

**HAMMOND AREA RECREATION DISTRICT NO. 1
HAMMOND, LOUISIANA**

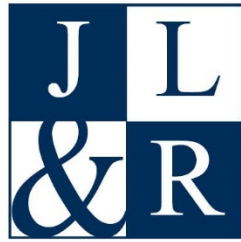
ANNUAL FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2024

Hammond Area Recreation District No. 1
Hammond, Louisiana
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As of and for the Year Ended December 31, 2024

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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, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the District, as of December 31, 2024, 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.

Emphasis of Matter - Change in Accounting Principle

As described in Note 1 to the financial statements, in 2024, the District adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

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.

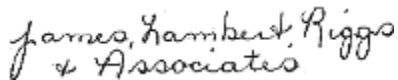
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required 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 23, 2025, 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, Inc.
Hammond, Louisiana

June 23, 2025

Basic Financial Statements

Hammond Area Recreation District No. 1
Hammond, Louisiana
Statement of Net Position
December 31, 2024

Exhibit A

	<u>Governmental Activities</u>
<i>Assets</i>	
Cash and Cash Equivalents	\$ 845,751
Accounts Receivable, Net of Allowance for Uncollectibles	4,023,398
Restricted Assets:	
Cash Held in Trust - Revenue Bond Debt Service	15,644,256
Capital Assets Not Being Depreciated:	
Land	3,622,682
Construction in Progress	1,107,135
Capital Assets, Net of Accumulated Depreciation	9,447,802
Right of Use Assets, Net of Accumulated Amortization	<u>199,600</u>
Total Assets	<u><u>\$ 34,890,624</u></u>
<i>Liabilities</i>	
Accounts Payable	\$ 658,747
Pension Fund Mandate Payable	149,825
Accrued Interest Payable	203,897
Capital Lease Obligation - Current	33,502
Long-Term Debt - Current	1,510,000
Capital Lease Obligation - Non-Current	106,739
Long-Term Debt - Non-Current	<u>18,305,000</u>
Total Liabilities	<u><u>\$ 20,967,710</u></u>
<i>Net Position</i>	
Net Investment in Capital Assets	\$ 11,191,978
Restricted	1,902,252
Unrestricted	<u>828,684</u>
Total Net Position	<u><u>\$ 13,922,914</u></u>

The accompanying notes are an integral part of this statement.

Hammond Area Recreation District No. 1
Hammond, Louisiana
Statement of Activities
For the Year Ended December 31, 2024

Exhibit B

	<u>Governmental Activities</u>
Expenses:	
Parks and Recreation:	
Salaries and Related Benefits	\$ 1,150,497
Ground Maintenance Service	630,109
Legal & Professional	33,755
Repairs & Maintenance	396,921
Telephone & Utilities	172,984
Office Expenses	56,063
Insurance	92,674
Pension Mandate Deduction	149,825
Bad Debt Expense	40,113
Other	55,229
Depreciation Expense	621,232
Amortization Expense	16,633
Interest on Debt Service	239,731
Bond Issuance Costs	378,045
Total Expenses	<u>4,033,811</u>
Program Revenues:	
Charges for Services - Program and User Fees	<u>520,009</u>
Total Program Revenues	<u>520,009</u>
Net Program (Expense) / Revenue	(3,513,802)
General Revenues:	
Ad Valorem Taxes	4,044,803
PILOT Revenue	65,007
Concessions Income	38,995
Sponsorships	223,376
Interest Income	158,112
Donation of CP Mitchell Park	504,000
Other Income	236,493
Total General Revenues	<u>5,270,786</u>
Change in Net Position	1,756,984
Net Position:	
Beginning of the Year	<u>12,165,930</u>
End of the Year	<u>\$ 13,922,914</u>

The accompanying notes are an integral part of this statement.

Hammond Area Recreation District No. 1Exhibit C**Hammond, Louisiana**

Governmental Funds Balance Sheet

December 31, 2024

	<u>General Fund</u>
<i>Assets</i>	
Cash and Cash Equivalents	\$ 845,751
Accounts Receivable, Net of Allowance for Uncollectibles	4,023,398
Restricted Assets:	
Cash Held in Trust	<u>15,644,256</u>
Total Assets	<u><u>\$ 20,513,405</u></u>
<i>Liabilities and Fund Balances</i>	
Liabilities:	
Accounts Payable	\$ 658,747
Pension Fund Mandate Payable	<u>149,825</u>
Total Liabilities	<u>808,572</u>
Fund Balances:	
Restricted for Debt Service	1,902,252
Restricted for Future Construction	13,742,004
Unassigned	<u>4,060,577</u>
Total Fund Balances	<u>19,704,833</u>
Total Liabilities and Fund Balances	<u><u>\$ 20,513,405</u></u>

The accompanying notes are an integral part of this statement.

Hammond Area Recreation District No. 1
Hammond, Louisiana

Exhibit D

Reconciliation of the Governmental Funds Balance Sheet to the
Government-Wide Statement of Net Position
For the Year Ended December 31, 2024

Total Fund Balances, Governmental Funds (Exhibit C)	\$ 19,704,833
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Amounts reported for governmental activities in the statement of net position are different because:

Governmental Capital Assets, Net of Depreciation	14,177,619
Governmental Right of Use Assets, Net of Amortization	199,600

In the statement of net position, interest is accrued on outstanding debt, whereas in governmental funds, interest expenditures is reported when due.	(203,897)
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Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the governmental funds:

Current (Short-Term) Obligations:	
Lease Obligations	(33,502)
Revenue Bonds	(1,510,000)
Non-Current (Long-Term) Obligations:	
Lease Obligations	(106,739)
Revenue Bonds	<u>(18,305,000)</u>

Net Position of Governmental Activities (Exhibit A)	<u>\$ 13,922,914</u>
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The accompanying notes are an integral part of this statement.

Hammond Area Recreation District No. 1
Hammond, Louisiana

Exhibit E

Statement of Governmental Fund Revenues, Expenditures, and
Changes in Fund Balances
For the Year Ended December 31, 2024

	<u>General Fund</u>
Revenues:	
Ad Valorem Taxes	\$ 4,044,803
PILOT Revenue	65,007
Program and User Fees	520,009
Concessions Income	38,995
Sponsorships	223,376
Interest Income	158,112
Other Income	236,493
Total Revenues	<u>5,286,795</u>
Expenditures:	
Parks and Recreation:	
Salaries and Related Benefits	1,150,497
Ground Maintenance Service	630,109
Legal & Professional	33,755
Repairs & Maintenance	396,921
Telephone & Utilities	172,984
Office Expenses	56,063
Insurance	92,674
Pension Mandate Deduction	149,825
Bad Debt Expense	40,113
Other	55,229
Capital Outlay	1,908,112
Debt Service:	
Principal	1,527,523
Interest	48,816
Total Expenditures	<u>6,262,621</u>
Excess of Revenues over Expenditures	(975,826)
Other Financing Sources / (Uses):	
Issuance of Series 2024 \$16,770,000 Revenue Bonds	16,770,000
Bond Issuance Costs	(378,045)
Total Other Financing Sources / (Uses)	16,391,955
Excess of Revenues and Other Sources over Expenditures and Other Uses	15,416,129
Fund Balance - Beginning of the Year	4,288,704
Fund Balance - End of the Year	<u>\$ 19,704,833</u>

The accompanying notes are an integral part of this statement.

Hammond Area Recreation District No. 1
Hammond, Louisiana

Exhibit F

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, 2024

Net Change in Fund Balances, Governmental Funds (Exhibit E) **\$ 15,416,129**

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	1,908,112
Depreciation Expense	(621,232)
Amortization Expense	(16,633)

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. 504,000

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	12,982
Current Year Accrued Interest	(203,897)

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	(16,770,000)
Lease Payments	32,523
Repayments of Long-Term Debt	<u>1,495,000</u>

Change in Net Position of Governmental Activities (Exhibit B) **\$ 1,756,984**

The accompanying notes are an integral part of this statement.

Notes to the Financial Statements

Hammond Area Recreation District No. 1

Hammond, Louisiana

Notes to Financial Statements

For the Year Ended December 31, 2024

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.

Hammond Area Recreation District No. 1

Hammond, Louisiana

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2024

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.

Hammond Area Recreation District No. 1

Hammond, Louisiana

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2024

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. 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 2024 was presented to the Board of Directors on November 16, 2023. The public was notified that the proposed budget was available for inspection. A public hearing on the proposed budget was held on December 21, 2023. After the public hearing the budget was adopted on December 21, 2023.
4. Budgetary amendments involving the transfer of funds from one program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board. The budget was amended on December 19, 2024.

Hammond Area Recreation District No. 1

Hammond, Louisiana

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2024

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, 2024, 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, 2024, was immaterial.

Hammond Area Recreation District No. 1

Hammond, Louisiana

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2024

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.

Hammond Area Recreation District No. 1

Hammond, Louisiana

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2024

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, 2024, the District did not have any nonspendable, committed, or assigned fund balances.

O. Newly Adopted Accounting Pronouncements

The GASB issued GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences.

Hammond Area Recreation District No. 1

Hammond, Louisiana

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2024

That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The District adopted the provisions of GASB Statement No. 101 during 2024. The implementation of this standard had no impact on the District's financial statements as of December 31, 2024.

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, 2024.

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 \$16,490,007 (of which \$15,644,256 is restricted) at December 31, 2024.

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.

Hammond Area Recreation District No. 1

Hammond, Louisiana

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2024

The following is a summary of cash and investments (bank balances) at December 31, 2024, with the related federal deposit insurance and pledged securities:

Bank Balances:

Insured (FDIC Insurance)	\$ 514,970
Uninsured and Collateralized:	
Collateral held by pledging bank's trust department not in the District's name	16,004,738
Uninsured and Uncollateralized	<u>-</u>
Total Deposits	<u>\$ 16,519,708</u>

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, 2024, the District's bank balances of \$514,970 was exposed to custodial credit risk. The District does not have a deposit policy for custodial risk.

As of December 31, 2024, 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 2024 and received in 2025 as follows:

Tangipahoa Parish Sheriff - Ad Valorem Taxes	\$ 4,011,310
Other Receivables	52,201
Less: Allowance for Uncollectibles	<u>(40,113)</u>
Accounts Receivable, Net of Allowance for Uncollectibles	<u>\$ 4,023,398</u>

Hammond Area Recreation District No. 1**Hammond, Louisiana**

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2024

5. Capital Assets

Capital assets and depreciation activity as of and for the year ended December 31, 2024, are as follows:

	Balance 01/01/24	Increases	Decreases	Balance 12/31/24
Capital Assets not Depreciated:				
Construction in Progress	\$ -	\$ 1,107,135	\$ -	\$ 1,107,135
Land	3,112,682	510,000	-	3,622,682
Total Capital Assets not Depreciated	3,112,682	1,617,135	-	4,729,817
Other Capital Assets:				
Buildings	5,182,782	707,323	-	5,890,105
Equipment	532,627	77,071	1,758	607,940
Furniture & Fixtures	11,997	3,783	4,212	11,568
Land Improvements	9,966,807	6,800	-	9,973,607
Total Other Capital Assets	15,694,213	794,977	5,970	16,483,220
Less Accumulated Depreciation:				
Buildings	1,245,866	138,656	-	1,384,522
Equipment	396,934	31,436	1,758	426,612
Furniture & Fixtures	10,797	731	4,212	7,316
Land Improvements	4,766,559	450,409	-	5,216,968
Total Accumulated Depreciation	6,420,156	621,232	5,970	7,035,418
Other Capital Assets, Net	9,274,057	173,745	-	9,447,802
Totals	\$ 12,386,739	\$ 1,790,880	\$ -	\$ 14,177,619

Capital assets are stated at cost, less an allowance for accumulated depreciation. Depreciation expense for the year ended December 31, 2024 is \$621,232. 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, 2024, the District recorded an asset of \$249,500 with accumulated amortization of \$49,899. The balance of the lease is \$140,241 with a current portion of \$33,502 as of December 31, 2024. Total payments during 2024 totaled \$32,523 of principal and \$5,202 of interest.

Hammond Area Recreation District No. 1**Hammond, Louisiana**

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2024

The following is a summary of the changes in the capital lease payable for the year ended December 31, 2024:

	Balance at 01/01/24	Debt Issued	Debt Retired	Balance at 12/31/24
Capital Lease - Lighting System	\$ 172,764	\$ -	\$ 32,523	\$ 140,241

The annual requirements to amortize outstanding debt at December 31, 2024, are as follows:

Year Ended December 31,	Lease Payments
2025	\$ 37,725
2026	37,725
2027	37,725
2028	37,725
Thereafter	-
	150,900
Less: Interest Portion	10,659
	<u>\$ 140,241</u>

7. Changes in Long-Term Debt

The following is a summary of debt transactions for the District for the year ended December 31, 2024:

Type of Debt	Balance at 01/01/24	Debt Issued	Debt Retired	Balance at 12/31/24	Due Within One Year
Series 2024 \$16,770,000 Revenue Bonds	\$ -	\$ 16,770,000	\$ -	\$ 16,770,000	\$ -
Series 2021 \$7,635,000 Refunding Bonds	4,540,000	-	1,495,000	3,045,000	1,510,000
	<u>\$ 4,540,000</u>	<u>\$ 16,770,000</u>	<u>\$ 1,495,000</u>	<u>\$ 19,815,000</u>	<u>\$ 1,510,000</u>

Long-term debt at December 31, 2024, 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).

\$ 3,045,000

\$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

Hammond Area Recreation District No. 1**Hammond, Louisiana**

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2024

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, 2024, including interest payments of \$7,047,595 are as follows:

Year Ended December 31,	\$7,635,000 Bonds	\$16,770,000 Bonds	Total
2025	\$ 1,536,335	\$ 365,917	\$ 1,902,252
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 - 2041	-	18,184,535	18,184,535
	3,080,161	23,782,434	26,862,595
Less: Interest Portion	35,161	7,012,434	7,047,595
	<u>\$ 3,045,000</u>	<u>\$ 16,770,000</u>	<u>\$ 19,815,000</u>

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

Hammond Area Recreation District No. 1

Hammond, Louisiana

Notes to Financial Statements (Continued)

For the Year Ended December 31, 2024

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 2024, the District levied 10.00 mills for a total tax levy of \$4,011,310 on taxable property valuation totaling \$401,131,048.

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 (2024 collections of \$4,011,310) 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, 2024, 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 19 tax abatements in Tangipahoa Parish, related to 11 companies, under the

Hammond Area Recreation District No. 1
Hammond, Louisiana
Notes to Financial Statements (Continued)
For the Year Ended December 31, 2024

Louisiana ITEP. For the 2024 calendar year, estimated forgone ad valorem taxes due to this abatement program was \$13,826.

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, 2024, is as follows:

Jeff Cooper, Chairman	\$	-
Guy Recotta		-
Rob Carlise (January - June 2024)		-
Jessica Bennet (July - December 2024)		-
Robert Williams		-
Scott Eyster (January - June 2024)		-
Duane Shafer (July - December 2024)		-
	<u>\$</u>	<u>-</u>

12. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 23, 2025.

On March 27, 2025, the Board of Directors approved a bid for the new construction of the Gymnasium Annex in the amount of \$6,169,000. This will allow for the District to expand their current operations and provide for additional capacity.

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. 1Schedule 1**Hammond, Louisiana**

Schedule of Revenues, Expenditures, and Changes in Fund Balance –
 Budget and Actual – General Fund
 For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual Amounts	Final Budget Variance - Favorable / (Unfavorable)
Revenues:				
Ad Valorem Taxes	3,300,000.00	\$ 3,600,000	\$ 4,044,803	\$ 444,803
PILOT Revenue	-	-	65,007	65,007
Program and User Fees	466,000	687,965	520,009	(167,956)
Concessions Income	60,000	38,000	38,995	995
Sponsorships	115,000	200,000	223,376	23,376
Interest Income	10,000	140,000	158,112	18,112
Other Income	70,000	36,000	236,493	200,493
Total Revenues	4,021,000	4,701,965	5,286,795	584,830
Expenditures:				
Parks and Recreation:				
Salaries and Related Benefits	911,000	1,175,400	1,150,497	24,903
Ground Maintenance Service	560,000	850,000	630,109	219,891
Legal & Professional	30,000	30,000	33,755	(3,755)
Repairs & Maintenance	375,000	434,300	396,921	37,379
Telephone & Utilities	142,000	177,000	172,984	4,016
Office Expenses	47,700	59,600	56,063	3,537
Insurance	100,000	93,000	92,674	326
Pension Mandate Deduction	109,000	139,000	149,825	(10,825)
Bad Debt Expense	15,000	15,000	40,113	(25,113)
Other	100,500	196,502	55,229	141,273
Capital Outlay	50,000	1,400,000	1,908,112	(508,112)
Debt Service	1,575,292	1,538,614	1,576,339	(37,725)
Total Expenditures	4,015,492	6,108,416	6,262,621	(154,205)
Excess (Deficiency) of Revenues over Expenditures	5,508	(1,406,451)	(975,826)	430,625
Other Financing Sources / (Uses):				
Issuance of Series 2024 \$16,770,000 Revenue Bonds	-	16,770,000	16,770,000	-
Bond Issuance Costs	-	(375,545)	(378,045)	2,500
Total Other Financing Sources / (Uses)	-	16,394,455	16,391,955	2,500
Excess of Revenues and Other Sources over Expenditures and Other Uses	5,508	14,988,004	15,416,129	433,125
Fund Balance - Beginning of the Year	3,877,912	4,288,704	4,288,704	-
Fund Balance - End of the Year	<u>\$ 3,883,420</u>	<u>\$ 19,276,708</u>	<u>\$ 19,704,833</u>	<u>\$ 433,125</u>

See auditor's report.

Other Supplemental Information

Hammond Area Recreation District No. 1Schedule 2**Hammond, Louisiana**

Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended December 31, 2024

Agency Head: Ryan Barker, Director

Purpose	Amount
Salary	\$ 111,583
Benefits - Insurance	19,814
Benefits - Retirement	12,832
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	-
	<u>\$ 144,229</u>

See auditor's report.

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

Dennis E. James, CPA
Paul M. Riggs, Jr., CPA
J. Bryan Ehricht, CPA
Megan E. Lynch, CPA
B. Jacob Steib, CPA
Lauren Kimble Smith, CPA
Lyle E. Lambert, CPA



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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, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 23, 2025.

Report on Internal Control over Financial Reporting

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

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

Report on Compliance and Other Matters

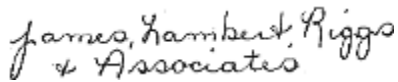
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

Hammond Area Recreation District No. 1
June 23, 2025

However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in cursive script that reads "James Lambert Riggs & Associates".

James Lambert Riggs & Associates, Inc.
Hammond, Louisiana

June 23, 2025

Hammond Area Recreation District No. 1
Hammond, Louisiana
Schedule of Findings, Recommendations, and Responses
For the Year Ended December 31, 2024

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, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 23, 2025. 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	<u>X</u>	No
Significant Deficiencies	___	Yes	<u>X</u>	No

Compliance:

Compliance Material to the Financial Statements	___	Yes	<u>X</u>	No
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2. Management Letter

Was a management letter issued?	___	Yes	<u>X</u>	No
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Section II Financial Statement Findings

Internal Control over Financial Reporting

None

Compliance and Other Matters

None

Hammond Area Recreation District No. 1
Hammond, Louisiana
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2024

<u>Ref #</u>	<u>Fiscal Year Findings Initially Occurred</u>	<u>Description of Findings</u>	<u>Corrective Action Taken</u>
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Internal Control over Financial Reporting

None

Compliance and Other Matters

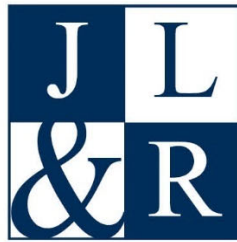
None

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

HAMMOND AREA RECREATION DISTRICT NO. 1
STATEWIDE AGREED UPON PROCEDURES ENGAGEMENT
FOR THE YEAR ENDED DECEMBER 31, 2024

Dennis E. James, CPA
Paul M. Riggs, Jr., CPA
J. Bryan Ehricht, CPA
Megan E. Lynch, CPA
B. Jacob Steib, CPA
Lauren Kimble Smith, CPA

Lyle E. Lambert, CPA



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Independent Accountants' Report on Applying Agreed-Upon Procedures for the Year Ended December 31, 2024

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, 2024 through December 31, 2024. The Hammond Area Recreation District No. 1 (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, 2024 through December 31, 2024. 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, Inc.
Hammond, Louisiana

June 23, 2025

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

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