-
Vehicle Rental	-
Cell Phone	-
Dues	-
Per Diem	-
Reimbursements	186
Travel	-
Registration Fees	-
Conference Travel	513
Housing	-
Unvouchered Expenses	-
Special Meals	-
Other	-
	$ 83,528

See independent auditor's report.

Other Independent Auditor's Reports and Findings, Recommendations, and Responses

Paul M. Riggs, Jr., CPA
J. Bryan Ehricht, CPA
Megan L. Young, CPA
B. Jacob Steib, CPA
Lauren Kimble Smith, CPA

Dennis E. James, CPA
Lyle E. Lambert, CPA
Michael "Mickey" Simon, CPA

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Society of Louisiana CPAs

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*

Mr. Terry Byers, Chairman
and Members of the Board of Commissioners
Ponchatoula Area Recreation District No. 1
Ponchatoula, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Ponchatoula Area Recreation District No. 1 (the "District"), as of for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 18, 2026.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompany schedule of current year findings, recommendations, and responses as items 2025-001 and 2025-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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

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not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of current year findings, recommendations, and response as items 2025-003.

Ponchatoula Area Recreation District No. 1's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit is described in the accompanying schedule of current year findings, recommendations, and responses. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope 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.

James, Lambert, Riggs & Associates

James Lambert Riggs & Associates, Inc.
Hammond, Louisiana

June 18, 2026

Ponchatoula Area Recreation District No. 1
Ponchatoula, Louisiana
Schedule of Current Year Findings, Recommendations, and Responses
For the Year Ended December 31, 2025

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Ponchatoula Area Recreation District No. 1 as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our issued our report thereon dated June 18, 2026. Our audit of the basic financial statements resulted in an unmodified opinion.

Section I – Summary of Auditor's Reports

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

Internal Control:				
Material Weakness	X	Yes		No
Significant Deficiencies		Yes	X	No
Compliance:				
Compliance Material to the Financial Statements	X	Yes		No

2. Management Letter

Was a management letter issued?		Yes	X	No

Section II – Financial Statement Findings

Internal Control over Financial Reporting

2025-001 – Financial Statement Preparation

Condition:

As is common in small organizations, management has chosen to engage the auditors to propose certain year-end adjusting journal entries and to prepare the annual financial statements. Consistent with this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, have not been fully implemented. Under generally accepted auditing standards (GAAS), this condition represents a material weakness in internal controls. GAAS does not provide exceptions to reporting deficiencies that are adequately mitigated with non-audit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

This condition was also noted in the prior year.

Criteria:

Internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, are necessary in order for management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements of the financial statements on a timely basis.

Cause:

This condition is intentional by management based on the District's lack of financial complexity, along with the cost prohibitive nature of acquiring the ability to prepare financial statements.

Effect:

Management and employees are unable to prevent or detect and correct misstatements on a timely basis in the normal course of performing their assigned functions.

Recommendation:

We recommend no action be taken.

Management's Response:

See the attached management response letter.

2025-002 –Construction Project Funding Commitment Not Supported by Enforceable Written Agreement

Condition:

During our audit procedures over contracts, we noted that the District has contracted with an outside vendor to construct an inclusive playground on existing District property. The contract obligates the District to pay the full project cost of approximately $575,000.

Management indicated that a local nonprofit organization was in the process of fundraising for this project with all funds raised by the local nonprofit going to pay for the construction costs. In December 2025, the local nonprofit donated $175,000 to the District, which was applied to the initial downpayment for the construction. As of December 31, 2025; however, the District did not have a signed cooperative endeavor agreement or other legally enforceable written funding agreement with the local nonprofit for the remaining construction costs.

Specifically, the District did not have written documentation that established:

- The total amount of funding the local nonprofit was required or expected to provide;
- The timing and method of future payments or donations;
- The responsibilities of each party for project costs, cost overruns, change orders, or delays;
- Remedies available to the District if the local nonprofit organization did not provide the remaining expected funding;
- Whether either party could terminate, reduce, or modify the funding arrangement; and
- Evidence of legal review or formal governing body approval of the third-party funding arrangement for the remaining project costs.

Criteria:

Management is responsible for establishing and maintaining internal controls over financial commitments, contracting, budgeting, and the documentation of funding sources for significant projects. Such controls should help ensure that the District does not enter into contracts or otherwise obligate public funds without

first confirming that sufficient funding is available or that expected third-party funding is supported by appropriate, enforceable written agreements.

When a local government expects a nonprofit organization or other third party to provide funding for a public project, management should obtain a cooperative endeavor agreement, donation agreement, reimbursement agreement, memorandum of understanding, or other enforceable written agreement, as appropriate and as advised by legal counsel, before entering into a contract that obligates the local government for project costs.

Cause:

The condition appears to have resulted from insufficient internal controls over the approval and documentation of significant contractual commitments involving third-party funding. In particular, the District did not require that an enforceable written agreement be executed with the local nonprofit organization before the construction contract was approved and signed or before the District became legally obligated for the full project cost.

Effect:

By entering into the construction contract without an enforceable written agreement securing the remaining expected nonprofit funding, the District obligated public tax dollars for the full project cost. Although the local nonprofit organization has agreed to provide funding for the playground project, no cooperative endeavor agreement or other enforceable written funding agreement existed as of December 31, 2025.

Recommendation:

We recommend that the District immediately obtain a written cooperative endeavor agreement with the local nonprofit organization for the playground project. We also recommend the District strengthen internal controls over significant contracts, capital projects, and third-party funding arrangements. At a minimum, management should implement procedures to ensure that expected outside funding is documented in an enforceable written agreement before the District enters into contracts or otherwise obligates public funds.

Management's Response:

See the attached management response letter.

Compliance and Other Matters

2025-003– Compliance with Louisiana Public Bid Law

Condition:

The District failed to comply with a certain provision of the Louisiana Public Bid Law for the purchasing of football equipment.

Criteria:

Public bid law procedures applicable to the District are specified in state law, Louisiana Revised Statute (LRS) 38:2211-2296. The pertinent part of the law and the manner in which the District did not comply was as follows:

LRS 38:2212.1(A)(1)(b) requires the following:

> *"However, purchases of thirty thousand dollars or more, but less than sixty thousand dollars, shall be made by obtaining not less than three quotes by telephone, facsimile, email, or any other printable electronic form. If telephone quotes are received, a written confirmation of the accepted offers shall be obtained and made a part of the purchase file. If quotations lower than the accepted quotation are received, the reasons for their rejection shall be recorded in the purchase file."*

The District purchased football equipment totaling $30,028.64 without obtaining multiple quotes from vendors.

Cause:

The cause of this condition appears to be lack of understanding or oversight of the specific requirements of the Public Bid Law by management.

Effect:

Failure to follow the precise requirements of Public Bid Law in place at the time of this purchase resulted in the District not complying with the public bid laws specified in LRS 38:2212.1(A)(1)(b).

Recommendation:

We recommend that the District familiarize itself with all aspects of the Public Bid Laws according to LRS 38:2211-2296.

Management's Response:

See the attached management response letter.

Ponchatoula Area Recreation District No. 1
Ponchatoula, Louisiana
Schedule of Prior Year Findings, Recommendations, and Responses
For the Year Ended December 31, 2025

Ref #	Fiscal Year Findings Initially Occurred	Description of Findings	Corrective Action Taken
Internal Control over Financial Reporting			
2024-001	December 31, 2024	Financial Statement Preparation	None
2024-002	December 31, 2024	Internal Controls over Fixed Assets	Resolved
Compliance and Other Matters			
2024-003	December 31, 2024	Compliance with Louisiana Public Bid Law	Not Resolved

Note: This schedule prepared by management of the Ponchatoula Area Recreation District No. 1.

Ponchatoula Area Recreation District No. 1

19030 Ponchatoula Park Drive Ponchatoula, LA 70454
985-370-7273 Fax 985-370-7270
www.pard1.com

James Lambert Riggs and Associates Inc.
401 E. Thomas Street
Hammond, LA.

June 22, 2026

Dear Mr. Riggs.

In response to the Audit Report by James Lambert Riggs & Associates of Ponchatoula Area Recreation District #1 for the year ended December the 31st. 2025:

The district accepts all findings of the 2025 Annual Financial Statement and will adjust per James Lambert Riggs & Associates' recommendations.

Chris Mouswaswa, Executive Director

Letisha Smith

Letisha Smith, Deputy Director

Terry Byers Chairman
Kyle Mitchell Co-Chairman
Marshall Graves Commissioner
Christy Whitaker Commissioner
Jenel Secrease Commissioner

PONCHATOULA AREA RECREATION DISTRICT NO. 1

STATEWIDE AGREED UPON PROCEDURES ENGAGEMENT

FOR THE YEAR ENDED DECEMBER 31, 2025

Paul M. Riggs, Jr., CPA
J. Bryan Ehricht, CPA
Megan L. Young, CPA
B. Jacob Steib, CPA
Lauren Kimble Smith, CPA

Dennis E. James, CPA
Lyle E. Lambert, CPA
Michael "Mickey" Simon, CPA

JAMES LAMBERT RIGGS & ASSOCIATES, INC.
CERTIFIED PUBLIC ACCOUNTANTS
www.jlrcpafirm.com

AICPA
Member of
American Institute of CPAs
Society of Louisiana CPAs

Independent Accountants' Report on Applying Agreed-Upon Procedures for the Year Ended December 31, 2025

Mr. Terry Byers, Chairman and
Members of the Board of Commissioners
Ponchatoula Area Recreation District No. 1
Ponchatoula, Louisiana

Louisiana Legislative Auditor
Baton Rouge, Louisiana

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2025 through December 31, 2025. Ponchatoula Area Recreation District No. 1's (the "District") management is responsible for those C/C areas identified in the SAUPs.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2025 through December 31, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are detailed in Schedule "A."

We were engaged by the District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

James, Lambert, Riggs & Associates

James Lambert Riggs & Associates, Inc.
Hammond, Louisiana

June 18, 2026

1) Written Policies and Procedures

A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

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

- **Results**: No exceptions were noted as a result of the above-mentioned procedures.

ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.

- **Results**: No exceptions were noted as a result of the above-mentioned procedures.

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

- **Results**: No exceptions were noted as a result of the above-mentioned procedures.

iv. ***Receipts / Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- **Results**: No exceptions were noted as a result of the above-mentioned procedures.

v. ***Payroll / Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

- **Results**: The policy did not address the approval process for employee rates of pay or approval and maintenance of pay rate schedules.

vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

- **Results**: No exceptions were noted as a result of the above-mentioned procedures.

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

- **Results**: No exceptions were noted as a result of the above-mentioned procedures.

viii. ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

- **Results**: No exceptions were noted as a result of the above-mentioned procedures.

ix. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

- **Results**: The policy did not address a system to monitor possible ethics violations.

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

- **Results**: No exceptions were noted as a result of the above-mentioned procedures.

xi. ***Information Technology Disaster Recovery / Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing /verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches / updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

- **Results**: The policy did not address use of antivirus software on all systems.

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

- **Results**: No exceptions were noted as a result of the above-mentioned procedures.

2) Board or Finance Committee

A. Obtain and inspect the board / finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and

i. Observe that the board / finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

- **Results**: No exceptions were noted as a result of the above-mentioned procedures.

ii. For those entities reporting on the governmental accounting model, review the minutes from all regularly scheduled board / finance committee meetings held during the fiscal year and observe whether the minutes from at least one meeting each month referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

- **Results**: No exceptions were noted as a result of the above-mentioned procedures.

iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

- **Results**: No exceptions were noted as a result of the above-mentioned procedures.

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

- **Results**: No exceptions were noted as a result of the above-mentioned procedures.

3) Bank Reconciliations

A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

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

- **Results**: No exceptions were noted as a result of the above-mentioned procedures.

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

- **Results**: No exceptions were noted as a result of the above-mentioned procedures.

iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

- **Results**: Two accounts had reconciling items that have been outstanding for more than 12 months from the statement closing date, but no documentation that management has researched these items.

4) Collections (excluding electronic funds transfers)

A. Obtain a listing of deposit sites for the fiscal period where deposits for cash / checks / money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

- **Results**: No exceptions were noted as a result of the above-mentioned procedures.

B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no

written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that

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

- **Results**: No exceptions were noted as a result of the above-mentioned procedures.

ii. Each employee responsible for collecting cash is not also responsible for preparing / making bank deposits, unless another employee / official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;

- **Results**: No exceptions were noted as a result of the above-mentioned procedures.

iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee / official is responsible for reconciling ledger postings to each other and to the deposit; and

- **Results**: No exceptions were noted as a result of the above-mentioned procedures.

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

- **Results**: No exceptions were noted as a result of the above-mentioned procedures.

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

- **Results**: No exceptions were noted as a result of the above-mentioned procedures.

D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and

i. Observe that receipts are sequentially pre-numbered.

- **Results**: No exceptions were noted as a result of the above-mentioned procedures.

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

- **Results**: One deposit selected did not have a deposit slip or electronic “Detail Deposit Report” for the deposit.

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

- **Results**: No exceptions were noted as a result of the above-mentioned procedures.

iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than $100 and the cash is stored securely in a locked safe or drawer).

- **Results**: Two deposits selected were not deposited within one business day of receipt at the collection location.

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

- **Results**: No exceptions were noted as a result of the above-mentioned procedures.

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

A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

- **Results**: No exceptions were noted as a result of the above-mentioned procedures.

B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that

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

- **Results**: No exceptions were noted as a result of the above-mentioned procedures.

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

- **Results**: No exceptions were noted as a result of the above-mentioned procedures.

iii. The employee responsible for processing payments is prohibited from adding / modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;

- **Results**: No review is being performed on changes / additions to the vendor list.

iv. Either the employee / official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

- **Results**: No exceptions were noted as a result of the above-mentioned procedures.

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

- **Results**: No exceptions were noted as a result of the above-mentioned procedures.

[Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and

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

- **Results**: No exceptions were noted as a result of the above-mentioned procedures.

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

- **Results**: No exceptions were noted as a result of the above-mentioned procedures.

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

- **Results**: Two electronic disbursements did not have a documented authorization or approval of the disbursement.

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

A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

- **Results**: No exceptions were noted as a result of the above-mentioned procedures.

B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and

i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., itemized receipts for credit / debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the

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

- **Results**: No exceptions were noted as a result of the above-mentioned procedures.

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

- **Results**: No exceptions were noted as a result of the above-mentioned procedures.

C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business / public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

- **Results**: One individual charge selected did not contain written documentation of the business / public purpose of the charge.

D. Using the list of terminated employees obtained in Payroll and Personnel procedure #9C identify those individuals who had access to cards and randomly select 5 terminated employees (or all terminated employees with card access if less than 5) from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees' authorization has been removed.

- **Results**: No exceptions were noted as a result of the above-mentioned procedures.

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

A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms / prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected

i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana (doa.la.gov/doa/ost/ppm-49-travel-guide/) or the U.S. General Services Administration (www.gsa.gov);

- **Results**: No exceptions were noted as a result of the above-mentioned procedures.

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

- **Results**: No exceptions were noted as a result of the above-mentioned procedures.

iii. Observe that each reimbursement is supported by documentation of the business / public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

- **Results**: One individual travel reimbursement selected did not contain written documentation of the business / public purpose of the reimbursement.

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

- **Results**: No exceptions were noted as a result of the above-mentioned procedures.

8) Contracts

A. Obtain from management a listing of all agreements / contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list*. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;

- **Results**: No exceptions were noted as a result of the above-mentioned procedures.

ii. Observe whether the contract was approved by the governing body / board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);

- **Results**: One contract was over the District's threshold requiring board approval and did not have such approval.

iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

- **Results**: No exceptions were noted as a result of the above-mentioned procedures.

iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

- **Results**: No exceptions were noted as a result of the above-mentioned procedures.

9) Payroll and Personnel

A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries / pay rates in the personnel files.

- **Results**: No exceptions were noted as a result of the above-mentioned procedures.

B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

- **Results**: No exceptions were noted as a result of the above-mentioned procedures.

ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

- **Results**: No exceptions were noted as a result of the above-mentioned procedures.

iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

- **Results**: No exceptions were noted as a result of the above-mentioned procedures.

iv. Observe the rate paid to the employees or officials agrees to the authorized salary / pay rate found within the personnel file.

- **Results**: No documentation of authorized current pay rates was found in the personnel files.

C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

- **Results**: No exceptions were noted as a result of the above-mentioned procedures.

D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums) have been paid, and any associated forms have been filed, by required deadlines.

- **Results**: No exceptions were noted as a result of the above-mentioned procedures.

10) Ethics

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

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

      - **Results**: No exceptions were noted as a result of the above-mentioned procedures.

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

      - **Results**: No exceptions were noted as a result of the above-mentioned procedures.

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

   - **Results**: No exceptions were noted as a result of the above-mentioned procedures.

11) Debt Service

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

   - **Results**: No exceptions were noted as a result of the above-mentioned procedures.

B. Obtain a listing of bonds / notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond / note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

   - **Results**: No exceptions were noted as a result of the above-mentioned procedures.

12) Fraud Notice

A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

   - **Results**: No exceptions were noted as a result of the above-mentioned procedures.

B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

- **Results**: The notice was viewed on the District's website, but was not seen posted on its premises.

13) Information Technology Disaster Recovery / Business Continuity

Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management"**:

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

- **Results**: We performed the procedure and discussed the results with management.

B. Obtain and inspect the entity's most recent documentation that it has tested / verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing / verifying backup restoration) and observe evidence that the test / verification was successfully performed within the past 3 months.

- **Results**: We performed the procedure and discussed the results with management.

C. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

- **Results**: We performed the procedure and discussed the results with management.

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

- **Results**: We performed the procedure and discussed the results with management.

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

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

- **Results**: We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

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

- **Results**: No exceptions were noted as a result of the above-mentioned procedures.

B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

- **Results**: No exceptions were noted as a result of the above-mentioned procedures.

C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:

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

- **Results**: No exceptions were noted as a result of the above-mentioned procedures.

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

- **Results**: No exceptions were noted as a result of the above-mentioned procedures.

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

- **Results**: No exceptions were noted as a result of the above-mentioned procedures.

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

- **Results**: No exceptions were noted as a result of the above-mentioned procedures.

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

- **Results**: No exceptions were noted as a result of the above-mentioned procedures.

Ponchatoula Area Recreation District No. 1
19030 Ponchatoula Park Drive Ponchatoula, LA 70454
985-370-7273 Fax 985-370-7270
www.pard1.com

James Lambert Riggs and Associates Inc.
401 E Thomas St.
Hammond, LA 70401

June 22, 2026

Dear Mr. Riggs.

In response to the statewide Agreed- upon procedures Engagement for the year ended December the 31st. 2025:

Written policies and procedures

Payroll / Personnel

The district will address the approval process for employee rate of pay or approval and maintenance of pay rate.

Ethics

The district will create a system to monitor possible ethics violations.

Information Technology Disaster Recovery / Business Continuity

The district will address use of antivirus software on all systems.

Bank reconciliation

Management will research outstanding items and document the findings.

Collections

The district will ensure that documentation of bank deposits is available.

Deposits will be made within one business day.

Non-Payroll Disbursements

An employee other than the employee responsible for processing payments will periodically review the vendor list.

All documentation of disbursement will be approved.

Credit Cards/ Debit Cards/Fuel Cards/Purchase Cards

All documentation of disbursement will contain the business/ public purpose of the charge.

Terry Byers Chairman | **Kyle Mitchell** Co-Chairman | **Marshall Graves** Commissioner | **Christy Whitaker** Commissioner | **Jenel Secrease** Commissioner

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Travel and Travel-Related Expense Reimbursements

All travel reimbursement will contain written documentation of the business /public purpose of reimbursement.

Contracts

The district will ensure all contracts over the current district threshold receive board approval.

Payroll and Personnel

Documentation of all authorized current pay rates will be placed in each employee files.

Fraud Notice

The Fraud Notice will be posted on the district premises.

Chris Mouswaswa, Executive Director

Letisha Smith

Letisha Smith, Deputy Director

Terry Byers Chairman
Kyle Mitchell Co-Chairman
Marshall Graves Commissioner
Christy Whitaker Commissioner
Jenel Secrease Commissioner