HAMMOND AREA RECREATION DISTRICT NO. 1
HAMMOND, LOUISIANA

ANNUAL FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2025

Hammond Area Recreation District No. 1
Hammond, Louisiana
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As of and for the Year Ended December 31, 2025

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Independent Auditor's Report

Mr. Jeff Cooper, Chairman
and Members of the Board of Directors
Hammond Area Recreation District No. 1
Hammond, LA 70404

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the general fund of the Hammond Area Recreation District No. 1 of Tangipahoa Parish (the "District"), a component unit of Tangipahoa Parish Government, 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 respective financial position of the governmental activities and the general fund 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 standard 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 Responsibility for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusions, 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 judgement 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 judgement 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 Schedule on page 26 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 Compensation, Benefits, and Other Payments to Agency Head is presented for purposes of additional analysis and is 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 Compensation, Benefits, and Other Payments to Agency Head is 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 22, 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 22, 2026

Basic Financial Statements

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

Exhibit A

	Governmental Activities
Assets	
Cash and Cash Equivalents	$ 686,447
Accounts Receivable, Net of Allowance for Uncollectibles	4,209,043
Restricted Assets:	
Cash Held in Trust - Revenue Bond Debt Service	8,149,791
Capital Assets Not Being Depreciated:	
Land	3,622,682
Construction in Progress	5,412,513
Capital Assets, Net of Accumulated Depreciation	12,360,577
Right of Use Assets, Net of Accumulated Amortization	182,967
Total Assets	$ 34,624,020
Liabilities	
Accounts Payable	$ 194,872
Accrued Expenses Payable	755,396
Retainage Payable	250,838
Pension Fund Mandate Payable	156,990
Accrued Interest Payable	175,048
Accrued Compensated Absenses	72,861
Capital Lease Obligation - Current	34,511
Long-Term Debt - Current	1,535,000
Capital Lease Obligation - Non-Current	72,228
Long-Term Debt - Non-Current	16,770,000
Total Liabilities	$ 20,017,744
Net Position	
Net Investment in Capital Assets	$ 2,991,952
Restricted	8,149,791
Unrestricted	3,464,533
Total Net Position	$ 14,606,276

The accompanying notes are an integral part of this statement.

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

	Governmental Activities
Expenses:	
Parks and Recreation:	
Salaries and Related Benefits	$ 1,400,532
Ground Maintenance Service	664,132
Legal & Professional	33,024
Repairs & Maintenance	751,115
Telephone & Utilities	208,517
Office Expenses	61,454
Insurance	154,748
Pension Mandate Deduction	156,990
Bad Debt Expense	62,488
Other	148,451
Depreciation Expense	798,086
Amortization Expense	16,633
Interest on Debt Service	708,894
Bond Issuance Costs	-
Total Expenses	5,165,064
Program Revenues:	
Charges for Services - Program and User Fees	661,379
Total Program Revenues	661,379
Net Program (Expense) / Revenue	(4,503,685)
General Revenues:	
Ad Valorem Taxes	4,207,369
PILOT Revenue	88,654
Concessions Income	139,896
Sponsorships	212,182
Interest Income	538,936
Other Income	10
Total General Revenues	5,187,047
Change in Net Position	683,362
Net Position:	
Beginning of the Year	13,922,914
End of the Year	$ 14,606,276

The accompanying notes are an integral part of this statement.

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

Exhibit C

		General Fund
Assets		
Cash and Cash Equivalents	$	686,447
Accounts Receivable, Net of Allowance for Uncollectibles		4,209,043
Restricted Assets:		
Cash Held in Trust		8,149,791
Total Assets	$	13,045,281
Liabilities and Fund Balances		
Liabilities:		
Accounts Payable	$	194,872
Accrued Expenses Payable		755,396
Retainage Payable		250,838
Pension Fund Mandate Payable		156,990
Total Liabilities		1,358,096
Deferred Inflows of Resources:		
Unavailable Revenues - Ad Valorem Taxes		288,591
Total Deferred Inflows of Resources		288,591
Fund Balances:		
Restricted for Debt Service		2,226,365
Restricted for Future Construction		5,923,426
Unassigned		3,248,803
Total Fund Balances		11,398,594
Total Liabilities and Fund Balances	$	13,045,281

The accompanying notes are an integral part of this statement.

Hammond Area Recreation District No. 1
Hammond, 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

Total Fund Balances, Governmental Funds (Exhibit C)	$ 11,398,594
Amounts reported for governmental activities in the statement of net position are different because:	
Governmental Capital Assets, Net of Depreciation	21,395,772
Governmental Right of Use Assets, Net of Amortization	182,967
In the statement of net position, interest is accrued on outstanding debt, whereas in governmental funds, interest expenditures is reported when due.	(175,048)
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the governmental funds:	
Compensated Absences	(72,861)
Current (Short-Term) Obligations:	
Lease Obligations	(34,511)
Revenue Bonds	(1,535,000)
Non-Current (Long-Term) Obligations:	
Lease Obligations	(72,228)
Revenue Bonds	(16,770,000)
Certain ad valorem taxes are not available to pay for current-period expenditures and therefore are reported as deferred inflows of resources in the govermental funds.	288,591
Net Position of Governmental Activities (Exhibit A)	$ 14,606,276

The accompanying notes are an integral part of this statement.

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

	General Fund
Revenues:	
Ad Valorem Taxes	$ 3,918,778
PILOT Revenue	88,654
Program and User Fees	661,379
Concessions Income	139,896
Sponsorships	212,182
Interest Income	538,936
Other Income	10
Total Revenues	5,559,835
Expenditures:	
Parks and Recreation:	
Salaries and Related Benefits	1,327,671
Ground Maintenance Service	664,132
Legal & Professional	33,024
Repairs & Maintenance	751,115
Telephone & Utilities	208,517
Office Expenses	61,454
Insurance	154,748
Pension Mandate Deduction	156,990
Bad Debt Expense	62,488
Other	148,451
Capital Outlay	8,016,238
Debt Service:	
Principal	1,543,503
Interest	737,743
Total Expenditures	13,866,074
Excess of Revenues over Expenditures	(8,306,239)
Fund Balance - Beginning of the Year	19,704,833
Fund Balance - End of the Year	$ 11,398,594

The accompanying notes are an integral part of this statement.

Hammond Area Recreation District No. 1 Exhibit F
Hammond, 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

Net Change in Fund Balances, Governmental Funds (Exhibit E)	$ (8,306,239)
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	8,016,238
Depreciation Expense	(798,086)
Amortization Expense	(16,633)
Annual changes in accrued compensated absences are not due and payable in the current period and therefore, are not reported in the governmental funds. In the statement of activities, these changes are recorded against current year payroll expenses.	(72,861)
The District's receipt of a donation of land and building is not recorded in the governmental funds on the modified-accrual basis of accounting, but is recorded on the government-wide statement of activities on the accrual basis of accounting.	-
In the statement of activities, interest is accrued on outstanding debt, 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	203,897
Current Year Accrued Interest	(175,048)
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.	
Bond Proceeds	-
Lease Payments	33,503
Repayments of Long-Term Debt	1,510,000
Ad valorem tax revenues in the government-wide statement of activities include economic resources that are not reported as revenues in the governmental fund operating	288,591
Change in Net Position of Governmental Activities (Exhibit B)	$ 683,362

The accompanying notes are an integral part of this statement.

Notes to the Financial Statements

Narrative Profile

The Hammond Area Recreation District No. 1, Hammond, Louisiana, was created by an ordinance of the Tangipahoa Parish Council on May 28, 1996, *"as a recreation district to consist of territorial lands and property, both real and personal, in the parish, in accordance with Louisiana Revised Statute (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 "Hammond Area Recreation District No. 1"* (the "District").

The District contains within its limits one municipality, the City of Hammond, Louisiana. 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, 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. Revenues for the District include property taxes. Major expenditures of the District include ground maintenance, capital outlay, and debt service.

1. Summary of Significant Accounting Policies

A. Basis of Presentation

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

Such accounting and reporting procedures also conform to the requirements of LRS 24:513 and to the guidance 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

All board members of the District are appointed by the Tangipahoa Parish Council (hereinafter referred to as the "Council"). As the governing authority of the parish, for reporting purposes, the Council is the financial reporting entity for Tangipahoa Parish. The financial reporting entity consists of (a) primary government (parish council), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Because the board members of the District are appointed by the Council, the District was determined to be a component unit of the Council, the financial reporting entity.

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 governmental services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. Basic Financial Statements – Government-Wide Financial Statements

The District's basic financial statements include both government-wide (reporting on the District as a whole) and fund financial statements (reporting the District's major fund). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. All District activities are classified as governmental activities. The District has no business-type activities.

Statement of Net Position – In the government-wide Statement of Net Position, the governmental activities (a) are presented on a consolidated basis, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

Statement of Activities – The government-wide Statement of Activities reports both the gross and net cost of the District's functions. The functions are also supported by general revenues (property taxes, interest income, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. Program revenues must be directly associated with the ongoing operations of the District. Operating grants include operating-specific and discretionary (either operating or capital) grants, while capital grants report capital-specific grants and contributions. The net costs (by function) are normally covered by general revenues.

The District does not allocate indirect costs.

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

D. Basic Financial Statements – Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures.

The emphasis in fund financial statements is on the major funds. Non-major funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures / expenses of either fund category or the governmental and business-type combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements. The District has no business-type funds.

Governmental Funds – The focus of the governmental funds' measurement (in the fund statements) is the determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income.

The District reports the following governmental fund:

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.

The activities reported in this fund are reported as governmental activities in the government-wide financial statements.

E. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide Statement of Net Position and Statement of Activities are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these activities are either included on the Statement of Net Position.

The Statement of Net Position and the Statement of Activities are presented on the accrual basis of accounting. Under this method of accounting, revenues are recognized when earned and expenses are recorded when liabilities are incurred without regard to receipt or disbursement of cash.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet in the funds statements. Capital assets and long-term liabilities are included in the government-wide statements. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net fund balances.

The fund financial statements of the governmental funds are maintained and reported on the modified accrual basis of accounting. Under this method of accounting, revenues are recognized in the period in which they become 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 year-end. Interest income is recorded as earned. Federal and state reimbursement-type grants are recorded as revenue when related eligible expenditures are incurred. Expenditures are recorded when the fund liability is incurred.

F. Budgets and Budgetary Accounting

Budgetary procedures applicable to the District are defined in LRS 39:1301-15. The major requirements of the 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 Directors 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. The proposed budget for 2025 was presented to the Board of Directors on November 19, 2024. The public was notified that the proposed budget was available for inspection. A public hearing on the proposed budget was held on December 19, 2024. After the public hearing the budget was adopted on December 19, 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 not amended for 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 Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – 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.

G. Cash, Cash Equivalents, and Investments

The District's cash includes amounts in demand deposits, interest bearing demand deposits, and money market accounts. 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. Under State law, the District may also 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 are stated at fair value using published market values.

Certain proceeds of the District's 2021 Refunding Bonds and 2024 Limited Tax Revenue Bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. The "revenue bond debt service" accounts are used to segregate resources accumulated for debt service payments over the next twelve months.

H. Receivables and Allowance for Uncollectible Accounts

Receivables are shown net of an allowance for uncollectibles. The District calculates its allowance for uncollectible property taxes using historical collection data and, in certain cases, specific account analysis. Uncollectible amounts for property taxes are recorded as a reduction of current revenues.

I. 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.

J. Capital Assets and Right-of-Use-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 $1,000 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 on the date donated.

Interest incurred during construction is capitalized on a government-wide basis. Interest attributable to capitalized assets as of December 31, 2025, was immaterial.

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.

Right-of-use assets are a result of leases in which the District has entered into a contract with a lessor that conveys control of the right to use the lessor's nonfinancial asset as specified by the contract for a period of time in exchange or exchange-like transaction. Such assets are reported on the government-wide financial statements net of amortization at the lessor of the useful life or lease term.

K. Long-Term Obligations

In the government-wide financial statements, debt principal payments of 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.

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 is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources. 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 will accumulate sick leave at the rate of 96 hours per year. During the first pay period of each year and the first pay period of employment, an employee will earn 3.50 hours of sick leave. The employee will earn 3.70 hours of leave per pay period from the second pay period through the remainder of the year. An employee is eligible to utilize sick leave time after 45 days of continuous employment.

Annual Leave

Full-time employees will earn annual leave at the rate of 80 hours per year. During the first pay period of each year and the first pay period of employment, an employee will earn 3.075 hours of annual leave. The employee will earn 3.077 hours per pay period from the second pay period through the end of the year. An employee is eligible to utilize leave after 90 days of continuous employment.

The Director of the District will earn annual leave at the rate of 120 hours per year. During the first pay period of each year and the first pay period of employment, the Director will earn 4.5 hours of annual leave. The Director will earn 4.62 hours per pay period from the second pay period through the end of the year. The Director is eligible to utilize leave after 90 days of continuous employment.

The cost of sick leave, vacation and compensatory time benefits, as estimated in accordance with GASB Statement No. 101, *Compensated Absences*, is reported as a long-term liability in the government-wide statement of net position as of December 31, 2025.

The District's compensated absences as of December 31, 2025, totaled $72,861.

M. 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 – 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.

N. Fund Balance

In the governmental fund financial statements, fund balance is classified as follows:

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 because of enabling legislation, State or Federal laws, or externally imposed by grantors, creditors, or citizens. Proceeds of the sale of bonds and ad valorem tax receivables are considered restricted due to the funds being restricted for construction and debt service, respectively.

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

4. Assigned Fund Balance – amounts that are 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.

The District considers restricted fund balances to be spent for governmental expenditures first when both restricted and unrestricted resources are available.

As of December 31, 2025, the District did not have any nonspendable, committed, or assigned fund balances.

O. 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 one item that qualifies for reporting in the category on the balance sheet, which are unavailable ad valorem taxes.

P. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 reporting period. Actual results could differ from those estimates

2. Stewardship, Compliance, and Accountability

A. Budgetary Information

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

B. Deposits, 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.

3. Cash, Cash Equivalents, and Investments

As reflected on Exhibit A, the District has cash totaling $8,836,238 (of which $8,149,791 is restricted) 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 following is a summary of cash and investments (bank balances) at December 31, 2025, with the related federal deposit insurance and pledged securities:

Bank Balances:		
Insured (FDIC Insurance)	$	511,349
Uninsured and Collateralized:		
Collateral held by pledging bank's trust department not in the District's name		8,334,451
Uninsured and Uncollateralized		-
Total Deposits	$	8,845,800

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.

Deposits collateralized by pledged securities are considered to be exposed to credit risk (Category 3) under the provisions of GASB Statement 40. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of December 31, 2025, the District's bank balances of $8,334,451 were exposed to custodial credit risk. The District does not have a deposit policy for custodial risk.

As of December 31, 2025, the District was in compliance with State law which requires any uninsured cash balances with the fiscal agent bank to be adequately collateralized by a pledge of securities.

4. Receivables

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

Tangipahoa Parish Sheriff - Ad Valorem Taxes	$	4,248,836
Other Receivables		2,695
Less: Allowance for Uncollectibles		(42,488)
Accounts Receivable, Net of Allowance for Uncollectibles	$	4,209,043

5. Capital Assets

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

	Balance 01/01/25	Increases	Decreases	Balance 12/31/25
Capital Assets not Depreciated:				
Construction in Progress	$ 1,107,135	$ 5,066,515	$ 761,137	$ 5,412,513
Land	3,622,682	-	-	3,622,682
Total Capital Assets not Depreciated	4,729,817	5,066,515	761,137	9,035,195
Other Capital Assets:				
Buildings	5,890,105	109,280	-	5,999,385
Equipment	607,940	1,120,481	-	1,728,421
Furniture & Fixtures	11,568	5,300	-	16,868
Land Improvements	9,973,607	2,475,800	-	12,449,407
Total Other Capital Assets	16,483,220	3,710,861	-	20,194,081
Less Accumulated Depreciation:				
Buildings	1,384,522	147,953	-	1,532,475
Equipment	426,612	95,109	-	521,721
Furniture & Fixtures	7,316	1,483	-	8,799
Land Improvements	5,216,968	553,541	-	5,770,509
Total Accumulated Depreciation	7,035,418	798,086	-	7,833,504
Other Capital Assets, Net	9,447,802	2,912,775	-	12,360,577
Totals	$ 14,177,619	$ 7,979,290	$ 761,137	$ 21,395,772

Capital assets are stated at cost, less an allowance for accumulated depreciation. Depreciation expense for the year ended December 31, 2025 is $798,086. Depreciation expense is computed using the straight-line method of the estimated useful lives as follows:

Land	N/A
Buildings	40 Years
Land Improvements	20 - 30 Years
Equipment	5 - 15 Years

6. Leases

On October 21, 2021, the District entered into a lease purchase agreement with Government Capital Corporation for the purchase of a lighting system for two existing fields. The lease is for 84 months with seven (7) annual payments of $37,724.78 at an interest rate of 2.97%. The lease contains a bargain purchase agreement at the end of the lease. At December 31, 2025, the District recorded an asset of $249,500 with accumulated amortization of $66,533. The balance of the lease is $106,739 with a current portion of $34,511 as of December 31, 2025. Total payments during 2025 totaled $33,503 of principal and $4,222 of interest.

The following is a summary of the changes in the capital lease payable for the year ended December 31, 2025:

	Balance at 01/01/25	Debt Issued	Debt Retired	Balance at 12/31/25
Capital Lease - Lighting System	$ 140,241	$ -	$ 33,502	$ 106,739

The annual requirements to amortize outstanding debt at December 31, 2025, are as follows:

Year Ended December 31,	Lease Payments
2026	$ 37,725
2027	37,725
2028	37,725
2029	-
Thereafter	-
	113,175
Less: Interest Portion	6,436
	$ 106,739

7. Changes in Long-Term Debt

The following is a summary of debt transactions for the District for the year ended December 31, 2025:

Type of Debt	Balance at 01/01/25	Debt Issued	Debt Retired	Balance at 12/31/25	Due Within One Year
Series 2024 $16,770,000 Revenue Bonds	$ 16,770,000	$ -	$ -	$ 16,770,000	$ -
Series 2021 $7,635,000 Refunding Bonds	3,045,000	-	1,510,000	1,535,000	1,535,000
	$ 19,815,000	$ -	$ 1,510,000	$ 18,305,000	$ 1,535,000

Long-term debt at December 31, 2025, is comprised of the following:

$7,635,000 Refunding Bonds, Series 2021 dated January 7, 2021; Due in annual installments of $160,000 - $1,535,000 through April 1, 2026; With interest at 1.15% (Payable from a pledge and dedication of the proceeds of a 15-year, 10 mill ad valorem tax).	$ 1,535,000
$16,770,000 Limited Tax Revenue Bonds, Series 2024 dated September 18, 2024; Due in annual installments of $835,000 - $1,455,000 through April 1, 2041; With interest at 4.070% (Payable from a pledge and dedication of the proceeds of a 15-year, 10 mill ad valorem tax).	$ 16,770,000

Payments of principal and interest on the Refunding and Revenue Bonds are secured by a pledge and dedication of the proceeds of the ten (10.00) mills, fifteen (15) year property tax approved by the District voters on April 27, 2024.

The annual requirements to amortize all debt outstanding at December 31, 2025, including interest payments of $6,655,343 are as follows:

Year Ended December 31,	$7,635,000 Bonds	$16,770,000 Bonds	Total
2026	$ 1,543,826	$ 682,539	$ 2,226,365
2027	-	1,517,539	1,517,539
2028	-	1,513,555	1,513,555
2029	-	1,518,349	1,518,349
2030	-	1,516,516	1,516,516
2031 - 2041	-	16,668,019	16,668,019
	1,543,826	23,416,517	24,960,343
Less: Interest Portion	8,826	6,646,517	6,655,343
	$ 1,535,000	$ 16,770,000	$ 18,305,000

On January 7, 2021, the District issued $7,635,000 Series 2021 Revenue Refunding Bonds for the purpose of refunding $6,990,000 of the outstanding balance of the Series 2015 Revenue Bonds and interest associated with the Series 2015 Revenue Bonds. The net proceeds of $7,458,461 (after payment of $176,539 in cost of issuance) were used to pay in full (plus interest of $3,290) the remaining $375,000 balance of the Series 2011 $760,000 Bonds with the remaining $7,080,171 being used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2015 Series bonds. This advance refunding was undertaken to decrease total debt service payments over the next 5 years by $128,584.

The advance refunding of the Series 2015 bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $4,980.

On September 18, 2024, the District issued $16,770,000 Series 2024 Limited Tax Revenue Bonds for the purpose of providing funds to acquire, construct, improve and equip parks, playgrounds, recreation centers and other recreational facilities within the District; funding a debt service reserve fund or reserve fund surety and capitalized interest; and if necessary, paying the costs of issuing the Bonds, including bond insurance premium.

8. Ad Valorem Taxes

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

General Fund	10.00 Mills

Ad valorem taxes attach as an enforceable lien on property on January 1 each year. Taxes are levied by the District during the year, are billed to taxpayers, and become due in November. Billed taxes become delinquent on December 31. Revenues from ad valorem taxes are budgeted in the year billed and recognized as revenue when billed.

The Tangipahoa Parish Sheriff's Office bills and collects the property taxes using the assessed value determined by the Tax Assessor of Tangipahoa Parish. The taxes are generally collected in December of the current year and January and February of the ensuing year. For 2025, the District levied 10.00 mills for a total tax levy of $4,248,836 on taxable property valuation totaling $424,883,581.

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

Proceeds of the 15-year special tax of 10 mills on the dollar of assessed valuation on all property subject to taxation in the District (2025 collections of $4,248,836) are dedicated for the purpose of construction, acquisition, operation and maintenance of parks, playgrounds, recreation centers and other recreational facilities within the District, including, but not limited to, new soccer, football, baseball and softball playing fields, a gymnasium and property, furnishings and equipment therefore.

The District, through its governing authority, adopted a resolution on June 25, 2020, authorizing the issuance of $7,635,000 Refunding Bonds, Series 2021, for the purpose of refunding $6,990,000 of the Series 2015 revenue bonds. In that resolution, the proceeds of the ten (10.00) mills, fifteen (15) 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 July 25, 2024, authorizing the issuance of $16,770,000 Revenue Bonds, Series 2024, for the purpose of improvement projects and funding the capitalized interest on those projects and paying bond issuance costs. In that resolution, the proceeds of the ten (10.00) mills, fifteen (15) 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.

Various bond covenants related to annual audits, establishing special funds, record keeping, and the flow of funds have been included in the bond resolution adopted June 25, 2020 and July 25, 2024. As of December 31, 2025, the District was in compliance with these various bond covenants.

10. Tax Abatement

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. There are currently 16 tax abatements in Tangipahoa Parish, related to 9 companies, under the Louisiana ITEP. For the 2025 calendar year, estimated forgone ad valorem taxes due to this abatement program was $16,442.

11. Compensation Paid to the Board of Directors

The Schedule of Compensation Paid to the Board of Directors is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

Compensation paid to the Board of Directors for the year ended December 31, 2025, is as follows:

Jeff Cooper, Chairman	$ -
Guy Recotta	-
Jessica Bennet	-
Robert Williams (January - June 2025)	-
Robert Williams Jr. (July - December 2025)	-
Duane Shafer	-
	$ -

12. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 22, 2026.

As of April 2026, the District completed two major construction projects that totaled approximately $940,000 for northeast parking and site improvements and $849,950 for playground improvements. The related construction costs and liabilities were accrued in the District's financial statements as of December 31, 2025. Accordingly, the completion of these projects represents the settlement of those amounts.

No other subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Required Supplemental Information

Hammond Area Recreation District No. 1 Schedule 1
Hammond, Louisiana
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – General Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual Amounts	Final Budget Variance - Favorable / (Unfavorable)
Revenues:				
Ad Valorem Taxes	$ 3,823,208	$ 3,823,208	$ 3,918,778	$ 95,570
PILOT Revenue	65,007	65,007	88,654	23,647
Program and User Fees	579,500	579,500	661,379	81,879
Concessions Income	60,000	60,000	139,896	79,896
Sponsorships	201,000	201,000	212,182	11,182
Interest Income	70,000	70,000	538,936	468,936
Other Income	-	-	10	10
Total Revenues	4,798,715	4,798,715	5,559,835	761,120
Expenditures:				
Parks and Recreation:				
Salaries and Related Benefits	1,521,000	1,521,000	1,327,671	193,329
Ground Maintenance Service	640,000	640,000	664,132	(24,132)
Legal & Professional	35,000	35,000	33,024	1,976
Repairs & Maintenance	371,000	371,000	751,115	(380,115)
Telephone & Utilities	160,000	160,000	208,517	(48,517)
Office Expenses	51,100	51,100	61,454	(10,354)
Insurance	100,000	100,000	154,748	(54,748)
Pension Mandate Deduction	139,000	139,000	156,990	(17,990)
Bad Debt Expense	15,000	15,000	62,488	(47,488)
Other	79,500	79,500	148,451	(68,951)
Capital Outlay	11,440,000	11,440,000	8,016,238	3,423,762
Debt Service	1,573,416	1,573,416	2,281,246	(707,830)
Total Expenditures	16,125,016	16,125,016	13,866,074	2,258,942
Excess (Deficiency) of Revenues over Expenditures	(11,326,301)	(11,326,301)	(8,306,239)	3,020,062
Fund Balance - Beginning of the Year	19,861,335	19,861,335	19,704,833	(156,502)
Fund Balance - End of the Year	$ 8,535,034	$ 8,535,034	$ 11,398,594	$ 2,863,560

See auditor's report.

Other Supplemental Information

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

Schedule 2

Agency Head: Ryan Barker, Director

Purpose	Amount
Salary	$ 120,371
Benefits - Insurance	20,315
Benefits - Retirement	13,241
Deferred Compensation	-
Benefits - Other - Supplemental Pay	-
Car Allowance	-
Vehicle Provided by Government	-
Vehicle Rental	-
Cell Phone	-
Dues	-
Per Diem	-
Reimbursements	-
Travel	-
Registration Fees	-
Conference Travel	-
Housing	-
Unvouchered Expenses	-
Special Meals	-
Other	-
	$ 153,927

See auditor's report.

Other Independent Auditor's Reports and Findings 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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American Institute of CPAs
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. Jeff Cooper, Chairman
and Members of the Board of Directors
Hammond Area Recreation District No. 1
Hammond, LA 70404

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund of the Hammond Area Recreation District No. 1 of Tangipahoa Parish (the "District"), a component unit of Tangipahoa Parish Government, 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 report thereon dated June 22, 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 weaknesses, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements.

However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2025-001.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

James Lambert Riggs
& Associates

James Lambert Riggs & Associates, Inc.
Hammond, Louisiana

June 22, 2026

Hammond Area Recreation District No. 1
Hammond, Louisiana
Schedule of Current Year Findings and Questioned Costs
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 and the general fund of the Hammond 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 22, 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	___ Yes	X No
Significant Deficiencies	___ Yes	X No
Compliance:		
Noncompliance 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

None

Compliance and Other Matters

2025-001 – Public Bid Law

Condition:

During our audit and testing of compliance for the year end December 31, 2025, we noted the District may not have complied with Louisiana Public Bid Law in the following instances:

- In connection with ongoing improvement projects, a public works contract was entered into for construction site preparation at a cost in excess of $250,000. Though multiple bids were received, and the lowest bid was selected, the advertisements for the project could not be obtained.
- Additionally, baseball equipment was purchased at a cost above $30,000 but less than $60,000. There was no documentation of any quotes received for this purchase.

Criteria:

Public Bid Law procedures applicable to the District are specified in state law, LRS 38:2211-2296. The pertinent parts of the law and the manner in which the District may not have complied are as follows:

- LRS 38:2212(A)(1) requires *"All public work exceeding the contract limit as defined in this Section, including labor and materials, to be done by a public entity, shall be advertised and let by contract to the lowest responsible and responsive bidder who had bid according to the bidding documents as advertised, and no such public work shall be done except as provided in this Part. "* Furthermore LRS 38:2212 C.(1) *"Except as provided in Paragraphs (2), (3), and (4) of this Subsection, the term "contract limit" as used in this Section shall be equal to the sum of two hundred fifty thousand dollars per project"*

- LRS 38:§2212.1(A)(1)(b) *"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."*

Cause:

The District believed, for the public works project, that it had been advertised as required by public bid law. Additionally, the District believed that the baseball equipment was not subject to public bid as it was equipment being replaced with insurance proceeds from hurricane damage and was obtained at the original price.

Effect:

Failure to follow the legal requirements for public bid law could potentially result in the District not complying with the public bid laws specified in LRS 38:2211-2296.

Recommendation:

We recommend the District review the Public Bid Law requirements and strengthen procurement policies and internal controls to ensure compliance.

Management's Response:

See management's response dated June 25, 2026.

Hammond Area Recreation District No. 1
Hammond, Louisiana
Summary of Prior Year Audit Findings
For the Year Ended December 31, 2025

Ref #	Fiscal Year Findings Initially Occurred	Description of Findings	Corrective Action Taken

Internal Control over Financial Reporting

None

Compliance and Other Matters

None

Note: This schedule has been prepared by the management of the Hammond Area Recreation District No. 1.

HAMMOND AREA
H.A.R.D #1
RECREATIONAL DISTRICT #1

19325 Hipark Blvd.
Hammond, LA 70403

P.O. Box 1305
Hammond, LA 70404

Phone
(985) 543-6767

June 25, 2026
James, Lambert, Riggs and Associates, Inc
Post Office Drawer 369
Hammond, Louisiana 70404

Management of the Hammond Area Recreation District #1, Hammond Louisiana would like to present the following response to the results of the December 31, 2025, Report on Internal Controls over Financial Reporting and Compliance conducted by James, Lambert, Riggs and Associates, Inc.

Public Bid Law

Management of Hammond Area District #1 agrees with the auditors depiction of the inefficiency with compliance. Management were under the impression the indicated party had advertised the project and have become more familiar with the public bid law and are creating tighter internal controls to avoid it happening again.
Management is also now more aware of the $30,000 to $60,000 projects must collect no less than three quotes, regardless of using that vendor in past purchases.

Ryan Barker
Executive
Director

HAMMOND 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

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

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

Mr. Jeff Cooper, Chairman and
Members of the Board of Directors
Hammond Area Recreation District No. 1
Post Office Box 1305
Hammond, 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. The Hammond 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 22, 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 listed 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 listed procedures.

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

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

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 listed 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 listed procedures.

viii. ***Credit Cards (and debit cards, fuel cards, P-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 listed 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:** No exceptions were noted as a result of the above listed procedures.

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 listed 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:** No exceptions were noted as a result of the above listed procedures.

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 listed 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 listed 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 referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, 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 listed 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 listed 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 listed 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 listed 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, electronically logged); and

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

Schedule A

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).

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 (i.e., 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 listed procedures.

   ii. Each employee responsible for collecting cash is not 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 listed 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.

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

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

      - **Results:** No exceptions were noted as a result of the above listed 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 listed 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). *Alternately, 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 listed procedures.

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

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

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 listed procedures.

iv. Observe 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:** One of the deposits selected was not marked when it was received to determine if the deposit was made within one business day.

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

- **Results:** No exceptions were noted as a result of the above listed 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).

B. For each location selected under #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 listed 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 listed 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 exceptions were noted as a result of the above listed procedures.

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.

- **Results:** No exceptions were noted as a result of the above listed 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 listed 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 #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 deliverables included on the invoice were received by the entity.

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

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

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

6. Credit Cards / Debit Cards / Fuel Cards / P-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 listed 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., original 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.

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

C. Using the monthly statements or combined statements selected under #12 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 (i.e., each card should have 10 transactions subject to testing). For each transaction, observe 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:** No exceptions were noted as a result of the above listed procedures.

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 listed 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 the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

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

ii. If reimbursed using actual costs, observe 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 listed procedures.

iii. Observe 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 #1h.

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

iv. Observe 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 listed 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. *Alternately, 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:** One of the five contracts selected did not meet the advertising requirements in accordance with the Louisiana Public Bid Law.

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:** No exceptions were noted as a result of the above listed procedures.

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).

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

Schedule A

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 listed procedures.

B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #16 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 listed 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 listed procedures.

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

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

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

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

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 or officials' 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 listed 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, etc.) have been paid, and any associated forms have been filed, by required deadlines.

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

      - **Results:** Three of the five selected employees did not complete one hour of ethics training during the calendar year as required by R.S. 42:1170.

   ii. Observe whether the entity maintains documentation which demonstrates 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 listed 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 listed 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 listed 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 listed 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 listed procedures.

B. Observe 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:** No exceptions were noted as a result of the above listed procedures.

13. Information Technology Disaster Recovery / Business Continuity

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

i. 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.

ii. Obtain and inspect the entity's most recent documentation that it has tested / verified that its backups can be restored (if 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.

iii. 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.

B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in 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.

C. 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:** Three of the five selected employees did not complete one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

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 listed 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 listed procedures.

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

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

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

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

H.A.R.D. #1
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June 25, 2026
James, Lambert, Riggs and Associates, Inc
Post Office Drawer 369
Hammond, Louisiana 70404

Management of the Hammond Area Recreation District #1, Hammond Louisiana would like to present the following response to the results of the December 31, 2025, Statewide Agreed Upon Procedures conducted by James, Lambert, Riggs and Associates, Inc.

Training

Agency Response: Management of the Hammond Area Recreation District #1 have fixed internal controls regarding training and has hired adequate administrative staff to allow the tracking and management of employee training.

Ryan Barker
Executive
Director