

ANNUAL FINANCIAL REPORT
ST. TAMMANY PARISH
RECREATION DISTRICT NO. 14
COVINGTON, LOUISIANA
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2024



ERICKSEN KRENTEL^{LLP}
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners of
St. Tammany Parish Recreation District No. 14
Covington, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the St. Tammany Parish Recreation District No. 14 (the District), a component unit of St. Tammany Parish, Louisiana, 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, the business-type activities, and each major fund of the District, as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Louisiana Governmental Audit Guide*, 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 these 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.



St. Tammany Parish Recreation District No. 14

June 20, 2025

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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



St. Tammany Parish Recreation District No. 14

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Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison on page 27 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 accompanying Schedule of Governing Board and Schedule of Compensation, Benefits and Other Payments to Agency Head are presented to comply with the Act 706 of the 2014 Louisiana Legislative Session, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Governing Board and Schedule of Compensation, Benefits and Other Payments to Agency Head, in all material respects, in relation to the basic financial statements as a whole.



ERICKSEN KRENTEL^{LLP}

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

St. Tammany Parish Recreation District No. 14

June 20, 2025

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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 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 District's internal control over financial reporting and compliance.

June 20, 2025

Mandeville, Louisiana

Erickson Krentel, LLP

Certified Public Accountants

BASIC FINANCIAL STATEMENTS

ST. TAMMANY PARISH RECREATION DISTRICT NO. 14
STATEMENT OF NET POSITION
DECEMBER 31, 2024

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS:</u>			
Cash and cash equivalents	\$ 2,363,248	\$ 177,721	\$ 2,540,969
Cash - LAMP investments	11,292,270	-	11,292,270
Receivables:			
Ad valorem taxes, net of allowance	4,157,605	-	4,157,605
State revenue sharing	19,437	-	19,437
Other	-	695	695
Other assets	46,225	-	46,225
Capital assets not being depreciated	4,343,656	-	4,343,656
Capital assets being depreciated, net of accumulated depreciation	<u>22,128,042</u>	<u>158,508</u>	<u>22,286,550</u>
 Total assets	 <u>44,350,483</u>	 <u>336,924</u>	 <u>44,687,407</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES:</u>			
Loss on refunding	<u>141,043</u>	<u>-</u>	<u>141,043</u>
 Total deferred outflows of resources	 <u>141,043</u>	 <u>-</u>	 <u>141,043</u>
 <u>LIABILITIES:</u>			
Accounts payable	6,449	18,866	25,315
Accrued interest	348,606	-	348,606
Retainage payable	318,481	-	318,481
Certificates of indebtedness:			
Due within one year	256,000	-	256,000
Due in more than one year	1,091,000	-	1,091,000
Bonds payable:			
Due within one year	1,280,611	-	1,280,611
Due in more than one year	<u>30,465,660</u>	<u>-</u>	<u>30,465,660</u>
 Total liabilities	 <u>33,766,807</u>	 <u>18,866</u>	 <u>33,785,673</u>
 <u>NET POSITION:</u>			
Net investment in capital assets	5,040,185	158,508	5,198,693
Restricted - debt service	3,324,711	-	3,324,711
Unrestricted	<u>2,359,823</u>	<u>159,550</u>	<u>2,519,373</u>
 Total net position	 <u>\$ 10,724,719</u>	 <u>\$ 318,058</u>	 <u>\$ 11,042,777</u>

The accompanying notes are an integral part of this statement

ST. TAMMANY PARISH RECREATION DISTRICT NO. 14
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

Function/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<u>Governmental activities:</u>						
Recreation	\$ 3,640,538	\$ -	\$ -	\$ (3,640,538)	\$ -	\$ (3,640,538)
Interest on long-term debt	<u>1,057,438</u>	<u>-</u>	<u>-</u>	<u>(1,057,438)</u>	<u>-</u>	<u>(1,057,438)</u>
Total governmental activities	<u>\$ 4,697,976</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(4,697,976)</u>	<u>-</u>	<u>(4,697,976)</u>
<u>Business-type activities:</u>						
Recreation	<u>1,284,591</u>	<u>1,228,301</u>	<u>-</u>	<u>-</u>	<u>(56,290)</u>	<u>(56,290)</u>
Total business-type activities	<u>\$ 1,284,591</u>	<u>\$ 1,228,301</u>	<u>\$ -</u>	<u>-</u>	<u>(56,290)</u>	<u>(56,290)</u>
General revenues:						
Taxes:						
Ad valorem				4,471,583	-	4,471,583
State revenue sharing				29,835	-	29,835
Interest and investment earnings				415,683	15,434	431,117
Miscellaneous				<u>196,572</u>	<u>-</u>	<u>196,572</u>
Total general revenues				<u>5,113,673</u>	<u>15,434</u>	<u>5,129,107</u>
Other financing sources (uses):						
Transfers in/(out)				<u>(29,627)</u>	<u>29,627</u>	<u>-</u>
Total other financing sources (uses)				<u>(29,627)</u>	<u>29,627</u>	<u>-</u>
Change in net position				386,070	(11,229)	374,841
Net position, beginning of year				<u>10,338,649</u>	<u>329,287</u>	<u>10,667,936</u>
Net position, ending of year				<u>\$ 10,724,719</u>	<u>\$ 318,058</u>	<u>\$ 11,042,777</u>

The accompanying notes are an integral part of this statement

ST. TAMMANY PARISH RECREATION DISTRICT NO. 14
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	General Fund	Debt Service Fund	Capital Fund	Total Governmental Funds
<u>ASSETS:</u>				
Cash and cash equivalents	\$ 805,965	\$ 1,222,211	\$ 335,072	\$ 2,363,248
Cash - LAMP investments	-	-	11,292,270	11,292,270
Receivables:				
Ad valorem taxes, net of allowance	2,139,917	2,017,688	-	4,157,605
State revenue sharing	19,437	-	-	19,437
Due from other funds	-	267,653	-	267,653
Other assets	<u>46,225</u>	<u>-</u>	<u>-</u>	<u>46,225</u>
 Total assets	 <u>\$ 3,011,544</u>	 <u>\$ 3,507,552</u>	 <u>\$ 11,627,342</u>	 <u>\$ 18,146,438</u>
<u>LIABILITIES:</u>				
Accounts payable	\$ 6,449	\$ -	\$ -	\$ 6,449
Due to other funds	88,276	-	-	88,276
Retainage payable	-	-	318,481	318,481
Due to other funds	<u>135,152</u>	<u>-</u>	<u>44,225</u>	<u>179,377</u>
 Total liabilities	 <u>229,877</u>	 <u>-</u>	 <u>362,706</u>	 <u>592,583</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>				
Unavailable revenue - ad valorem taxes	<u>193,918</u>	<u>182,841</u>	<u>-</u>	<u>376,759</u>
 Total deferred inflows of resources	 <u>193,918</u>	 <u>182,841</u>	 <u>-</u>	 <u>376,759</u>
<u>FUND BALANCE:</u>				
Restricted for:				
Debt service	-	3,324,711	-	3,324,711
Construction	-	-	11,264,636	11,264,636
Unassigned	<u>2,587,749</u>	<u>-</u>	<u>-</u>	<u>2,587,749</u>
 Total fund balance	 <u>2,587,749</u>	 <u>3,324,711</u>	 <u>11,264,636</u>	 <u>17,177,096</u>
 Total liabilities, deferred inflows of resources, and fund balance	 <u>\$ 3,011,544</u>	 <u>\$ 3,507,552</u>	 <u>\$ 11,627,342</u>	 <u>\$ 18,146,438</u>

The accompanying notes are an integral part of this statement

ST. TAMMANY PARISH RECREATION DISTRICT NO. 14
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2024

Fund balance - governmental funds	\$	17,177,096
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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.

Capital assets not being depreciated	4,343,656		
Capital assets being depreciated	35,103,223		
Less: accumulated depreciation	<u>(12,975,181)</u>		26,471,698

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		(33,093,271)
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Losses on refunding are not available to pay for current period expenses and, therefore, are not reported in the funds.		141,043
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Accrued interest and expenses associated with long-term are not reported in the governmental funds.		(348,606)
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Certain property tax collections are not available to pay for current- period expenditures and therefore are reported as deferred inflows of resources in the governmental funds.		<u>376,759</u>
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Net position of governmental activities	\$	<u><u>10,724,719</u></u>
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The accompanying notes are an integral part of this statement

ST. TAMMANY PARISH RECREATION DISTRICT NO. 14
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	General Fund	Debt Service Fund	Capital Fund	Total Governmental Funds
<u>REVENUES:</u>				
Ad valorem taxes	\$ 2,307,180	\$ 2,175,392	\$ -	\$ 4,482,572
State revenue sharing	29,835	-	-	29,835
Rental income	83,917	-	-	83,917
Advertising income	53,335	-	-	53,335
Capital grant	-	-	-	-
Interest and investment earnings	72,625	66,639	276,419	415,683
Gain on disposal of capital outlay	-	-	-	-
Miscellaneous	59,320	-	-	59,320
	<u>2,606,212</u>	<u>2,242,031</u>	<u>276,419</u>	<u>5,124,662</u>
Total revenues	2,606,212	2,242,031	276,419	5,124,662
<u>EXPENDITURES:</u>				
Administration	2,025,376	6,099	2,365	2,033,840
Capital outlay	-	-	4,251,125	4,251,125
Debt service:				
Principal	263,642	1,066,000	-	1,329,642
Interest	52,031	731,542	44,225	827,798
	<u>2,341,049</u>	<u>1,803,641</u>	<u>4,297,715</u>	<u>8,442,405</u>
Total expenditures	2,341,049	1,803,641	4,297,715	8,442,405
Excess (deficiency) of revenues over expenditures	265,163	438,390	(4,021,296)	(3,317,743)
<u>OTHER FINANCING SOURCES (USES):</u>				
Bond issuance	-	-	8,281,729	8,281,729
Issuance costs	-	-	(105,745)	(105,745)
Transfers in (out)	36,666	(36,666)	(29,627)	(29,627)
	<u>36,666</u>	<u>(36,666)</u>	<u>8,146,357</u>	<u>8,146,357</u>
Total other financing sources (uses)	36,666	(36,666)	8,146,357	8,146,357
Net change in fund balances	301,829	401,724	4,125,061	4,828,614
<u>FUND BALANCES:</u>				
Beginning of year	2,285,920	2,922,987	7,139,575	12,348,482
End of year	<u>\$ 2,587,749</u>	<u>\$ 3,324,711</u>	<u>\$ 11,264,636</u>	<u>\$ 17,177,096</u>

The accompanying notes are an integral part of this statement

ST. TAMMANY PARISH RECREATION DISTRICT NO. 14
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

Net change in fund balance - governmental fund	\$	4,828,614
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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 lives and reported as depreciation expense.

Capital outlays capitalized		4,251,125
Depreciation expense		(1,606,698)

The issuance of long-term debt (e.g. certificates of indebtedness and bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

(7,075,982)

Under the modified accrual basis of accounting used in the governmental funds, advances of derived tax revenues is not recognized until received, rather than as it is earned. This is the amount by which prior year advances of derived tax revenues recognized of \$387,748 were exceeded by current advances of derived tax revenues recognized of \$376,759.

(10,989)

Change in net position of governmental activities	\$	<u><u>386,070</u></u>
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The accompanying notes are an integral part of this statement

ST. TAMMANY PARISH RECREATION DISTRICT NO. 14
STATEMENT OF NET POSITION - PROPRIETARY FUND
DECEMBER 31, 2024

	Program Fund
<u>ASSETS:</u>	
Current assets:	
Cash and cash equivalents	\$ 177,721
Total current assets	<u>177,721</u>
Non-current assets:	
Capital assets, net of accumulated depreciation	<u>158,508</u>
Total non-current assets	<u>158,508</u>
Total assets	<u><u>\$ 336,229</u></u>
 <u>LIABILITIES:</u>	
Accounts payable	<u>18,171</u>
Total current liabilities	<u>18,171</u>
 <u>NET POSITION:</u>	
Net investment in capital assets	158,508
Unrestricted	<u>159,550</u>
Total net position	<u>318,058</u>
Total liabilities and net position	<u><u>\$ 336,229</u></u>

The accompanying notes are an integral part of this statement

ST. TAMMANY PARISH RECREATION DISTRICT NO. 14
STATEMENT OF REVENUES, EXPENSES AND CHANGE
IN NET POSITION - PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Program Fund
<u>OPERATING REVENUES:</u>	
Registration fees	\$ 1,040,082
Concessions	<u>188,219</u>
Total operating revenues	<u>1,228,301</u>
<u>OPERATING EXPENSES:</u>	
Sports program expenses	704,234
Concessions	180,807
Officials, coaches, and scorers	159,057
Uniforms	119,557
Sports equipment	78,896
Depreciation	33,109
Awards	<u>8,931</u>
Total operating expenses	<u>1,284,591</u>
Operating (loss)	(56,290)
<u>NON-OPERATING REVENUES (EXPENSES):</u>	
Interest income	<u>15,434</u>
Total non-operating revenues (expenses)	<u>15,434</u>
Transfers out	<u>(29,627)</u>
Change in net position	(11,229)
<u>NET POSITION:</u>	
Beginning of year	<u>329,287</u>
End of year	<u><u>\$ 318,058</u></u>

The accompanying notes are an integral part of this statement

ST. TAMMANY PARISH RECREATION DISTRICT NO. 14
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Program Fund
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	
Receipts from customers	\$ 1,246,937
Payments for goods and services	<u>(1,251,482)</u>
Net cash (used) operating activities	<u>(4,545)</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING</u>	
<u>FINANCING ACTIVITIES:</u>	
Transfers, net	<u>29,627</u>
Net cash provided (used) by non-capital financing activities	<u>29,627</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED</u>	
<u>FINANCING ACTIVITIES:</u>	
Purchases of capital assets	<u>(35,027)</u>
Net cash (used in) capital and related financing activities	<u>(35,027)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>	
Interest received	<u>15,434</u>
Net cash from investing activities	<u>15,434</u>
Net increase in cash and cash equivalents	5,489
Cash and cash equivalents, beginning of year	<u>172,232</u>
Cash and cash equivalents, end of year	<u><u>\$ 177,721</u></u>
<u>Reconciliation of operating income (loss) to net cash</u>	
<u>provided (used) by operating activities:</u>	
Net operating (loss)	\$ (56,290)
Adjustments to reconcile net operating income (loss)	
to net cash provided (used) by operating activities	
Depreciation	33,109
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	<u>18,636</u>
Net cash (used) by operating activities	<u><u>\$ (4,545)</u></u>

The accompanying notes are an integral part of this statement

ST. TAMMANY PARISH RECREATION DISTRICT NO. 14
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The mission of St. Tammany Parish Recreation District No. 14 (the District) is to acquire, construct, operate, and maintain recreation facilities in the area of St. Tammany Parish which includes Covington, Louisiana. 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.

Reporting Entity

The District was created in 1999, by Ordinance 3017 of St. Tammany Parish (the Parish). The District is governed by a Board of Commissioners, which is appointed by the Parish. The District consists of seven Commissioners who serve staggered 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 (GASB) Statement No. 14, as amended, established criteria for determining which component units should be considered part of St. Tammany 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 is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, issued in June 1999, as amended by GASB Statement No. 63 in June 2011.

ST. TAMMANY PARISH RECREATION DISTRICT NO. 14
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (continued)

Government-Wide and Financial 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 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental funds 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 percent of the corresponding total for all governmental and proprietary funds and at least 5 percent 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 taxes of 4.47 mills restricted for periodic payments of principal and interest on general long-term debt.

ST. TAMMANY PARISH RECREATION DISTRICT NO. 14
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (continued)

Fund Financial Statements (continued)

Capital Projects Fund - The Capital Projects Fund accounts for the proceeds of the certificates of indebtedness and the general obligation bonds, which will be used for the purchase of land and construction of facilities.

The District reports one major proprietary fund - the Programs Fund. The fund accounts for registration fees for youth and adult sports and the related expenses of providing sports activities including uniforms, officials and scorers, and equipment. The fund also accounts for sale of concessions, goods, admissions, and their related costs from all facilities' concession stands.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The amounts reflected in the governmental fund financial statements are accounted for using a current financial resources measurement focus. With this measurement focus only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund 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 all revenues available if they are collected within 60 days after the fiscal year-end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt, which are recognized when payment is due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

The government-wide financial statements are accounted for using an economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements.

Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used, regardless of the timing of related cash flows. Ad valorem taxes and state revenue sharing associated with the current fiscal period are all considered to be susceptible to accrual and, so, have been recognized as revenues of the current fiscal period.

ST. TAMMANY PARISH RECREATION DISTRICT NO. 14
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents and Investments

Cash includes amounts in interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the District may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at market value. At December 31, 2024, the District has no investments.

Receivables

All receivables are reported net of estimated uncollectible amounts. The allowance for uncollectibles is \$232,754, which represents 5% of the total ad valorem tax receivable at December 31, 2024. This estimate is based on the District's history of collections within this revenue stream.

Capital Assets and Depreciation Expense

All capital assets of the District are recorded at historical cost in the government-wide and proprietary fund financial statements. Depreciation of all exhaustible capital assets is charged as an expense against their operations. In the governmental fund financial statements, capital assets used in the governmental fund operations are accounted for as capital outlay expenditures upon acquisition.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. The District capitalizes equipment and furniture in excess of \$2,500. The following estimated useful lives are used to compute depreciation expense on a straight-line basis:

Recreational facilities	10 – 14 years
Equipment	5 - 15 years

ST. TAMMANY PARISH RECREATION DISTRICT NO. 14
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has only one item that qualifies for reporting in this category, a deferred amount on bond refunding.

In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. The District has only one item that qualifies for reporting in this category, unavailable ad valorem taxes revenue.

Internal Transactions

Outstanding balances between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds."

Long-Term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the lives of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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 other financing uses.

Defining Operating Revenues and Expenses

The District's proprietary fund distinguishes between operating and non-operating revenues and expenses. Operating revenues and expenses consist of charges for sports league registration, concessions, and admissions, and the costs of providing those services, including depreciation. All other revenues and expenses are reported as non-operating.

ST. TAMMANY PARISH RECREATION DISTRICT NO. 14
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity Classifications

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

- a. Net investment in capital assets - This component of net position consists of the historical cost of capital assets, including any restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets, plus deferred outflows of resources, less deferred inflows of resources, related to those assets.
- b. Restricted net position - This component of net position consists of assets that have constraints that are externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position is reported in this category.

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

- a. Nonspendable – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – Amounts that can be spent only for specific purposes because of enabling legislation or externally imposed conditions by grantors, creditors, or citizens.
- c. Unassigned – amounts not included in other classifications.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District's policy is to apply restricted net position/fund balance first.

Ad Valorem Taxes

Ad valorem taxes to fund the operations and bond debt service of the District are 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 Assessors Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A re-evaluation of all property is required to be completed no less than every four years. The last re-evaluation was completed in 2020. Taxes are due and payable December 31st of the year levied.

ST. TAMMANY PARISH RECREATION DISTRICT NO. 14
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Ad Valorem Taxes (continued)

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

	<u>Authorized</u>	<u>Levied</u>
Construction, operation, and maintenance of facilities	5.00	4.39
Payment of general obligation bonds	7.65	4.47

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. Those estimates affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources 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.

Budget Policies

The District has adopted an annual budget for its General Fund on a basis consistent with generally accepted accounting principles. The budgetary practices include notice of the proposed budget, public inspection of the proposed budget, and public hearings on the budget prior to adoption. Any amendment involving increases in expenditures must be approved by the Board of Commissioners. Budgeted amounts in the accompanying financial statements include all amendments. The District does not use encumbrance accounting. At the end of the fiscal year, unexpended appropriations of funds automatically lapse. The District's budgeted expenditures were less than actual expenditures for the year resulting in an favorable variance of \$444,230.

New Accounting Pronouncements

For the year ended December 31, 2024, the District has adopted GASB Statement No. 101, *Compensated Absences* (Statement 101), which replaces GASB Statement No. 16. It requires liabilities for compensated absences to be recognized for leave that has not been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if the leave is attributable to services already rendered, has accumulated, and is more likely than not to be used for time off or paid in cash or settled through noncash means. The Statement also addresses the timing of the recognition of a liability for other types of compensated absences. The adoption of this standard did not have a material impact on the District's statements.

ST. TAMMANY PARISH RECREATION DISTRICT NO. 14
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Date of Management's Review

Subsequent events have been evaluated through June 20, 2025, which is the date the financial statements were available to be issued.

(2) CASH AND CASH EQUIVALENTS

Cash and cash equivalents at December 31, 2024 consisted of demand deposits with a carrying value of \$2,540,969 and a bank balance of \$2,377,110. These deposits are stated at cost which approximates market.

Custodial Credit Risk - Deposits

Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent 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.

At December 31, 2024 the District's deposits are secured from risk by federal deposit insurance and pledged securities held by the custodial bank in the name of the fiscal agent bank.

(3) CASH – LAMP INVESTMENTS

Cash – LAMP Investments of \$11,292,270, which are stated at market using published market quotes as of December 31, 2024, consisted of investments in the Louisiana Asset Management Pool, Inc. (LAMP), a local government investment pool.

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

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool share.

ST. TAMMANY PARISH RECREATION DISTRICT NO. 14
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

(3) CASH – LAMP INVESTMENTS (CONTINUED)

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company. If you have any questions, please feel free to contact the LAMP administrative office at 800-249-5267.

(4) CAPITAL ASSETS

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

	<u>1/1/2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>Placed In Service</u>	<u>12/31/2024</u>
<u>Governmental activities:</u>					
Capital assets not being depreciated:					
Land	\$ 2,775,119	\$ 151,919	\$ -	\$ -	\$ 2,927,038
Construction in progress	<u>6,170,288</u>	<u>4,099,207</u>	<u>-</u>	<u>(8,852,877)</u>	<u>1,416,618</u>
Total capital assets not being depreciated	<u>8,945,407</u>	<u>4,251,126</u>	<u>-</u>	<u>(8,852,877)</u>	<u>4,343,656</u>
Capital assets being depreciated:					
Recreation facilities	24,647,892	-	-	8,852,877	33,500,769
Equipment	<u>1,602,455</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,602,455</u>
Total capital assets being depreciated	<u>26,250,347</u>	<u>-</u>	<u>-</u>	<u>8,852,877</u>	<u>35,103,224</u>
Less: accumulated depreciation					
Recreation facilities	(10,258,520)	(1,515,277)	-	-	(11,773,797)
Equipment	<u>(1,109,963)</u>	<u>(91,421)</u>	<u>-</u>	<u>-</u>	<u>(1,201,384)</u>
Total accumulated depreciation	<u>(11,368,483)</u>	<u>(1,606,698)</u>	<u>-</u>	<u>-</u>	<u>(12,975,181)</u>
Total capital assets being depreciated, net	<u>14,881,864</u>	<u>(1,606,698)</u>	<u>-</u>	<u>8,852,877</u>	<u>22,128,043</u>
Total capital assets, net	<u>\$ 23,827,271</u>	<u>\$ 2,644,428</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,471,699</u>

Depreciation expense of \$1,606,698 for the year ended December 31, 2024, was charged to recreation.

ST. TAMMANY PARISH RECREATION DISTRICT NO. 14
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

(4) CAPITAL ASSETS (CONTINUED)

	<u>1/1/2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>Placed In Service</u>	<u>12/31/2024</u>
<u>Business-type activities:</u>					
Capital assets not being depreciated:					
Recreation facilities	\$ 104,455	\$ -	\$ -	\$ -	\$ 104,455
Equipment	<u>110,024</u>	<u>-</u>	<u>-</u>	<u>35,027</u>	<u>145,051</u>
Total capital assets being depreciated	<u>214,479</u>	<u>-</u>	<u>-</u>	<u>35,027</u>	<u>249,506</u>
Less: accumulated depreciation					
Recreation facilities	(3,108)	(10,446)	-	-	(13,554)
Equipment	<u>(54,781)</u>	<u>(22,663)</u>	<u>-</u>	<u>-</u>	<u>(77,444)</u>
Total accumulated depreciation	<u>(57,889)</u>	<u>(33,109)</u>	<u>-</u>	<u>-</u>	<u>(90,998)</u>
Total capital assets, net	<u>\$ 156,590</u>	<u>\$ (33,109)</u>	<u>\$ -</u>	<u>\$ 35,027</u>	<u>\$ 158,508</u>

Depreciation expense of \$33,109 for the year ended December 31, 2024, was charged to recreation.

(5) LONG-TERM OBLIGATIONS

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

\$4,150,000 General Obligation Bonds dated March 11, 2014; balance due in annual principal installments, starting April 1, 2017, of \$90,000 - \$325,000, plus semi-annual interest payments through April 1, 2034, with interest at 1.5% to 3.75%.

\$ 2,805,000

\$5,517,000 General Obligation Refunding Bonds dated December 2016; balance due in annual principal installments, starting April 1, 2017, of \$92,000 - \$590,000, plus semi-annual interest payments through April 1, 2029, with interest at 1.7%.

2,062,000

\$7,800,000 General Obligation Bonds dated January 23, 2018; balance due in annual principal installments, starting March 1, 2020, of \$55,000 - \$1,075,000, plus semi-annual interest payments through March 1, 2038, with interest at 3% to 4%.

7,405,000

ST. TAMMANY PARISH RECREATION DISTRICT NO. 14
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

(5) LONG-TERM OBLIGATIONS (CONTINUED)

\$10,200,000 General Obligation Bonds dated May 19, 2021; balance due in annual principal installments, starting March 1, 2024, of \$210,000 - \$1,000,000, plus semi-annual interest payments through March 1, 2041, with interest at 2% to 5%.

9,990,000

\$7,635,000 General Obligation Bonds dated July 16, 2024; balance due in annual principal installments, starting March 1, 2026, of \$100,000 - \$605,000, plus semi-annual interest payments through March 1, 2044, with interest at 4% to 5%.

7,635,000

\$1,425,000 Limited Tax Certificates of Indebtedness dated September 2018; balance due in annual principal installments, starting March 1, 2019, of \$10,000 - \$160,000, plus semi-annual interest payments through March 1, 2029, with interest at 3%.

765,000

\$1,000,000 Limited Tax Certificates of Indebtedness dated February 2020; balance due in annual principal installments, starting March 1, 2021, of \$101,000 - \$122,000, plus semi-annual interest payments through March 1, 2029, with interest ranging from 0.913% to 1.826%.

582,000

Subtotal general obligation bonds and certificates of deposit	31,244,000
Bond issuance premium	<u>1,849,271</u>
Total long-term debt	<u>\$ 33,093,271</u>

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

	<u>Balance at</u> <u>1/1/2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at</u> <u>12/31/2024</u>	<u>Current</u>	<u>Noncurrent</u>
<u>Governmental activities:</u>						
General obligation bonds	\$23,328,000	\$7,635,000	\$(1,066,000)	\$29,897,000	\$1,093,000	\$28,804,000
Bond issuance premiums	<u>1,236,529</u>	<u>646,783</u>	<u>(110,826)</u>	<u>1,849,271</u>	<u>187,611</u>	<u>1,661,660</u>
Subtotal for general obligation bonds	24,564,529	8,281,783	(1,176,826)	31,746,271	1,280,611	30,465,660
Certificates of indebtedness	1,590,000	-	(243,000)	1,347,000	256,000	1,091,000
Total long-term debt obligations	<u>\$26,154,529</u>	<u>\$8,281,783</u>	<u>\$ (1,419,826)</u>	<u>\$33,093,271</u>	<u>\$1,536,611</u>	<u>\$31,556,660</u>

General obligation bonds are secured by an annual ad valorem tax levy. In accordance with Louisiana Revised Statute 39:562, the District is legally restricted from incurring long-term bonded debt in excess of 10% of the assessed value of taxable property in the District. At December 31, 2024, the District had not exceeded this statutory limit.

ST. TAMMANY PARISH RECREATION DISTRICT NO. 14
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

(5) LONG-TERM OBLIGATIONS (CONTINUED)

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

<u>Year Ended</u>	<u>General Obligation Bonds</u>		<u>Certificates of Indebtedness</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 1,093,000	\$ 1,058,244	\$ 256,000	\$ 29,089	\$ 1,349,000	\$ 1,087,333
2026	1,220,000	1,026,303	264,000	22,865	1,484,000	1,049,168
2027	1,290,000	985,414	266,000	16,521	1,556,000	1,001,935
2028	1,343,000	937,561	274,000	10,056	1,617,000	947,617
2029	1,546,000	882,636	287,000	3,386	1,833,000	886,022
2030-2034	8,735,000	3,368,138	-	-	8,735,000	3,368,138
2035-2039	9,875,000	1,579,575	-	-	9,875,000	1,579,575
2040-2043	4,795,000	328,500	-	-	4,795,000	328,500
Total	<u>\$29,897,000</u>	<u>\$10,166,371</u>	<u>\$ 1,347,000</u>	<u>\$ 81,917</u>	<u>\$31,244,000</u>	<u>\$10,248,288</u>

(6) 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 the past year.

(7) INTERFUND RECEIVABLES AND PAYABLES

The primary purpose of interfund receivables/payables is to loan monies between funds to cover current expenditures. All interfund receivables/payables are considered short term, as they are expected to be repaid within the next fiscal year.

(8) NEW ACCOUNTING PRONOUNCEMENTS

The GASB has released Statement No. 102, *Certain Risk Disclosures*. This Statement establishes financial reporting requirements for risks related to vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for periods 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 improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this statement are effective for periods beginning after June 15, 2025. The District plans to adopt this Statement as applicable by the effective date.

ST. TAMMANY PARISH RECREATION DISTRICT NO. 14
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

(8) NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

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

REQUIRED SUPPLEMENTARY INFORMATION (PART II)

ST. TAMMANY PARISH RECREATION DISTRICT NO. 14
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance- Positive (Negative)
<u>REVENUES:</u>				
Ad valorem taxes	\$ 1,947,279	\$ 1,947,279	\$ 2,307,180	\$ 359,901
State revenue sharing	26,000	26,000	29,835	3,835
Rental income	75,000	75,000	83,917	8,917
Advertising income	50,000	50,000	53,335	3,335
Capital grant	-	-	-	-
Miscellaneous	10,000	10,000	59,320	49,320
Gain on disposal of capital outlay	-	-	-	-
Interest and investment earnings	32,000	32,000	72,625	40,625
	<u>2,140,279</u>	<u>2,140,279</u>	<u>2,606,212</u>	<u>465,933</u>
Total revenues				
<u>EXPENDITURES:</u>				
Administration	2,458,857	2,458,857	2,025,376	433,481
Capital outlay	50,422	50,422	-	50,422
Debt service:				
Principal	229,000	229,000	263,642	(34,642)
Interest	47,000	47,000	52,031	(5,031)
Issuance costs	-	-	-	-
	<u>2,785,279</u>	<u>2,785,279</u>	<u>2,341,049</u>	<u>444,230</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	<u>(645,000)</u>	<u>(645,000)</u>	<u>265,163</u>	<u>910,163</u>
<u>OTHER FINANCING SOURCES (USES)</u>	<u>-</u>	<u>-</u>	<u>36,666</u>	<u>36,666</u>
Net change in fund balance	(645,000)	(645,000)	301,829	946,829
FUND BALANCES, BEGINNING OF YEAR	<u>2,285,920</u>	<u>2,285,920</u>	<u>2,285,920</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 1,640,920</u>	<u>\$ 1,640,920</u>	<u>\$ 2,587,749</u>	<u>\$ 946,829</u>

The accompanying notes are an integral part of this statement

OTHER SUPPLEMENTARY INFORMATION

ST. TAMMANY PARISH RECREATION DISTRICT NO. 14
SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS
FOR THE YEAR ENDED DECEMBER 31, 2024

<u>Board of Commissioners</u>	<u>Compensation</u>
Kyle Matthews	\$ -
David Pittman	-
Joseph Prisco, Jr.	-
Deepa Woods	-
Kevin Barnes	-
Kyle France	-
Chuck Daniel*	-
Bubbie Ostendorf*	-
	<u>\$ -</u>

*Resigned during fiscal year 2024

ST. TAMMANY PARISH RECREATION DISTRICT NO. 14
SCHEDULE OF COMPENSATION, BENEFITS AND
OTHER PAYMENT TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2024

Richard Bentley-Smith, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 103,000
Benefits - insurance	3,046
Benefits - retirement	228
Benefits - cell phone	139
Reimbursements	1,200
Travel	336
Registration fees	970
Conference travel	2,046
Continuing professional education fees	-
Miscellaneous expenses	230
Special meals	-
Total compensation, benefits, and other payments	<u><u>\$ 111,195</u></u>

(See Independent Auditors' Report)

**OTHER REPORT REQUIRED BY
*GOVERNMENT AUDITING STANDARDS***



**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
St. Tammany Parish Recreation District No. 14
Covington, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the *Louisiana Governmental Audit Guide*, 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, business-type activities, and each major fund of St. Tammany Parish Recreation District No. 14 as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise St. Tammany Parish Recreation District No. 14's basic financial statements, and have issued our report thereon dated June 20, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered St. Tammany Parish Recreation District No. 14's internal control over financial reporting (internal control) to determine the 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 St. Tammany Parish Recreation District No. 14's internal control. Accordingly, we do not express an opinion on the effectiveness of St. Tammany Parish Recreation District No. 14'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 were not identified.



ERICKSEN KRENTEL LLP

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Commissioners of
St. Tammany Parish Recreation District No. 14
Covington, Louisiana

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether St. Tammany Parish Recreation District No. 14'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.

June 20, 2025
Mandeville, Louisiana

Erickson Krentel, LLP
Certified Public Accountants

ST. TAMMANY PARISH RECREATION DISTRICT NO. 14
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2024

SECTION I SUMMARY OF AUDIT RESULTS

1. The independent auditors' report expresses an unmodified opinion on the financial statements of the St. Tammany Parish Recreation District No. 14.
2. No material weaknesses or significant deficiencies in internal control related to the audit of the financial statements were 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 material to the financial statements of the St. Tammany Parish Recreation District No. 14 are reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
4. No management letter was issued for the year ended December 31, 2024.

SECTION II FINANCIAL STATEMENT FINDINGS

There were no findings related to the financial statements for the year ended December 31, 2024.

ST. TAMMANY PARISH RECREATION DISTRICT NO. 14
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2024

**SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE
FINANCIAL STATEMENTS**

There were no findings related to the financial statements for the year ended December 31, 2023.