

**RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH**  
**FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED**  
**DECEMBER 31, 2024**



**ERICKSEN KRENTEL** LLP  
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

## **TABLE OF CONTENTS**

	<b><u>EXHIBIT</u></b>	<b><u>PAGE</u></b>
<b><u>FINANCIAL SECTION</u></b>		
<u>INDEPENDENT AUDITORS' REPORT</u> .....		1 – 4
<u>REQUIRED SUPPLEMENTARY INFORMATION:</u>		
Management's Discussion and Analysis (Unaudited).....		5 – 10
<u>BASIC FINANCIAL STATEMENTS:</u>		
GOVERNMENTAL-WIDE FINANCIAL STATEMENTS (GWFS)		
Statement of Net Position.....	A	11
Statement of Activities .....	B	12
FUND FINANCIAL STATEMENTS (FFS)		
Governmental Funds:		
Balance Sheet –Governmental Funds.....	C	13
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position .....	D	14
Statement of Revenues, Expenditures, and Changes in Fund Balance .....	E	15
Reconciliation of the Statement of Revenues, Expenditures, and Change in Fund Balances of the Governmental Fund to the Statement of Activities .....	F	16
Statement of Net Position – Proprietary Funds .....	G	17
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds .....	H	18
Statement of Cash Flows—Proprietary Funds .....	I	19
NOTES TO FINANCIAL STATEMENTS .....		20 – 40
<u>REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS:</u>		
	<b><u>SCHEDULE</u></b>	
Schedule of Revenues, Expenditures, and Change in Fund Balance – Budget to Actual – General Fund .....	1	41
Schedule of Proportionate Share of the Net Pension Liability .....	2	42

	<b><u>SCHEDULE</u></b>	<b><u>PAGE</u></b>
Schedule of Contributions to Defined Benefit Pension Plan .....	3	43
<b><u>OTHER SUPPLEMENTARY INFORMATION</u></b>		
Schedule of Compensation Paid to Governing Board.....	4	44
Schedule of Compensation, Benefits, and Other Payments to Agency Head .....	5	45
Independent Auditors' Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Based on Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....		46 – 47
Schedule of Findings and Responses .....		48
Schedule of Prior Year Findings .....		49



## **INDEPENDENT AUDITORS' REPORT**

To the Board of Commissioners  
Recreation District No.1 of St. Tammany Parish  
Mandeville, Louisiana

### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and each major fund of Recreation District No.1 of St. Tammany Parish (the District), 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 each major fund of Recreation District No.1 of St. Tammany Parish, 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 Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Responsibilities of Management for the Financial Statement***

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; this includes 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.



To the Board of Commissioners  
Recreation District No.1 of St. Tammany Parish  
April 30, 2025

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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



To the Board of Commissioners  
Recreation District No.1 of St. Tammany Parish  
April 30, 2025

***Required Supplementary Information***

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

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise of the District's basic financial statements. The schedules of compensation paid to governing board and compensation, benefits, and other payments to agency head are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of compensation paid to governing board and compensation, benefits, and other payments to agency head are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



**ERICKSEN KRENTEL**<sup>LLP</sup>

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Commissioners  
Recreation District No.1 of St. Tammany Parish  
April 30, 2025

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 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 *Government Auditing Standards* in considering the Recreation District No. 1 of St. Tammany Parish's internal control over financial reporting and compliance.

April 30, 2025  
Mandeville, Louisiana

*Erickson Krentel, LLP*  
Certified Public Accountants

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



**RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**DECEMBER 31, 2024**

This section of Recreation District No. 1 of St. Tammany Parish's (the District) financial report presents discussion and analysis of the District's financial performance during the year ended December 31, 2024. Please read it in conjunction with the District's financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

Assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources on December 31, 2024 by \$29,640,339 (net position). The District's net position has increased by \$1,465,710, or 5.20%, in comparison with the prior fiscal year.

As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$14,665,818, an increase of \$650,280 in comparison with the prior fiscal year. This amount includes \$832,493 in the District's Debt Service Fund restricted for future debt requirements and \$180,219 not in spendable form. The remaining \$13,503,106 is the funding for the budget year 2025 for the operations and maintenance (O&M) in the General Fund. The General Fund/O&M is the account that pays for daily operations of the park, staffing, insurances, utilities, supplies, field and building equipment, turf supplies, etc. The District assigned a reserve amount for self-insurance of \$802,202 from the funding for the budget year 2025 for potential damages.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial statement focus is on both the District as a whole and on the major individual funds. Both perspectives (government-wide and major funds) allow the user to address relevant questions, broaden a basis for comparison, and enhance the District's accountability. The statements then proceed to provide an increasingly detailed look at specific financial activities.

Management's Discussion and Analysis (MD&A) serves as an introduction to the basic financial statements. The District's basic financial statements are comprised of three components: government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

**Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to private-sector business. These financial statements are reported using the full accrual accounting method. Additionally, these statements combine governmental funds' current financial resources with capital assets and long-term obligations.

The statement of net position presents information on all of the District's assets and liabilities and deferred inflows/outflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

**RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
DECEMBER 31, 2024

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Government-Wide Financial Statements (Continued)**

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the District's activities upon general revenues - property taxes provided by the District's taxpayers.

**Fund Financial Statements**

A fund is an accountability unit used to maintain control over resources segregated for specific activities. 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. The fund financial statements are reported using the modified accrual basis of accounting.

**Notes to Financial Statements**

The notes to the financial statements provide required disclosures essential to the understanding of the financial statements. The notes present information about the District's accounting policies, significant account balances and activities, commitments, contingencies, and, if any, significant events.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The District's assets exceeded liabilities by \$29,640,339 at the close of the most recent fiscal year.

The following table reflects the condensed statements of net position for 2024 and 2023:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Government</u>	
	2024	2023	2024	2023	2024	2023
<b>Assets</b>						
Current and Other Assets	\$ 14,988,562	\$ 14,305,139	\$ 42,724	\$ 50,741	\$ 15,031,286	\$ 14,355,880
Restricted Assets	288,580	246,458	-	-	288,580	246,458
Capital Assets, Net	23,990,403	24,049,857	-	-	23,990,403	24,049,857
<b>Total Assets</b>	<b>39,267,545</b>	<b>38,601,454</b>	<b>42,724</b>	<b>50,741</b>	<b>39,310,269</b>	<b>38,652,195</b>
<b>Deferred Outflows of Resources</b>	<b>702,139</b>	<b>1,368,858</b>	<b>18,569</b>	<b>40,319</b>	<b>720,708</b>	<b>1,409,177</b>
<b>Liabilities</b>						
Current Liabilities	1,111,114	1,391,131	6,020	6,380	1,117,134	1,397,511
Long-Term Liabilities	8,862,567	10,031,721	6,269	29,984	8,868,836	10,061,705
<b>Total Liabilities</b>	<b>9,973,681</b>	<b>11,422,852</b>	<b>12,289</b>	<b>36,364</b>	<b>9,985,970</b>	<b>11,459,216</b>
<b>Deferred Inflows of Resources</b>	<b>401,741</b>	<b>423,970</b>	<b>2,927</b>	<b>3,557</b>	<b>404,668</b>	<b>427,527</b>
<b>Net Position</b>						
Net Investment in Capital Assets	14,770,403	14,364,858	-	-	14,770,403	14,364,858
Restricted	9,220,000	9,685,000	-	-	9,220,000	9,685,000
Unrestricted	4,801,657	3,923,632	46,077	51,139	4,847,734	3,974,771
Assigned	802,202	150,000	-	-	802,202	150,000
<b>Total Net Position</b>	<b>\$ 29,594,262</b>	<b>\$ 28,123,490</b>	<b>\$ 46,077</b>	<b>\$ 51,139</b>	<b>\$ 29,640,339</b>	<b>\$ 28,174,629</b>

**RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**DECEMBER 31, 2024**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

The largest portion of the District's net position (49.8%) as of December 31, 2024 reflects the net investment in capital assets (buildings, infrastructure, machinery, and equipment). The District uses these assets to provide services to the public; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The second largest portion of the District's net position of \$9,220,000 (31.1%) as of December 31, 2024 represents resources that are subject to external restrictions. These funds can only be used for debt service payments incurred and approved by the voters to repay the loans to develop and build aspects of Pelican Park, which is owned and operated by the District.

The third largest portion of the District's net position (16.4%) as of December 31, 2024 is unrestricted. The unrestricted net position of \$4,847,734 includes the funding for operations, capital improvement projects, staffing, insurances, utilities, etc. All of these funds have been assigned to specific projects or budgeted for subsequent year operations by the Board of Commissioners.

The remaining portion of the District's net position (2.7%) as of December 31, 2024 is assigned. The assigned net position of \$802,202 includes the funding for self-insurance of property. All of these funds have been assigned for the coverage of potential damages to property and budgeted for subsequent year operations by the Board of Commissioners.

The District's current ratio compares the current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratios at year-end are as follows:

<b>Year Ended December 31,</b>	<b>Ratio</b>
2024	13.71 to 1
2023	10.45 to 1
2022	4.75 to 1
2021	5.56 to 1
2020	6.33 to 1

The District has a net investment in capital assets to provide services for its taxpayers as a portion of total net position as follows:

<b>Year Ended December 31,</b>	<b>Percent</b>
2024	49.8%
2023	51.0%
2022	71.9%
2021	79.7%
2020	70.3%

**RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**DECEMBER 31, 2024**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

The following table provides a summary of the changes in net position for the year ended December 31, 2024, with comparative figures for 2023:

RECREATION DISTRICT NO.1 OF ST. TAMMANY PARISH STATEMENT OF ACTIVITIES FOR THE YEARS ENDED DECEMBER 31, 2024 & 2023						
	<b><u>GOVERNMENTAL ACTIVITIES:</u></b>		<b><u>BUSINESS-TYPE ACTIVITIES</u></b>		<b><u>TOTAL GOVERNMENT</u></b>	
<b><u>REVENUES</u></b>	2024	2023	2024	2023	2024	2023
Program Revenues						
Charges of Services	\$ 883,784	\$ 448,205	\$ 243,143	\$ 673,044	\$ 1,126,927	\$ 1,121,249
Operating Grants and Contributions	24,619	24,646	651	726	25,270	25,372
General Revenues						
Ad valorem taxes	5,952,835	5,186,968	-	-	5,952,835	5,186,968
State Appropriations	384,852	244,331	-	-	384,852	244,331
Other Income	133,048	346,084	-	418	133,048	346,502
State Revenue Sharing	64,890	63,900	-	-	64,890	63,900
Endorsements	20,000	23,788	-	-	20,000	23,788
Donations	1,250	-	-	-	1,250	-
Insurance proceeds	-	16,981	-	-	-	16,981
Gains (Loss) on sales of assets	7,260	7,442	-	-	7,260	7,442
Earnings on Investments	593,072	501,756	1,504	1,889	594,576	503,645
Total Revenues	8,065,610	6,864,101	245,298	676,077	8,310,908	7,540,178
<b><u>EXPENSES</u></b>						
Recreation	6,251,367	6,204,354	-	-	6,251,367	6,204,354
Debt Service Interest and Fees	367,016	226,440	-	-	367,016	226,440
Sports	-	-	-	482,993	-	482,993
Enterprise	-	-	226,815	261,591	226,815	261,591
Total Expenses	6,618,383	6,430,794	226,815	744,584	6,845,198	7,175,378
Excess before transfers	1,447,227	433,307	18,483	(68,507)	1,465,710	364,800
Transfers	23,545	-	(23,545)	-	-	-
Change in net position	1,470,772	433,307	(5,062)	(68,507)	1,465,710	364,800
Net position - beginning of year	28,123,490	27,690,183	51,139	119,646	28,174,629	27,809,829
Net position - ending of year	\$ 29,594,262	\$ 28,123,490	\$ 46,077	\$ 51,139	\$ 29,640,339	\$ 28,174,629

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds**

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

**RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**DECEMBER 31, 2024**

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

**Governmental Funds (Continued)**

At the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$14,665,818, an increase of \$650,280 in comparison with the prior year balance of \$14,015,538.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, assigned fund balance of the General Fund was \$802,202, or 12.58% of the total governmental fund balance of \$6,375,077. The General Fund increased by \$1,960,121 for the year ended December 31, 2024.

The Debt Service Fund had an decrease in fund balance of \$316,542, as a result of debt service payments exceeding ad valorem taxes collected.

**Proprietary Funds**

The District's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The two proprietary funds are the Sports Fund and the Enterprise Fund. The activity for the Sports Fund was transferred to the General Fund in 2024.

The largest source of proprietary income is from concessions and vending, totaling \$243,143. The change in net position for these two proprietary funds is consistent with prior years as excess income is transferred to the General Fund.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The Louisiana Local Government Budget Act requires that the District adopt budget amendments whenever revenue collections fail to meet projections by more than 5%; or when actual projected expenditures exceed budgeted expenditures by more than 5%; or when actual beginning fund balance fails to meet estimated beginning fund balance by more than 5% if fund balance is being used to fund current year expenditures.

**LONG-TERM DEBT**

The District had \$8,545,000 in current and long-term general obligation bonds and \$675,000 in certificates of indebtedness as of December 31, 2024. The general obligation bonds are secured by an ad valorem tax levy. The District retired \$465,000 of its debt in 2024.

**CAPITAL ASSETS**

The District's investment in capital assets for its governmental activities as of December 31, 2024 amounts to \$23,990,403, net of accumulated depreciation. This investment in capital assets includes construction in progress, buildings, parking lots, fields, trails, pathways, vehicles, roads, well, water, and sewer, and equipment.

**RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**DECEMBER 31, 2024**

**CAPITAL ASSETS (CONTINUED)**

Major capital assets completed or in progress during the current fiscal year included the following:

Buildings	\$ 123,626
Fields	-
Motor Vehicles	26,554
Construction in Progress	921,749
Equipment	108,361
Well, Water and Sewer	-

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGET**

The District considered many factors when setting the operating budget for its general fund for the year ending December 31, 2025. The District is expecting the amount of revenue and expenditures to increase by \$892,235 compared to the prior year. Therefore, for next year, anticipated revenues will be approximately \$6,720,084, while anticipated expenditures will be approximately \$6,720,084. Therefore, the total governmental fund balance is expected to decrease by \$660,821 from prior year.

**CONTACTING THE DISTRICT’S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens and taxpayers with a general overview for the funds maintained by the Recreation District No. 1 of St. Tammany Parish and to show the accountability for the money it receives. If you have any questions or need additional information, contact Recreation District No. 1 of St. Tammany Parish, Finance Department, 63350 Pelican Drive, Mandeville, LA 70448.

## **BASIC FINANCIAL STATEMENTS**

**RECREATION DISTRICT NO.1 OF ST. TAMMANY PARISH**  
**STATEMENT OF NET POSITION**  
**AS OF DECEMBER 31, 2024**

<b><u>ASSETS:</u></b>	<b>Governmental Activities</b>	<b>Business Type Activities</b>	<b>Total</b>
Cash and cash equivalents	\$ 9,252,145	\$ 36,921	\$ 9,289,066
Restricted cash	288,580	-	288,580
Inventory	-	4,322	4,322
Receivables			
Ad valorem	5,529,679	-	5,529,679
State revenue sharing	9,459	-	9,459
Other	17,060	(117)	16,943
Due from other funds	-	1,598	1,598
Prepaid expenses	180,219	-	180,219
Capital assets, net accumulated depreciation	23,990,403	-	23,990,403
 Total assets	 39,267,545	 42,724	 39,310,269
<b><u>DEFERRED OUTFLOWS OF RESOURCES:</u></b>			
Deferred outflows on pension obligation	702,139	18,569	720,708
 Total deferred outflows of resources	 702,139	 18,569	 720,708
<b><u>LIABILITIES:</u></b>			
Accounts payable	62,407	401	62,808
Due to other funds	953	645	1,598
Accrued expenses and other liabilities	206,772	-	206,772
Accrued payroll	165,982	4,974	170,956
Certificates of indebtedness			
Due within one year	105,000	-	105,000
Due in more than one year	570,000	-	570,000
Non-current liabilities			
Compensated absences	80,534	-	80,534
Net pension liability	237,033	6,269	243,302
Bonds payable			
Due within one year	595,000	-	595,000
Due in more than one year	7,950,000	-	7,950,000
 Total liabilities	 9,973,681	 12,289	 9,985,970
<b><u>DEFERRED INFLOWS OF RESOURCES:</u></b>			
Deferred inflows on pension obligation	110,676	2,927	113,603
Deferred inflows on ad valorem	4,475	-	4,475
Deferred inflows on bond premium	286,590	-	286,590
 Total deferred inflows of resources	 401,741	 2,927	 404,668
<b><u>NET POSITION:</u></b>			
Net investment in capital assets	14,770,403	-	14,770,403
Restricted for debt service	9,220,000	-	9,220,000
Unrestricted	4,801,657	46,077	4,847,734
Assigned	802,202	-	802,202
 Total net position	 \$ 29,594,262	 \$ 46,077	 \$ 29,640,339

**See accompanying NOTES TO THE FINANCIAL STATEMENTS**



**RECREATION DISTRICT NO.1 OF ST. TAMMANY PARISH**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

Functions/Programs	Expenses	PROGRAM REVENUES			Net (Expenses) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants	Governmental Activities	Business-Type Activities	Total
<b><u>GOVERNMENTAL ACTIVITIES:</u></b>							
Recreation	\$ 6,251,367	\$ 883,784	\$ 24,619	\$ -	\$ (5,342,964)	\$ -	\$ (5,342,964)
Debt service interest and fees	367,016	-	-	-	(367,016)	-	(367,016)
Total governmental activities	6,618,383	883,784	24,619	-	(5,709,980)	-	(5,709,980)
<b><u>BUSINESS-TYPE ACTIVITIES:</u></b>							
Enterprise	226,815	243,143	651	-	-	16,979	16,979
Total business-type activities	226,815	243,143	651	-	-	16,979	16,979
Total	\$ 6,845,198	\$ 1,126,927	\$ 25,270	\$ -	\$ (5,709,980)	\$ 16,979	\$ (5,693,001)
<b><u>GENERAL REVENUES:</u></b>							
Ad valorem taxes					5,952,835	-	5,952,835
State appropriations					384,852	-	384,852
Other income					133,048	-	133,048
State revenue sharing					64,890	-	64,890
Endorsements					20,000	-	20,000
Earnings on Investments					593,072	1,504	594,576
Proceeds from sale of assets					7,260	-	7,260
Transfers in (out)					23,545	(23,545)	-
Total general revenues and transfers					7,180,752	(22,041)	7,158,711
Change in net position					1,470,772	(5,062)	1,465,710
Net position - beginning					28,123,490	51,139	28,174,629
Net position - ending					\$ 29,594,262	\$ 46,077	\$ 29,640,339

**See accompanying NOTES TO THE FINANCIAL STATEMENTS**

**RECREATION DISTRICT NO.1 OF ST. TAMMANY PARISH**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
AS OF DECEMBER 31, 2024

<b><u>ASSETS:</u></b>	<b>General</b>	<b>Capital Projects- Construction</b>	<b>Capital Projects - Development</b>	<b>Debt Service</b>	<b>Total Governmental Funds</b>
Cash and cash equivalents	\$ 1,767,965	\$ 927,363	\$ 6,556,818	\$ -	\$ 9,252,146
Restricted cash	-	-	-	288,580	288,580
Investments	-	-	-	-	-
Receivables					
Ad valorem, net	4,956,228	-	-	573,451	5,529,679
State revenue sharing	9,459	-	-	-	9,459
Other	17,060	-	-	-	17,060
Due from other funds	-	-	-	-	-
Prepaid expenses	180,219	-	-	-	180,219
Total assets	<u>\$ 6,930,931</u>	<u>\$ 927,363</u>	<u>\$ 6,556,818</u>	<u>\$ 862,031</u>	<u>\$ 15,277,143</u>
<b><u>LIABILITIES:</u></b>					
Accounts payable	\$ 36,474	\$ -	\$ 25,933	\$ -	\$ 62,407
Due to other funds	953	-	-	-	953
Accrued expenses and other liabilities	92,891	-	-	-	92,891
Accrued payroll	165,982	-	-	-	165,982
Total liabilities	<u>296,300</u>	<u>-</u>	<u>25,933</u>	<u>-</u>	<u>322,233</u>
<b><u>DEFERRED INFLOWS OF RESOURCES:</u></b>					
Unavailable ad valorem taxes	259,554	-	-	29,538	289,092
Total deferred inflows of resources	<u>259,554</u>	<u>-</u>	<u>-</u>	<u>29,538</u>	<u>289,092</u>
<b><u>FUND BALANCE:</u></b>					
Nonspendable amounts					
Not in spendable form	180,219	-	-	-	180,219
Restricted for debt service	-	-	-	832,493	832,493
Unassigned	5,392,656	927,363	6,530,885	-	12,850,904
Assigned	802,202	-	-	-	802,202
Total fund balances	<u>6,375,077</u>	<u>927,363</u>	<u>6,530,885</u>	<u>832,493</u>	<u>14,665,818</u>
Total liabilities and fund balances	<u>\$ 6,930,931</u>	<u>\$ 927,363</u>	<u>\$ 6,556,818</u>	<u>\$ 862,031</u>	<u>\$ 15,277,143</u>

**See accompanying NOTES TO THE FINANCIAL STATEMENTS.**

**RECREATION DISTRICT NO.1 OF ST. TAMMANY PARISH**  
**RECONCILIATION OF BALANCE SHEET - GOVERNMENTAL FUNDS**  
**TO THE GOVERNMENT -WIDE STATEMENT OF NET POSITION**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

Total fund balance - governmental funds	\$ 14,665,818
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	23,990,403
Compensated absences and accrued payroll expense are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(80,534)
Deferred inflows of resources - unavailable ad valorem taxes are not reported on government-wide financial statements	284,617
Deferred inflows of resources - bond premium was expensed when incurred in the governmental funds	(286,590)
Accrued interest on long-term liabilities is not reported in the governmental funds.	(113,881)
The District follows the requirements of GASB Statement No.68 which provides for the recognition of pension obligations. This includes the recognition of related deferred outflows and inflows.	591,462
Long-term liabilities are not due and payable in the current-period and, therefore, are not reported in the governmental funds. Those liabilities consist of:	
Net pension liability	(237,033)
Certificates of indebtedness	(675,000)
Bonds payable	<u>(8,545,000)</u>
Net position of governmental activities	<u><u>\$ 29,594,262</u></u>

**See accompanying NOTES TO THE FINANCIAL STATEMENTS**

**RECREATION DISTRICT NO.1 OF ST. TAMMANY PARISH**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>General</u>	<u>Capital Projects- Construction</u>	<u>Capital Projects - Development</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
<b><u>REVENUES:</u></b>					
Ad valorem taxes	\$ 5,186,239	\$ -	\$ -	\$ 598,852	\$ 5,785,091
Registration fees	437,565	-	-	-	437,565
Rental income	446,219	-	-	-	446,219
Other income	132,996	-	-	52	133,048
State appropriations	384,852	-	-	-	384,852
State revenue sharing	64,890	-	-	-	64,890
Endorsements	20,000	-	-	-	20,000
Donations	-	1,250	-	-	1,250
Earnings on investments	144,087	65,042	365,635	18,308	593,072
Total revenues	<u>6,816,848</u>	<u>66,292</u>	<u>365,635</u>	<u>617,212</u>	<u>7,865,987</u>
<b><u>EXPENDITURES:</u></b>					
Administration	4,804,400	155,798	172,270	1,150	5,133,618
Debt service					
Principal retirement	-	-	-	465,000	465,000
Interest and fiscal charges	-	-	-	467,604	467,604
Capital outlay	90,160	161,862	928,268	-	1,180,290
Total expenditures	<u>4,894,560</u>	<u>317,660</u>	<u>1,100,538</u>	<u>933,754</u>	<u>7,246,512</u>
Excess (deficiency) of revenues over expenditures	1,922,288	(251,368)	(734,903)	(316,542)	619,475
<b><u>OTHER FINANCING SOURCES (USES):</u></b>					
Proceeds from sale of capital asset	7,260	-	-	-	7,260
Transfers out	821,734	791,607	654	-	1,613,995
Transfers in	(791,161)	(799,289)	-	-	(1,590,450)
Total other financing sources (uses)	<u>37,833</u>	<u>(7,682)</u>	<u>654</u>	<u>-</u>	<u>30,805</u>
Net change in fund balances	1,960,121	(259,050)	(734,249)	(316,542)	650,280
Fund balance - beginning	<u>4,414,956</u>	<u>1,186,413</u>	<u>7,265,134</u>	<u>1,149,035</u>	<u>14,015,538</u>
Fund balance - ending	<u>\$ 6,375,077</u>	<u>\$ 927,363</u>	<u>\$ 6,530,885</u>	<u>\$ 832,493</u>	<u>\$ 14,665,818</u>

**See accompanying NOTES TO THE FINANCIAL STATEMENTS**

**RECREATION DISTRICT NO.1 OF ST. TAMMANY PARISH**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

Net change in fund balances - total governmental funds	\$	650,280
--	----	---------

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

Governmental funds report capital outlays as expenditures, However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.		(59,454)
--	--	----------

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds

Change in unavailable ad valorem taxes		167,744
Contributions made to retirement plan by other governments		24,618

The issuance of long-term debt(e.g., bonds and certificates of indebtedness) provides current financial resources to gove 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 premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These amounts are the net effect of these differences in the treatment of long-term debt and related items.

Change in interest payable		100,588
Bond principal payments		465,000

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Compensated absences payable		23,207
Change in the net position liability and related deferred amounts		98,789

Change in net position of governmental activities	\$	<u>1,470,772</u>
---	----	------------------

**See accompanying NOTES TO THE FINANCIAL STATEMENTS**

**RECREATION DISTRICT NO.1 OF ST. TAMMANY PARISH**  
**STATEMENT OF NET POSITION - PROPRIETARY FUNDS**  
**AS OF DECEMBER 31, 2024**

	<b>Sports Fund</b>	<b>Enterprise Fund</b>	<b>Total Proprietary Funds</b>
<b><u>ASSETS:</u></b>			
Cash and cash equivalents	\$ -	\$ 36,921	\$ 36,921
Other receivables	-	(117)	(117)
Due from other funds	-	1,598	1,598
Inventory	-	4,322	4,322
	<hr/>	<hr/>	<hr/>
Total assets	-	42,724	42,724
	<hr/>	<hr/>	<hr/>
<b><u>DEFERRED OUTFLOWS ON PENSION OBLIGATION:</u></b>			
Deferred outflows on pension obligation	-	18,569	18,569
	<hr/>	<hr/>	<hr/>
Total deferred outflows of resources	-	18,569	18,569
	<hr/>	<hr/>	<hr/>
<b><u>LIABILITIES:</u></b>			
Accounts payable	401	-	401
Due to other funds	645	-	645
Accrued payroll	-	4,974	4,974
Net pension liability	-	6,269	6,269
	<hr/>	<hr/>	<hr/>
Total current liabilities	1,046	11,243	12,289
	<hr/>	<hr/>	<hr/>
<b><u>DEFERRED INFLOWS OF RESOURCES:</u></b>			
Deferred inflows on pension obligation	-	2,927	2,927
	<hr/>	<hr/>	<hr/>
Total deferred inflows of resources	-	2,927	2,927
	<hr/>	<hr/>	<hr/>
<b><u>NET POSITION:</u></b>			
Unrestricted	\$ (1,046)	\$ 47,123	\$ 46,077
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

See accompanying NOTES TO THE FINANCIAL STATEMENTS.

**RECREATION DISTRICT NO.1 OF ST. TAMMANY PARISH**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION - PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	Sports Fund	Enterprise Fund	Total
<b><u>OPERATING REVENUES:</u></b>			
Concessions and vending	\$ -	\$ 243,143	\$ 243,143
Earnings on investments	-	1,504	1,504
Non-employer retirement contributions	-	651	651
	-	-	-
Total revenues	-	245,298	245,298
<b><u>EXPENDITURES:</u></b>			
Salaries and wages	-	110,173	110,173
Benefits and taxes	-	17,228	17,228
Other personnel costs	-	579	579
Professional fees and contract labor	-	472	472
Technology expenses	-	7,808	7,808
Supplies and equipment	-	4,269	4,269
Financial expenses	-	4,803	4,803
Other expenses	-	(231)	(231)
Consessions expenses	-	81,714	81,714
	-	-	-
Total expenditures	-	226,815	226,815
Net operating loss	-	18,483	18,483
Transfers	(23,545)	-	(23,545)
Change in net position	(23,545)	18,483	(5,062)
Net position - beginning	22,499	28,640	51,139
Net position - ending	<u>\$ (1,046)</u>	<u>\$ 47,123</u>	<u>\$ 46,077</u>

See accompanying NOTES TO THE FINANCIAL STATEMENTS

**RECREATION DISTRICT NO.1 OF ST. TAMMANY PARISH**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	Sports Fund	Enterprise Fund	Total
<b><u>CASH FLOW FROM OPERATING ACTIVITIES:</u></b>			
Receipts from customers	\$ -	\$ 245,298	\$ 245,298
Payments for goods and services	-	(231,484)	(231,484)
Net cash (used for) provided by operating activities	-	13,814	13,814
<b><u>CASH FLOW FROM NON-CAPITAL FINANCIAL ACTIVITIES:</u></b>			
Transfer to other funds	(23,545)	-	(23,545)
Net cash provided by non-capital financing activities	(23,545)	-	(23,545)
Net increase (decrease) in cash and cash equivalents	(23,545)	13,814	(9,731)
Cash and cash equivalents, beginning of the year	23,545	23,107	46,652
Cash and cash equivalents, end of the year	\$ -	\$ 36,921	\$ 36,921
<b><u>Reconciliation of operating income to net cash (used for) provided by operating activities</u></b>			
Net operating income	\$ -	\$ 18,483	\$ 18,483
Adjustments to reconcile net operating income to net cash provided by operating activities			
(Increase) decrease in:			
Inventory	-	(190)	(190)
Due from others	-	(1,598)	(1,598)
Other receivable	-	74	74
Deferred outflow of resources	-	21,750	21,750
Increase (decrease) in:			
Accrued expenses	-	990	990
Accounts payable	-	(1,350)	(1,350)
Deferred inflows of resources	-	(630)	(630)
Net pension liability	-	(23,715)	(23,715)
Net cash (used for) provided by operating activities	\$ -	\$ 13,814	\$ 13,814

**See accompanying NOTES TO THE FINANCIAL STATEMENTS**



**RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

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

The mission of Recreation District No. 1 of St. Tammany Parish (the District) is to provide recreational opportunities and facilities to the residents of the area that includes the greater Mandeville, Louisiana area. The District offers youth and adult sports leagues and programs. The accounting and reporting policies of the District conform to accounting principles generally accepted in the United States of America applicable to government entities. The following is a summary of significant accounting policies:

**Financial Reporting Entity**

The District was created in 1975 by Ordinance 623 and re-established in 2000 by Ordinance 157 of St. Tammany Parish (the Parish). The District is governed by a Board of Commissioners (the Board) which is appointed by the Parish. The Board consists of seven commissioners who serve four-year terms.

The financial reporting entity consists of (a) the primary government, (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.

Governmental Accounting Standards Board Statement No. 14, as amended, established criteria for determining which component units should be considered part of the Parish for financial reporting purposes. The basic criterion for including a potential component unit with the reporting entity is financial accountability.

The District is a component unit of the Parish because the Parish appoints all members of the District's 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.

**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.

**RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2024**

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

**Basic Financial Statements – 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. For the most part, the effect of interfund activity has been removed from these statements. 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.

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 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 and for the proprietary 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 various funds of the District are classified as governmental and proprietary. 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 its total assets, liabilities, revenues, or expenditures are at least 10% of the corresponding total for all governmental and proprietary funds and at least 5% of the aggregate amount for all governmental and proprietary funds.

The District reports the following major governmental funds:

*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.

*Debt Service Fund* - The Debt Service Fund accounts for proceeds of ad valorem millage of .70 mills restricted for debt service.

**RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2024**

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

**Fund Financial Statements (Continued)**

*Capital Projects Funds* - The District reports two capital project funds as major - the *Development Fund* and the *Construction Fund*. The Capital Projects Funds are used to account for the construction of infrastructure and public works.

The District reports two major proprietary funds. The Sports Fund accounts for registration fees for sports and leisure programs and the related expenses including uniforms, officials, scorers, instructors, and equipment. The Sports Fund is no longer being used, all activity has been moved to the General Fund. The Enterprise Fund accounts for the sale of concessions and goods and their related costs from all facilities' concession stands.

**Measurement Focus/Basis of Accounting**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. 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 balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to 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 revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recognized when the obligations are expected to be liquidated with expendable available financial resources.

**RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2024**

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

**Measurement Focus/Basis of Accounting (Continued)**

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes and other general revenues.

Ad valorem taxes are considered to be collected when they are collected by the St. Tammany Parish Sheriff. Ad valorem taxes collected 60 days after year-end are recorded as a deferred inflow of resources on the governmental fund balance sheet. State revenue sharing associated with the current fiscal period is all considered to be susceptible to accrual and 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.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating revenues for the District's proprietary funds consist of charges to customers and users of its services. Operating expenses for the District's proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**Budgets and Budgetary Accounting**

The District adopts an annual budget for the General Fund on the cash basis of accounting. The budget is legally adopted and amended as necessary by the District. All budgeted amounts which are not expended or obligated through contracts lapse at year-end.

**Cash and Cash Equivalents and Investments**

Cash includes cash on hand and amounts in demand deposits. 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. The District may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

Investments, as required by GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, are reported at fair value.

**RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2024**

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

**Receivables**

Ad valorem tax receivable is reported net of estimated uncollectible amounts. The allowance for uncollectible amounts was \$186,392 at December 31, 2024, which represents 2% of the total ad valorem tax receivable. This estimate is based on the District's history of collections within this revenue stream.

**Inventories and Prepaid Expenses**

All inventories are valued at cost using the first-in/first-out method. Inventories of the governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**Capital Assets**

Capital assets, which include buildings, parking lots, fields, trails and pathways, vehicles, and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are capitalized 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 level of \$5,000 or more for capitalizing equipment, furniture, and fixtures. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital outlays are recorded as expenditures in the governmental fund financial statements and as assets in the government-wide financial statements. Depreciation is recorded on general fixed assets on a government-wide basis. Capital outlays of the proprietary funds are recorded as fixed assets and depreciated over their estimated useful lives on both the fund basis and the government-wide basis.

The following estimated useful lives and methods are used to compute depreciation:

<b>Description</b>	<b>Estimated Lives</b>	<b>Method</b>
Buildings	25 to 40 Years	Straight-Line
Parking Lots	40 to 50 Years	Straight-Line
Fields	25 to 30 Years	Straight-Line
Trails and Pathways	40 Years	Straight-Line
Motor Vehicles	5 Years	Straight-Line
Roads	40 Years	Straight-Line
Well, Water, and Sewer	8 to 40 Years	Straight-Line
Equipment	5 to 20 Years	Straight-Line

**RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2024**

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

**Capital Assets (Continued)**

Depreciation expense amounted to \$1,239,744 for governmental activities and \$-0- for proprietary activities for the year ended December 31, 2024.

**Deferred Outflows/Inflows of Resources**

Deferred outflows of resources represent a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has the following items that are reported as deferred inflows or outflows of resources: deferred amounts on bond refunding, deferred inflows/outflows of resources related to pensions, and unavailable revenue. Unavailable revenue arises only under a modified accrual basis of accounting, so it is reported only in the governmental funds balance sheet.

**Compensated Absences**

The District's employees earn and accrue varying amounts of vacation and sick leave each year based on years of service. At termination, employees may be paid for unused vacation, but sick leave is forfeited. At December 31, 2024, a liability of \$80,534 has been recorded in the government-wide statement of net position.

**Long-Term Debt**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business- type activities statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred outflows of resources and amortized over the term of the related debt as a component of interest expense.

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 the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2024**

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

**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Parochial Employees' Retirement System of Louisiana (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Equity Classifications**

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

1. *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 borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. *Restricted* - Net position with constraints placed on its use either by:
  - a. External groups such as creditors, grantors, contributors, citizens, or laws or regulations of other governments.
  - b. Law through constitutional provisions or enabling legislation.
3. *Unrestricted* - All other net position is reported in this category.

In the governmental fund financial statements, fund balances are classified as follows:

1. *Nonspendable* - Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
2. *Restricted* - Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
3. *Committed* - Amounts that can be used only for specific purposes determined by formal action by board resolution. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board.
4. *Assigned* - Amounts that do not meet the criteria to be classified as restricted or committed, but are intended to be used for specific purposes.
5. *Unassigned* - All amounts not included in other spendable classifications.

**RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2024**

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

**Equity Classifications (Continued)**

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is 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, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

**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 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.

**Adoption of New Accounting Pronouncement**

The GASB has released Statement No. 101, Compensated Absences (Statement 101), which replaces GASB Statement No. 16, Accounting for Compensated Absences. The Statement 101 requires liabilities for compensated absences to be recognized for: Leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. Under the new Statement 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 has accumulated; 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. Leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits is not included in the compensated absences liability. The Statement also addresses the timing of the recognition of a liability for certain types of compensated absences, such as sabbatical leave, parental leave, military leave, jury duty leave and other specific types of compensated balances. The Statement is effective for fiscal years beginning after December 15, 2023. The adoption of this Statement had no material impact on the District's financial statements.

**Subsequent Events**

Subsequent events have been evaluated through April 30, 2025, the date the financial statements were available to be issued.



**RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2024**

**(2) CASH AND CASH EQUIVALENTS**

The following is a summary of cash and cash equivalents at December 31, 2024:

	<u>Book Balance</u>	<u>Bank Balance</u>
Cash on Hand	\$ 6,205	\$ 6,205
Demand Deposits	<u>9,571,441</u>	<u>9,603,205</u>
Total	<u>\$ 9,577,646</u>	<u>\$ 9,609,410</u>

These deposits are stated at cost, which approximates market.

**Custodial Credit Risk**

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be recovered. The District does not have a deposit policy for custodial credit risk. As of December 31, 2024, the District's does not have any bank balance exposure to custodial credit risk. The district secures any deposits that would exceed the custodial credit risk limit with a pledge of securities owned by the fiscal agent bank.

Under state law, 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 bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The custodial bank must advertise and sell the pledged securities within 10 days of being notified that the fiscal agent bank has failed to pay deposited funds upon demand.

**(3) AD VALOREM TAXES**

Ad valorem taxes for the operations and bond debt service of the District are normally levied each November 1st on the assessed value listed as of the prior January 1st for all real property, merchandise, and movable property located in the Parish. Assessed values are established by the St. Tammany Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed in 2020. Taxes are due and payable on a date set by the St. Tammany Parish Assessor's Office, usually in December.

**RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
DECEMBER 31, 2024

**(3) AD VALOREM TAXES (CONTINUED)**

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

	<u>Authorized Millage</u>	<u>Levied Millage</u>
Operation and Maintenance	6.05	6.05
Payment of General Obligation Bonds	.70	.70

**(4) INTERFUND RECEIVABLES AND PAYABLES**

The primary purpose of interfund receivables/payables is to loan monies between funds to cover current expenditures. Individual fund balances due from/to other funds at December 31, 2024 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ <u>          -</u>	\$ <u>      953</u>
Enterprise	1,598	-
Sports	<u>          -</u>	<u>      645</u>
 Total	 <u>\$      1,598</u>	 <u>\$      1,598</u>

All interfund receivables/payables are considered short-term, as they are expected to be repaid within the next fiscal year.

**(5) CAPITAL ASSETS**

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

**Capital assets, not being depreciated:**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Ending Balance</u>
Land – Pretty Acres	\$ 470,000	\$ -	\$ -	\$ -	\$ 470,000
Land – Phase IV	549,928	-	-	-	549,928
Land – Nature Center	781,220	-	-	-	781,220
Construction in Progress	<u>          -</u>	<u>  921,749</u>	<u>          -</u>	<u>          -</u>	<u>  921,749</u>
 <b>Total Capital Assets not being Depreciated</b>	 <u>1,801,148</u>	 <u>  921,749</u>	 <u>          -</u>	 <u>          -</u>	 <u>2,722,897</u>

**RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
DECEMBER 31, 2024

**(5) CAPITAL ASSETS (CONTINUED)**

**Capital assets, being depreciated:**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Ending Balance</u>
Buildings	16,833,826	123,626	-	-	16,957,452
Parking lots	4,705,575	-	-	-	4,705,575
Fields	13,767,408	-	-	-	13,767,408
Trails and pathways	709,827	-	-	-	709,827
Motor vehicles	272,676	26,554	-	-	299,230
Roads	2,554,373	-	-	-	2,554,373
Well, water, and sewer	1,895,807	-	-	-	1,895,807
Equipment	<u>1,263,589</u>	<u>108,361</u>	<u>(179,862)</u>	<u>-</u>	<u>1,192,088</u>
<b>Total capital assets, being depreciated</b>	<u>42,003,081</u>	<u>258,541</u>	<u>(179,862)</u>	<u>-</u>	<u>42,081,760</u>

**Less: accumulated depreciation  
for**

Buildings	(6,610,335)	(451,174)	-	-	(7,061,509)
Parking lots	(1,663,026)	(104,052)	-	-	(1,767,078)
Fields	(7,506,035)	(437,528)	-	-	(7,943,563)
Trails and pathways	(222,688)	(17,947)	-	-	(240,635)
Motor vehicles	(224,084)	(24,596)	-	-	(248,680)
Roads	(1,253,400)	(78,693)	-	-	(1,332,093)
Well, water, and sewer	(1,325,524)	(57,936)	-	-	(1,383,460)
Equipment	<u>(949,280)</u>	<u>(67,818)</u>	<u>179,862</u>	<u>-</u>	<u>(837,236)</u>
<b>Total accumulated depreciation</b>	<u>(19,754,372)</u>	<u>(1,239,744)</u>	<u>179,862</u>	<u>-</u>	<u>(20,814,254)</u>

**Capital assets being  
depreciated, net**

	<u>22,248,709</u>	<u>(981,203)</u>	<u>-</u>	<u>-</u>	<u>21,267,506</u>
<b>Capital assets, net</b>	<u>\$ 24,049,857</u>	<u>\$ (59,454)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,990,403</u>

Depreciation expense for the year ended December 31, 2024 was \$1,239,744.

**RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
DECEMBER 31, 2024

**(6) LONG-TERM DEBT**

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

	<u>General Obligation Bonds</u>	<u>Certificates of Indebtedness</u>	<u>Total</u>
Payable at January 1, 2023	\$ 8,910,000	\$ 775,000	\$ 9,685,000
Retired	<u>(365,000)</u>	<u>(100,000)</u>	<u>(465,000)</u>
Payable at December 31, 2023	<u>\$ 8,545,000</u>	<u>\$ 675,000</u>	<u>\$ 9,220,000</u>
Due Within one Year	<u>\$ 595,000</u>	<u>\$ 105,000</u>	<u>\$ 700,000</u>

Bonds payable and certificates of indebtedness outstanding at December 31, 2024 are as follows:

\$1,500,000 Certificates of Indebtedness, dated June 25, 2015, due in 15 annual installments, due March 1, 2030, including interest at 1.82% to 2.725%.	\$ 675,000
\$2,650,000 Refunding Bonds dated December 8, 2020, due in 8 annual installments, due March 1, 2028, including interest at 1.28%.	1,545,000
\$7,000,000 General Obligation Bonds dated April 8, 2023. due in 18 annual installments, due March 1, 2043, with semi-annual interest payments of 4.00% or 5.00%.	<u>7,000,000</u>
Total Debt:	<u>\$ 9,220,000</u>

**RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
DECEMBER 31, 2024

**(6) LONG-TERM DEBT(CONTINUED)**

The following is a schedule of future principal debt service requirements:

Year Ending	General Obligation Bonds		Certificates of Indebtedness		Total	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
<u>December 31,</u>						
2025	\$ 595,000	\$ 315,497	\$ 105,000	\$ 16,773	\$ 700,000	\$ 332,270
2026	625,000	299,036	110,000	13,937	735,000	312,973
2027	640,000	281,822	110,000	11,007	750,000	292,829
2028	665,000	263,887	115,000	7,969	780,000	271,856
2029	275,000	249,200	115,000	4,837	390,000	254,037
2030 – 2034	1,610,000	1,049,225	120,000	1,635	1,730,000	1,050,860
2035 – 2039	2,065,000	630,575	-	-	2,065,000	630,575
2040 – 2043	<u>2,070,000</u>	<u>170,600</u>	<u>-</u>	<u>-</u>	<u>2,070,000</u>	<u>170,600</u>
Total	<u>\$ 8,545,000</u>	<u>\$ 3,259,842</u>	<u>\$ 675,000</u>	<u>\$ 56,158</u>	<u>\$ 9,220,000</u>	<u>\$ 3,316,000</u>

**(7) LEASE**

The District has entered into a lease for land with the State of Louisiana dated September 1, 2016, for a term of ten years, which was an extension of an earlier lease. The lease is renewable every ten years, provided the District makes substantial/improvements to the park during each term. The lease is accounted for as an operating lease whereby rental payments are recorded as operating expenditures when paid. The total payment on this lease was \$8,666 for the year ended December 31, 2024. Due to the variable terms of the lease, a schedule of future maturities cannot be presented at this time.

**(8) PENSION**

**Plan Description and Provisions**

The District contributes to a cost-sharing, multiple-employer defined benefit pension plan administered by the Parochial Employees' Retirement System of Louisiana (PERS or the System). PERS provides retirement, disability, and death benefits to plan members and beneficiaries. PERS was established by the Louisiana Legislature as of January 1, 1953, by Act 205 of 1952. PERS is administered by a Board of Trustees consisting of seven members. Employees of the District may elect to be members of PERS Plan A.

**Eligibility Requirements**

All permanent district employees who work at least 28 hours a week and who are paid wholly or in part from district funds shall become members on the date of employment. New employees over the age of 65 and who meet the Social Security criteria have up to 90 days from the date of hire to elect to participate.

**RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2024**

**(8) PENSION (CONTINUED)**

**Eligibility Requirements (Continued)**

Any member can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:

1. Any age with thirty (30) or more years of creditable service.
2. Age 55 with twenty-five (25) years of creditable service.
3. Age 60 with a minimum of ten (10) years of creditable service.
4. Age 65 with a minimum of seven (7) years of creditable service.

For employees hired after January 1, 2007:

1. Age 55 with a minimum of thirty (30) years of creditable service.
2. Age 62 with a minimum of ten (10) years of creditable service.
3. Age 67 with a minimum of seven (7) years of creditable service.

Generally, the monthly amount of the retirement allowance of any member of Plan A shall consist of an amount equal to three percent of the member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

**Survivor Benefits**

Upon the death of any member of Plan A with five (5) or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children, as outlined in the statutes. The surviving spouse of any member of Plan A who is eligible for normal retirement at time of death shall receive an automatic Option 2 benefit, as outlined in the statutes.

**Deferred Retirement Option Plan**

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the System. DROP is an option for that member who is eligible for normal retirement. In lieu of terminating employment and accepting a service retirement, any member of Plan A who is eligible to retire may elect to participate in the DROP, in which they are enrolled for three years, and defer the receipt of benefits. During participation in the DROP, employer contributions are payable, but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

**RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2024**

**(8) PENSION (CONTINUED)**

**Deferred Retirement Option Plan**

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in the DROP Fund, or roll over the fund to an Individual Retirement Account. Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date. For individuals who become eligible to participate in the DROP on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in the plan will be placed in liquid asset money market investments at the discretion of the Board of Trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of this plan must agree that the benefits payable to the participant are not the obligations of the State or the System, and that any returns and other rights of the plan are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

**Disability Benefits**

For Plan A, a member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007, and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of an amount equal to 3% of the member's final average compensation multiplied by his years of service, not to be less than 15, or three percent multiplied by years of service assuming continued service to age 60 for those members who are enrolled prior to January 1, 2007 and to age 62 for those members who are enrolled January 1, 2007 and later.

**Employer Contributions**

According to state statute, contributions for the District are actuarially determined each year. For the year ended December 31, 2024, the actuarially determined contribution rate was 9.50% of member's compensation. The actual rate for the fiscal year ended December 31, 2024 was 11.50%.

At December 31, 2024, the District reported a liability of \$243,302 for its proportionate share of the net pension asset. The net pension liability was measured as of December 31, 2023, and was determined by actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all taxing districts, actuarially determined. At December 31, 2023, the District's proportion was 0.255376%.

**RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
DECEMBER 31, 2024

**(8) PENSION (CONTINUED)**

**Pension Asset, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended December 31, 2024, the District recognized pension expense of \$96,247. At December 31, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to its pension from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between Expected and Actual Experience	\$ 115,211	\$ 65,307
Changes in Assumptions	-	42,388
Net Difference between Projected and Actual Earnings on Pension Plan Investments	392,117	-
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	1,311	5,908
District Contributions Subsequent to Measurement Date	<u>212,069</u>	<u>-</u>
Total	<u>\$ 720,708</u>	<u>\$ 113,603</u>

In the year ending December 31, 2024, \$212,069 reported as deferred outflows of resources related to the District's contributions subsequent to the measurement date will be recognized. Other amounts reported as deferred inflows of resources and deferred outflows of resources will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2023	\$ 30,654
2024	193,477
2025	330,285
2026	<u>(159,380)</u>
<b>Total</b>	<u>\$ 395,036</u>



**RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2024**

**(8) PENSION (CONTINUED)**

**Actuarial Assumptions**

A summary of the actuarial methods and assumptions used in determining net pension liability as of December 31, 2023, are as follows:

Valuation Date	December 31, 2023
Actuarial Cost Method	Entry Age Normal
Investment Return	6.40% (Net of Investment Expense)
Expected Remaining Service Lives	4 Years
Projected Salary Increases	4.75% (2.45% Merit / 2.30% Inflation)
Cost-of-Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost- of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.
Mortality	The Pub-2010 Public Retirement Plans Mortality Table for General Healthy Retirees was used for annuitants and beneficiaries. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees was used. For disabled annuitants, the Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees was used. These mortality tables were multiplied by 130% for males and 125% for females, each with full generational projection using the MP2021 scale.

**RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
DECEMBER 31, 2024

**(8) PENSION (CONTINUED)**

**Actuarial Assumptions (Continued)**

The discount rate used to measure the total pension liability was 6.40% for Plan A. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement System's Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up), and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward-looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.40% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.50% for the year ended December 31, 2023.

Best-estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Fixed Income	33%	1.12%
Equity	51%	3.20%
Alternatives	14%	0.67%
Real Assets	<u>2%</u>	<u>0.11%</u>
Totals	<u>100%</u>	5.10%
Inflation		<u>2.40%</u>
Expected Arithmetic Normal Return		<u>7.50%</u>

**RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
DECEMBER 31, 2024

**(8) PENSION (CONTINUED)**

**Sensitivity to Changes in Discount Rate**

The following presents the net pension liability of the District using the discount rate of 6.40% as well as what the asset or liability would be if it were calculated using a discount rate that is one percentage point lower (5.40%) or one percentage point higher (7.40%) than the current rate:

	1% Decrease <u>(5.40%)</u>	Current Discount Rate <u>(6.40%)</u>	1% Increase <u>(7.40%)</u>
District's Proportionate Share of the Net Pension Liability (Asset)	\$ <u>1,736,007</u>	\$ <u>243,302</u>	\$ <u>(1,009,675)</u>

**(9) INTERFUND TRANSFER**

Operating transfers between funds occur to provide reimbursement of certain operating costs and are not expected to be repaid. Transfers between funds during 2024 occurred as follows:

<u>Fund</u>	<u>Transfer From</u>	<u>Transfers To</u>
General	\$ 821,734	\$ 791,161
Capital Projects – Construction	791,607	799,289
Capital Projects – Development	654	-
Sports	<u>-</u>	<u>23,545</u>
Total	\$ <u>1,613,995</u>	\$ <u>1,613,995</u>

**(10) RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended December 31, 2024, the District carried insurance through various commercial carriers to cover all risks of loss. The District had no settled claims resulting from these risks that exceeded its commercial coverage in any of the past three fiscal years

**RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2024**

**(11) NEW ACCOUNTING PRONOUNCEMENTS**

The GASB has released Statement No. 102, Certain Risk Disclosures (Statement 102). The Statement 102 defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by a formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that a report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. This Statement is effective for fiscal years beginning after June 15, 2024. The District plans to adopt this Statement as applicable by the effective date.

The GASB has released Statement No. 103, Financial Reporting Model Improvements (Statement 103). This Statement continues the requirement that the basic financial statements be preceded by management's discussion and analysis (MD&A), which is presented as required supplementary information (RSI). This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) overview of the financial statements, (2) financial summary, (3) detailed analyses, (4) significant capital asset and long-term financing activity, and (5) currently known facts, decisions, or conditions. This Statement requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses. This Statement requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements. This Statement is effective for fiscal years beginning after June 15, 2025. The District plans to adopt this Statement as applicable by the effective date.

**RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2024**

**(11) NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)**

The GASB has released Statement No. 104, Disclosure of Certain Capital Assets (Statement 104). This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, Leases, and intangible right-to-use assets recognized in accordance with Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, should be disclosed separately by major class of underlying asset in the capital as-sets note disclosures. This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement is effective for fiscal years beginning after June 15, 2025. The District plans to adopt this Statement as applicable by the effective date.

**REQUIRED SUPPLEMENTARY INFORMATION (PART 1)**

**RECREATION DISTRICT NO.1 OF ST. TAMMANY PARISH**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCE - BUDGET (CASH BASIS) TO ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b><u>REVENUES:</u></b>				
Taxes and revenue sharing	\$ 3,904,675	\$ 3,904,675	\$ 5,251,129	\$ 1,346,454
Interest and investment income	150,000	150,000	144,087	(5,913)
Facilities rentals	331,000	331,000	446,219	115,219
Other fees and services	136,400	136,400	132,996	(3,404)
Recreation programs	450,000	450,000	437,565	(12,435)
Concessions revenues	41,500	41,500	-	(41,500)
Sponsorships and endorsements	69,000	69,000	20,000	(49,000)
Mechandise	2,000	2,000	-	(2,000)
Grants, appropriations and miscellaneous	<u>236,694</u>	<u>236,694</u>	<u>384,852</u>	<u>148,158</u>
 Total revenues	 5,321,269	 5,321,269	 6,816,848	 1,495,579
<b><u>EXPENDITURES:</u></b>				
Salaries and wages	2,401,705	2,401,705	2,274,853	126,852
Benefits and taxes	858,192	858,192	743,017	115,175
Other personnel costs	60,455	60,455	44,389	16,066
Professional fees and contract labor	330,624	330,624	203,355	127,269
Insurance	460,000	460,000	409,198	50,802
Electric and gas	325,000	325,000	297,832	27,168
Fuel	25,000	25,000	20,799	4,201
Marketing and public relations	113,000	113,000	64,689	48,311
Board	5,900	5,900	11,537	(5,637)
Technology	132,225	132,225	55,938	76,287
Maintenance and repair	134,815	134,815	241,332	(106,517)
Supplies and equipment	294,017	294,017	304,772	(10,755)
Turf and field care	156,980	156,980	107,313	49,667
Financial expenses	95	95	1,841	(1,746)
Other expenses	23,261	23,261	23,535	(274)
Capital outlay	<u>-</u>	<u>-</u>	<u>90,160</u>	<u>(90,160)</u>
 Total expenditures	 <u>5,321,269</u>	 <u>5,321,269</u>	 <u>4,894,560</u>	 <u>426,709</u>
 Excess of revenues over expenditures	 -	 -	 1,922,288	 1,922,288
 Proceeds from sale of asset	 -	 -	 7,260	 7,260
Intergovernmental transfers	<u>-</u>	<u>-</u>	<u>30,573</u>	<u>30,573</u>
 Excess of revenues over expenditures and other sources	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 1,960,121</u>	 <u>\$ 1,960,121</u>

\*\*Debt service payments are not budgeted as they follow a stated payment table.

**See independent auditors' report**

**RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**FOR THE TEN YEARS ENDING DECEMBER 31, 2024**

	<u>12/31/2024</u>	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>
<b><u>Parochial Employees' Retirement System of Louisiana</u></b>										
District's Proportion of the Net Pension Liability	0.255376%	0.272284%	0.257957%	0.255181%	0.230710%	0.235461%	0.230487%	0.243934%	0.206252%	0.221200%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 243,302	\$ 1,047,964	\$ (1,215,089)	\$ (447,438)	\$ 10,861	\$ 1,045,060	\$ (171,078)	\$ 504,385	\$ 542,915	\$ 60,487
District's Covered-Employee Payroll	1,844,077	1,850,893	1,847,136	1,705,119	\$ 1,438,164	\$ 1,447,520	\$ 1,418,691	\$ 1,446,658	\$ 1,151,248	\$ 1,255,588
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	13.19%	56.62%	-65.78%	-26.24%	0.76%	72.20%	-12.06%	34.87%	47.16%	4.82%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	98.03%	91.74%	110.46%	104.00%	99.88%	88.86%	101.97%	94.15%	92.23%	99.89%



**RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH**  
**SCHEDULE OF CONTRIBUTIONS - TO DEFINED BENEFIT PENSION PLAN**  
**FOR THE TEN YEARS ENDING DECEMBER 31, 2024**

	<u>12/31/2024</u>	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>
<b><u>Parochial Employees' Retirement System of Louisiana</u></b>										
Contractually Required Contribution	\$ 212,069	\$ 212,852	\$ 212,421	\$ 211,550	\$ 208,785	\$ 165,389	\$ 166,465	\$ 177,336	\$188,066	\$166,931
Contributions in Relation to the Contractually Required Contribution	<u>(212,069)</u>	<u>(212,852)</u>	<u>(212,421)</u>	<u>(211,550)</u>	<u>(208,785)</u>	<u>(165,389)</u>	<u>(166,465)</u>	<u>(177,336)</u>	<u>(188,066)</u>	<u>(166,931)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 1,844,077	\$ 1,850,893	\$ 1,847,136	\$ 1,726,940	\$ 1,704,367	\$ 1,438,164	\$ 1,447,520	\$ 1,418,691	\$ 1,446,658	\$ 1,151,248
Contributions as a Percentage of Covered-Employee Payroll	11.50%	11.50%	11.50%	12.25%	12.25%	11.50%	11.50%	12.50%	13.00%	14.50%

**RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH**  
**SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

<u>Board of Commissioners</u>	<u>Compensation</u>
Nixon Adams, Chairman 250 Dona Drive, Mandeville, LA 70448	\$ -
Ed Bee, Commissioner 270 Evangeline Drive, Mandeville, LA 70471	\$ -
Rick Danielson, Commissioner 125 Beau Rivage Drive, Mandeville, LA 70448	\$ -
Shearn Lemoine, Commissioner 278 General Patton, Mandeville, LA 70448	\$ -
Barrett McGuire, Commissioner 1551 Lakeshore Drive, Mandeville, LA 70448	\$ -
John Neill, Commissioner 1798 Culver Court, Mandeville, LA 70448	\$ -
DeShea Richardson, Commissioner 831 Tete Lours Drive, Madeville, LA 70471	\$ -

**See independent auditors' report**

**RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH**  
**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER**  
**PAYMENTS TO AGENCY HEAD**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	Jennifer Dexter (1/1/24-1/17/24) <u>Executive Director</u>	Kia Knight (1/18/24-5/14/24) <u>Co-Interim Executive Directors</u>	Doug McLemore (1/18/24-5/14/24)	Suzanne Reeder (5/15/24-12/31/24) <u>Executive Director</u>
Salary	\$ 12,080	\$ 33,392	\$ 32,941	\$ 69,992
Benefits- insurance*	824	4,122	4,122	5,771
Benefits- retirement*	9,753	3,840	3,788	8,049
Other - phone provided by district	83	208	210	333
Moving expenses	-	-	-	4,999
Conference travel	-	2,459	-	1,875
	<u>\$ 22,740</u>	<u>\$ 44,021</u>	<u>\$ 41,061</u>	<u>\$ 91,019</u>

\* Insurance, retirement and other benefits were provided to all employees of the District.

## **OTHER SUPPLEMENTARY INFORMATION**



**INDEPENDENT AUDITORS' 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***

To the Board of Commissioners of  
Recreation District No. 1 of St. Tammany Parish  
Mandeville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of Recreation District No.1 of St. Tammany Parish (the "District") as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Recreation District No. 1 of St. Tammany Parish's basic financial statements, and have issued our report thereon dated April 30, 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 Recreation District No.1 of St. Tammany Parish's internal control. Accordingly, we do not express an opinion on the effectiveness of Recreation District No. 1 of St. Tammany Parish's internal control.

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

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



To the Board of Commissioners of  
Recreation District No. 1 of St. Tammany Parish  
April 30, 2025

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Recreation District No. 1 of St. Tammany Parish's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

April 30, 2025  
Mandeville, Louisiana

*Erickson Krentel, LLP*  
Certified Public Accountants

**RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditors' report expresses an unmodified opinion on the financial statements of Recreation District No. 1 of St. Tammany Parish.
2. No significant deficiencies disclosed during the audit are reported in the Independent Auditors' 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*.
3. No instances of noncompliance disclosed during the audit are reported in the Independent Auditors' 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*.
4. A management letter was not issued for the year ended December 31, 2024.

**B. FINDINGS – FINANCIAL STATEMENT AUDIT**

None

**RECREATION DISTRICT NO. 1 OF ST. TAMMANY PARISH**  
**SCHEDULE OF PRIOR YEAR FINDINGS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

**INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FINANCIAL STATEMENTS**

None

**MANAGEMENT LETTER ITEMS**

A management letter was not issued in the prior year.