

ANNUAL FINANCIAL REPORT
ST. TAMMANY PARISH RECREATION DISTRICT NO. 2
BUSH, LOUISIANA
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2025
(SEE ACCOUNTANTS' COMPILATION REPORT)



ERICKSEN KRENTEL^{LLP}
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors and Management of
St. Tammany Recreation District No. 2
Bush, Louisiana

Management is responsible for the accompanying financial statements of the governmental activities of St. Tammany Parish Recreation District No. 2 (the District), as of and for the year ended December 31, 2025, and related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 2 through 5 and the budgetary comparison schedule on page 21 be presented to supplement the basic financial statements. Such information is presented for purposes of additional analysis and, although not a required 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. The required supplementary information was subject to our compilation engagement. We have not audited or reviewed the required supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

The schedules of compensation, benefits, and other payments to board members and agency head on pages 22 and 23 are presented for purposes of additional analysis as required by Act 706 of the 2014 Louisiana Legislative Session and is not a required part of the basic financial statements. Such information is the responsibility of management. This supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

May 15, 2026
Mandeville, Louisiana

Certified Public Accountants

REQUIRED SUPPLEMENTARY INFORMATION

ST. TAMMANY PARISH RECREATION DISTRICT NO. 2
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2025

As financial management of St. Tammany Parish Recreation District No. 2 (the District), we offer readers of these financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ending December 31, 2025. This discussion and analysis is designed to assist the reader on focusing on the significant financial issues and activities and to identify any significant changes in financial position. We encourage readers to consider the information presented here in conjunction with the compiled financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The assets of the District exceeded its liabilities by \$344,735 at December 31, 2025. The net position increased by \$17,072 from the previous year.

The District’s total revenues for the period were \$154,231, primarily attributable to ad valorem tax collections, which served as the main source of funding for operations. Expenditures totaled \$137,159 and were primarily driven by program-related costs, and office administrative expenses.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Management’s Discussion and Analysis introduces the District’s basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The District also includes in this report required additional supplemental information.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The District’s annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the District’s overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the Statement of Net Position. This is the government-wide statement of position presenting information that includes all of the District’s assets and liabilities, with the difference reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating.

The second government-wide statement is the Statement of Activities, which reports how the District’s net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid.

The government-wide financial statements are presented on pages 6 & 7 of this report.

ST. TAMMANY PARISH RECREATION DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2025

FUND FINANCIAL STATEMENTS

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the District's most significant funds rather than the District as a whole.

Governmental funds are reported in the fund financial statements and encompass the same function reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the District's governmental funds, including object classifications. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 8 - 11 of this report.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 12 of this report.

ST. TAMMANY PARISH RECREATION DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2025

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table provides a summary of the District's net position:

SUMMARY OF NET POSITION
AS OF DECEMBER 31, 2025

	2025
Current and other assets	\$ 130,814
Capital Assets, net	213,921
Total assets	344,735
Net position:	
Net investment in capital assets	213,921
Unrestricted	130,814
Total net position	\$ 344,735

Net position increased by \$17,072 as of December 31, 2025 due to the increase in ad valorem receivables.

CHANGE IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2025

	2025
Revenues:	
Ad Valorem revenues	\$ 120,591
Other	33,640
Total revenues	154,231
Expenses:	
General governmental	137,159
Total expenses	137,159
Increase in net position	17,072
Beginning net position	327,663
Ending net position	\$ 344,735

ST. TAMMANY PARISH RECREATION DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2025

ECONOMIC FACTORS AND A LOOK AT NEXT YEAR

The District expects to continue to be funded through ad valorem taxes. The District is to serve the citizens through collaboration and transparency and is committed to fiscal responsibility and maintaining the trust from the citizens with their tax dollars.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to St. Tammany Parish Recreation District No. 2 (the District) P.O. Box 163, Bush, LA 70431.

BASIC FINANCIAL STATEMENTS

ST. TAMMANY PARISH RECREATION DISTRICT NO. 2
BUSH, LOUISIANA
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2025

(See Accountants' Compilation Report)

	<u>Governmental Activities</u>
<u>ASSETS:</u>	
Cash and cash equivalents	\$ 20,282
Receivables, net	110,532
Capital assets, net of accumulated depreciation	<u>213,921</u>
Total assets	<u>344,735</u>
<u>LIABILITIES:</u>	
Total liabilities	<u>-</u>
<u>NET POSITION:</u>	
Net investment in capital assets	213,921
Unrestricted	<u>130,814</u>
Total net position	<u><u>\$ 344,735</u></u>

The accompanying notes are an integral part of this statement

ST. TAMMANY PARISH RECREATION DISTRICT NO. 2
BUSH, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

(See Accountants' Compilation Report)

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u> <u>Revenues and</u> <u>Change in</u> <u>Net Position</u>
		<u>Charges for</u> <u>Services</u>	<u>Grants and</u> <u>Contributions</u>	
<u>Governmental activities:</u>				
General government	\$ 137,159	\$ 33,640	\$ -	\$ (103,519)
	General revenues:			
				120,591
				<u>120,591</u>
				17,072
				<u>327,663</u>
				<u>\$ 344,735</u>

The accompanying notes are an integral part of this statement

ST. TAMMANY PARISH RECREATION DISTRICT NO. 2
BUSH, LOUISIANA
BALANCE SHEET - GOVERNMENTAL FUND
AS OF DECEMBER 31, 2025

(See Accountants' Compilation Report)

	<u>General Fund</u>
<u>ASSETS:</u>	
Cash and cash equivalents	\$ 20,282
Receivables, net	<u>110,532</u>
Total assets	<u><u>\$ 130,814</u></u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>	
Unavailable revenue - ad valorem taxes	<u>\$ 9,087</u>
Total deferred inflows of resources	<u>9,087</u>
<u>FUND BALANCE:</u>	
Unassigned	<u>121,727</u>
Total fund balance	<u>121,727</u>
Total deferred inflows of resources and fund balance	<u><u>\$ 130,814</u></u>

The accompanying notes are an integral part of this statement

ST. TAMMANY PARISH RECREATION DISTRICT NO. 2
BUSH, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2025

(See Accountants' Compilation Report)

Fund balance - governmental fund	\$	121,727
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund.		213,921
Certain property tax collections are not available to pay for current-period expenditures and therefore are reported as deferred inflows of resources in the governmental fund.		<u>9,087</u>
Net position of governmental activities	\$	<u><u>344,735</u></u>

The accompanying notes are an integral part of this statement

ST. TAMMANY PARISH RECREATION DISTRICT NO. 2
BUSH, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

(See Accountants' Compilation Report)

	<u>General Fund</u>
<u>REVENUES:</u>	
Ad valorem	\$ 117,779
Contributions	-
Program revenue	<u>33,640</u>
Total revenues	<u>151,419</u>
<u>EXPENDITURES:</u>	
General government:	
Program expenses	24,483
Office expenses	15,930
Repairs and maintenance	47,394
Professional fees	18,282
Other expenses	6,887
Capital outlay	<u>31,387</u>
Total expenditures	<u>144,363</u>
Excess of revenues over expenditures	7,056
FUND BALANCE, BEGINNING	<u>114,671</u>
FUND BALANCE, ENDING	<u><u>\$ 121,727</u></u>

The accompanying notes are an integral part of this statement

ST. TAMMANY PARISH RECREATION DISTRICT NO. 2
BUSH, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

(See Accountants' Compilation Report)

Net change in fund balance - government fund	\$	7,056
Amounts reported for governmental activities in the Statement of Activities are different because:		
Government funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated lives and reported as depreciation expense. This is the amount by which capital asset additions exceeds depreciation expense in the current period.		7,204
Under the modified accrual basis of accounting used in the governmental funds, advances of derived tax revenues are not recognized until received rather than when earned. This is the amount by which current year deferred inflows of resources exceeded prior year deferred inflows of resources in the governmental funds.		<u>2,812</u>
Change in net position of governmental activities	\$	<u><u>17,072</u></u>

The accompanying notes are an integral part of this statement

ST. TAMMANY PARISH RECREATION DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

St. Tammany Parish Recreation District No. 2 (District) was created by Legislative Act 1988, No. 658 as a pilot program to encourage recreational activities and related programs on a parish wide basis, in cooperation with all political subdivisions and interested private parties of St. Tammany Parish. As provided by Louisiana Revised Statute 40:1496, the District is governed by a six-member board, who are resident property taxpayers of the district.

Reporting Entity

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of an entity for financial reporting purposes. The basic criterion for including a potential component unit with the reporting entity is financial accountability. As such, the District has no component units under the criteria established.

The District is a component unit of St. Tammany Parish (the Parish) because the Parish Council appoints all members of the District's governing board and, as such, is financially accountable for the District. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Parish, the general government services provided by that governmental unit, or the governmental units that comprise the financial reporting entity. The accounting and reporting policies of the District conform to accounting principles generally accepted in the United States of America applicable to governmental entities. Following is a summary of significant accounting policies.

Basis of Presentation

The accompanying basic financial statements of the District have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, issued in June 1999, as amended by GASB Statement No. 63 in June 2011.

ST. TAMMANY PARISH RECREATION DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2025

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District. Governmental activities, which normally are supported by taxes and intergovernmental revenues are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Because of the nature of the District's operations, the District reports only governmental activities.

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

Fund Financial Statements

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain district functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The funds of the District are classified as governmental. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the District, or the total assets, liabilities, revenues, or expenditures of the individual governmental fund are at least 10 percent of the corresponding total for all governmental funds.

The District reports the following major governmental fund:

General Fund - The General Fund is the primary operating fund of the District. It accounts for all the financial resources except those that are required to be accounted for in other funds.

ST. TAMMANY PARISH RECREATION DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2025

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are accounted for using an economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income and changes in financial position. The government-wide financial statements are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used, regardless of the timing of related cash flows.

The amounts reflected in the governmental fund financial statements are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to the government-wide financial statements.

The amounts reflected in the governmental fund financial statements use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined, and available means collectible within the current period, or soon enough thereafter to pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after the fiscal year-end.

Ad valorem taxes are considered to be collected when they are collected by the St. Tammany Parish Sheriff. Ad valorem taxes collected after 60 days are recorded as deferred inflows of resources on the governmental fund balance sheet. State revenue sharing associated with the current fiscal period is considered susceptible to accrual and so has been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District. Property taxes, intergovernmental revenues, and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt, which are recognized when payment is due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

ST. TAMMANY PARISH RECREATION DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2025

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less.

Receivables

Receivables are reported net of estimated uncollectible amounts. At December 31, 2025, no allowance for uncollectible amounts was recorded. Management believes all amounts are fully collectible based on the District's historical collection experience related to ad valorem taxes.

Capital Assets

Capital assets, which include property and equipment, are reported in government-wide statements. Capital assets are recorded at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Buildings	40 Years
Building improvements	20 Years
Equipment	5-15 Years

Equity Classifications

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

- a. Net investment in capital assets – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any debt that is attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – consists of assets that are restricted by the District's creditors, by the state enabling legislation, by grantors, and by other contributors.

ST. TAMMANY PARISH RECREATION DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2025

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity Classifications (Continued)

- c. Unrestricted net position – consists of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that do not meet the definition of “restricted” or “net investment in capital assets.”

Governmental fund equity is classified as fund balance. In the governmental fund financial statements, fund balances are classified as follows:

- a. Nonspendable – amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of state, local or federal awards or externally imposed conditions by grantors or creditors.
- c. Committed – amounts that can be used for specific purposes determined by formal action by an ordinance or resolution.
- d. Assigned – amounts that are designated by the formal action of the government’s highest level of decision-making authority.
- e. Unassigned – amounts not included in other classifications.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

ST. TAMMANY PARISH RECREATION DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2025

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Date of Management Review

Subsequent events have been evaluated through May 15, 2026, which is the date the financial statements were available to be issued.

(2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budget

In accordance with the Louisiana Local Government Budget Act, the procedures used by the District in establishing the budgetary data reflected in the financial statements include public notices of the proposed budget, public inspections and public hearings. The District would then legally adopt the budget.

The budget is prepared on the cash basis of accounting. Because the legally prescribed budgetary basis differs materially from generally accepted accounting principles, actual amounts in the accompanying budgetary comparison statements are presented on the budgetary basis.

(3) CASH AND CASH EQUIVALENTS

Cash and deposits are categorized into three categories of credit risk.

Category 1 includes deposits covered by federal depository insurance or by collateral held by the District or its agent, in the District's name.

Category 2 includes deposits covered by collateral held by the pledging financial institution's trust department, or its agent in the District's name.

Category 3 includes deposits covered by collateral held by the pledging financial institution, or its trust department or agent but not in the District's name, and deposits which are uninsured or uncollateralized.

At December 31, 2025, the carrying amount and the bank balances of deposits of the District are summarized as follows:

	<u>Bank Balances Category</u>			<u>Book</u>
	1	2	3	Balance
Cash	\$ 20,282	\$ -	\$ -	\$ 20,282

ST. TAMMANY PARISH RECREATION DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2025

(3) CASH AND CASH EQUIVALENTS (CONTINUED)

Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledges 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 should be held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

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 was not exposed to custodial credit risk.

(4) AD VALOREM RECEIVABLES

The District's ad valorem tax is levied in October of each year on the assessed value of property within the District's taxing area. Taxes are due and payable by December 31st, and an enforceable lien attaches to the property on January 1st. The taxes are collected on behalf of the District by the St. Tammany Parish Sheriff and then remitted to the District. The District receives most of the ad valorem taxes in January, February, and March for the year ended December 31, 2025, taxes of 4.0 mills were levied on property within the District.

The receivables of \$110,532 at December 31, 2025 are as follows:

<u>Class of Receivable</u>	<u>Amount</u>
Taxes – ad valorem, net	<u>\$ 110,532</u>
	<u>\$ 110,532</u>

ST. TAMMANY PARISH RECREATION DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2025

(5) CAPITAL ASSETS

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

	<u>1/1/2025</u>	<u>Additions</u>	<u>Deductions</u>	<u>12/31/2025</u>
<u>Governmental Activities:</u>				
Capital assets not being depreciated				
Land	\$ 100,034	\$ -	\$ -	\$ 100,034
Capital assets being depreciated				
Buildings and improvements	597,775	-	-	597,775
Sports fields	429,040	23,550	-	452,590
Machinery and equipment	96,674	7,837	-	104,511
Total capital assets being depreciated	<u>1,123,489</u>	<u>31,387</u>	<u>-</u>	<u>1,154,876</u>
Less accumulated depreciation				
Buildings and improvements	(491,092)	(22,223)	-	(513,315)
Sports fields	(429,040)	(393)	-	(429,433)
Machinery and equipment	(96,674)	(1,567)	-	(98,241)
Total accumulated depreciation	<u>(1,016,806)</u>	<u>(24,183)</u>	<u>-</u>	<u>(1,040,989)</u>
Total capital assets being depreciated, net	<u>106,683</u>	<u>7,204</u>	<u>-</u>	<u>113,887</u>
Total capital assets - net of depreciation	<u>206,717</u>	<u>7,204</u>	<u>-</u>	<u>213,921</u>
Governmental activities capital assets, net	<u>\$ 206,717</u>	<u>\$ 7,204</u>	<u>\$ -</u>	<u>\$ 213,921</u>

Depreciation expense of \$24,183 for the year ended December 31, 2025 was charged to general government.

The District has no outstanding debt related to capital assets. Accordingly, net investment in capital assets equal capital assets, net of accumulated depreciation.

(6) LITIGATION AND CLAIMS

As of May 15, 2026, the District was not involved in litigation nor is the District aware of any unasserted claims.

ST. TAMMANY PARISH RECREATION DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2025

(7) NEW ACCOUNTING PRONOUNCEMENTS

The GASB has released Statement No. 103, *Financial Reporting Model Improvements* (Statement 103). This Statement improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this statement are effective for periods beginning after June 15, 2025. The District plans to adopt this Statement as applicable by the effective date.

The GASB has released Statement No. 104, *Disclosure of Certain Capital Assets* (Statement 104). The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments. This Statement is effective for periods beginning after June 15, 2025. The District plans to adopt this Statement as applicable by the effective date.

The GASB has released Statement No. 105, *Subsequent Events*. This Statement improves the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. The requirements of this Statement are effective for periods beginning after June 15, 2026. The District plans to adopt this Statement as applicable by the effective date.

**REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN
MANAGEMENT'S DISCUSSION AND ANALYSIS**

ST. TAMMANY PARISH RECREATION DISTRICT NO. 2
 BUSH, LOUISIANA
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
 BUDGET TO ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2025

(See Accountants' Compilation Report)

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance Favorable (Unfavorable)
<u>REVENUES:</u>				
Ad valorem	\$ 116,000	\$ 116,000	\$ 117,779	\$ 1,779
Program revenue	14,139	14,139	33,640	19,501
Total revenues	<u>130,139</u>	<u>130,139</u>	<u>151,419</u>	<u>21,280</u>
<u>EXPENDITURES:</u>				
General government:				
Program expenses	25,000	25,000	24,483	517
Office expenses	17,000	17,000	15,930	1,070
Maintenance and repairs	48,000	48,000	47,394	606
Professional fees	4,200	4,200	18,282	(14,082)
Other expenses	4,356	4,356	6,887	(2,531)
Capital outlay	-	-	31,387	(31,387)
Total expenditures	<u>98,556</u>	<u>98,556</u>	<u>144,363</u>	<u>(45,807)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 31,583</u>	<u>\$ 31,583</u>	<u>\$ 7,056</u>	<u>\$ (24,527)</u>
FUND BALANCE, BEGINNING	<u>114,671</u>	<u>114,671</u>	<u>114,671</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 146,254</u>	<u>\$ 146,254</u>	<u>\$ 121,727</u>	<u>\$ (24,527)</u>

OTHER SUPPLEMENTARY INFORMATION

ST. TAMMANY PARISH RECREATION DISTRICT NO. 2
 BUSH, LOUISIANA
 SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS
FOR THE YEAR ENDED DECEMBER 31, 2025

(See Accountants' Compilation Report)

Board of Commissioners	Compensation
C. David Landrum President	\$ -
Darren Blackmon Vice President	-
Meredith Crawford Treasurer	-
Country Tynes Athletic Director	-
James Strain Board Member	-
Gary Achee Board Member	-
	-
Total compensation, benefits, and other payments	\$ -

ST. TAMMANY PARISH RECREATION DISTRICT NO. 2
BUSH, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO
AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2025

(See Accountants' Compilation Report)

Teresa Landrum
Director

Total compensation, benefits, and other payments

\$ -

OTHER INFORMATION

ST. TAMMANY PARISH RECREATION DISTRICT NO. 2
BUSH, LOUISIANA
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2025

Current year findings:

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Action Taken</u>
2025-001	The District did not amend its budget when actual expenses exceed budgeted expenses by an unfavorable variance of greater than 5%.	The District has made plans to review and amend future budgets when unfavorable variances exist.

Prior year findings:

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Action Taken</u>
2024-001	The District did not formally adopt a budget for the year ended December 31, 2024. Operating without an adopted budget limits the District's ability to plan, monitor, and control financial activities in accordance with legal and fiscal policies.	This has been resolved in the current year.
2024-002	The District did not submit compilation report to the Louisiana Legislative Auditor's office timely.	This has been resolved in the current year.

St. Tammany Parish Recreation District #2
30100 Crawford Cemetery Rd. Bush Louisiana 70431

P.O. Box 163 Bush LA 70431 office 985-886-6141 Cell 985-265-2291 AD Cell 504-400-8748

Bushrecball@gmail.com

President: Charles D Landrum
Treasurer: Meredith Crawford
Athletic Director: Country Tynes
Bush Rep: Ronald Mitchell

Vice President: Darren Blackmon
Secretary: Teresa Landrum
Bush Rep: Gary Achee

May 15, 2026

Louisiana Legislative Auditor

St. Tammany Parish Recreation District No. 2 respectfully submits the following corrective action plan for the year ended December 31, 2025.

Name and address of independent public accounting firm:

Ericksen Krentel L.L.P.
2895 Highway 190, Ste 213
Mandeville, LA 70471

Compilation Period: January 1, 2025 – December 31, 2025

The finding from the December 31, 2025 compilation report is discussed below. The finding is numbered consistently with the number assigned in the schedule.

SECTION I FINDINGS - FINANCIAL STATEMENTS COMPILATION

Compliance

Finding 2025-001 Failure to Amend the Budget

Recommendation: We recommend that the District review and amend future budgets when unfavorable variances exist.

Views of Responsible Officials: The District acknowledges the importance of adopting an annual budget and agrees with the recommendation. The Board will be more actively engaged in the budgeting process to ensure compliance.

SECTION II MANAGEMENT LETTER

Not applicable.

If there are any questions regarding this plan, please contact Teresa Landrum, Director, P.O. Box 163, Bush, LA 70431.

Sincerely,



Signature



Title