

EISNER&ER

**RECREATION AND PARK COMMISSION
FOR THE
PARISH OF EAST BATON ROUGE**

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2025



RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

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INDEPENDENT AUDITORS' REPORT

Recreation and Park Commission for the Parish of East Baton Rouge
Baton Rouge, Louisiana

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Recreation and Park Commission for the Parish of East Baton Rouge (the "Commission") as of and for the year ended December 31, 2025, and the related notes to the financial statements which collectively comprise the Commission'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, each major fund, and the aggregate remaining fund information of the Commission, as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission'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.

Auditors' 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 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 Commission'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 Commission's ability to continue as a going concern for a reasonable period of time.

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

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedules, the Schedule of Changes in the Total Other Post-Employment Benefit Plan Liability and Related Ratios, the Schedule of Proportionate Share of the Net Pension Liability-Cost Sharing Defined Benefit Plan and the Schedule of Employer Contributions-Cost-Sharing Defined Benefit 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 the Commission's basic financial statements. The accompanying the Schedule of Compensation Paid to the Head of Commission, the General Fund Combining Schedules, and Schedule of Expenditures of Federal Awards and Accompanying Notes, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 Schedule of Compensation Paid to the Head of Commission, the General Fund Combining Schedules, and the Schedule of Expenditures of Federal Awards and Accompanying Notes are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2026 on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.



EisnerAmper LLP

EISNERAMPER LLP
Baton Rouge, Louisiana
June 30, 2026



REQUIRED SUPPLEMENTAL INFORMATION – PART I

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

Management's Discussion and Analysis As of December 31, 2025

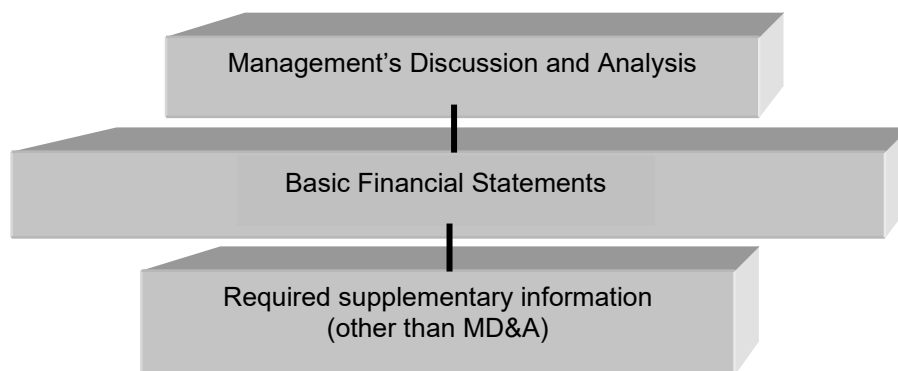
As financial management of the Recreation and Park Commission for the Parish of East Baton Rouge (BREC or the Commission), we offer readers of these financial statements an overview and analysis of BREC's financial activities. This narrative is designed to assist readers in focusing on significant financial issues, identify changes in financial position, identify material deviations from approved budget documents (if any) and identify individual fund issues or concerns. Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts.

FINANCIAL HIGHLIGHTS

- ★ Assets and deferred outflows of the Recreation and Park Commission exceeded its liabilities and deferred inflows on December 31, 2025 by \$209,599,571 (net position). Most of this amount is comprised of the Commission's investment in capital assets of \$227,881,963 and debt service requirements of \$4,448,991.
- ★ As of December 31, 2025, the governmental funds reported combined ending fund balances of \$98,916,358, an increase of \$7,022,462 in comparison with the prior year ending fund balance. Revenues increased for restricted grants-in-aid as a result of capital outlay expenditures associated with ongoing projects for which expenditures are reimbursable under federal grant programs. Approximately 38% of the fund balance, \$37,974,047, is unassigned.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.



These financial statements consist of three sections – Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

Government-wide financial statements. The *government-wide financial statements* are designed to be similar to private sector business in that all governmental and business-type activities are consolidated into separate columns which add to a total for the primary government. The governmental activities' statements combine the Governmental Funds' current financial resources with capital assets and long-term obligations. Donated infrastructure is included. The Commission has no business type activities and therefore no business-type activity statements are presented. Additionally, there are no component units presented to which the Commission may be obligated to provide financial assistance; and therefore, no component units are represented in these statements.

The *statement of net position* presents information on all of the Commission's assets, deferred outflows, liabilities and deferred inflows, with the difference between them reported as *net position*. Over time, changes in net position may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating.

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

Management's Discussion and Analysis As of December 31, 2025

The *statement of activities* presents information showing how the Commission's net position has changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes and earned but unused vacation leave). The focus of the *statement of activities* is on both the gross and net cost of various activities which are provided for by the Commission's general tax and other revenues. This is intended to summarize information and simplify the user's analysis of cost of various Commission services and/or subsidies to various activities.

Governmental activities reflect those recreation programs provided by the Commission to the public that are generally supported through tax dollars, grants, and charges for services such as golf, tennis, sports leagues, recreation centers, classes, etc., and maintenance of park facilities. Also included in governmental activities are the programs and maintenance of special facilities such as the Baton Rouge Zoo, Magnolia Mound Plantation House, Bluebonnet Swamp, Liberty Lagoon and others. Since all of the Commission's activities are of the governmental type, there is no presentation of business-type activities in these financial statements.

Fund financial statements. A *fund* is a grouping of related accounts that are used to maintain control and accountability over the resources that have been segregated for specific activities or objectives. Traditional users of governmental financial statements will find the fund financial statement presentation more familiar.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. The Governmental Fund presentation is presented on a sources and uses of liquid resources basis. This is the manner in which the budget is developed based on the generally accepted accounting principles (GAAP) basis. Unlike the government-wide financial statements, governmental fund financial statements focus on near-term outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's current financing requirements. The Commission has presented the General Fund, Capital Improvements Fund, Enhancement Construction Fund, Special Revenue Enhancement Fund, and Debt Service Fund as major funds.

Proprietary funds. *Proprietary funds* consist of internal service funds and are an accounting device used to accumulate and allocate costs internally among the Commission's various functions. The Commission uses internal service funds to account for its employee benefits, risk management, print shop, and unemployment insurance. These services benefit the governmental functions of the Commission, and they have been included within the governmental activities section in the government-wide financial statements.

Capital assets. General capital assets include land, improvements to land, easements, buildings, vehicles, machinery and equipment, infrastructure, and all other tangible assets that are used in operations that have initial useful lives greater than two years and exceed the government's capitalization threshold. Donated infrastructure assets are capitalized and are included in capital asset balances at fair value at the date of acquisition.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements. The notes are a required part of the basic financial statements.

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

Management's Discussion and Analysis As of December 31, 2025

FINANCIAL ANALYSIS OF THE ENTITY

The following table reflects the condensed Statement of Net Position for 2025 and 2024:

Condensed Statements of Net Position as of December 31, 2025 and 2024

	2025	2024
Assets		
Current and other assets	\$ 125,062,572	\$ 113,474,308
Capital assets	227,097,006	221,703,996
Total assets	<u>352,159,578</u>	<u>335,178,304</u>
Deferred outflows	<u>40,534,307</u>	<u>39,248,121</u>
Liabilities		
Current liabilities	14,364,431	7,562,655
Non-current liabilities		
Due within one year	8,748,506	11,472,413
Due in more than one year	147,483,212	127,590,617
Total liabilities	<u>170,596,149</u>	<u>146,625,685</u>
Deferred inflows	<u>12,498,165</u>	<u>17,359,530</u>
Net position		
Net investment in capital assets	227,881,963	217,689,858
Restricted	4,448,991	5,738,086
Unrestricted	<u>(22,731,383)</u>	<u>(12,986,734)</u>
Total net position	<u>\$ 209,599,571</u>	<u>\$ 210,441,210</u>

- Approximately 109% of the Commission's net position as of December 31, 2025 reflects investment in capital assets less any outstanding debt used to acquire those assets (land, buildings, infrastructure, machinery and equipment). The Commission uses these assets to provide services to the public, consequently these assets are not available for future spending. Although the Commission'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.
- Unrestricted net position contains a deficit of \$22,731,383, a deficit increase of \$9,744,649 from the prior year. This deficit is primarily attributable to the net position liability and total other post-employment benefits liability.

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

Management's Discussion and Analysis As of December 31, 2025

The following table provides a summary of the changes in net position for the years ended 2025 and 2024:

Condensed Statements of Revenues and Expenses For the Years Ended December 31, 2025 and 2024

	2025	2024
Revenues		
Program revenues		
Charges for services	\$ 12,657,525	\$ 12,867,304
Capital grants and contributions	6,399,826	1,470,464
General revenues		
Ad Valorem Taxes	85,655,623	86,756,225
State Revenue Sharing	1,631,357	1,623,825
Other General Revenues	2,864,076	3,784,303
	<u>109,208,407</u>	<u>106,502,121</u>
Expenses		
Administration and Planning	38,782,033	31,351,273
Maintenance Department Operations	21,342,962	15,618,673
Recreation Program Operations	28,956,910	25,241,438
Golf Operations	8,973,381	7,414,783
Zoo Operations	9,177,639	8,025,362
Aquatics and Therapeutics	1,268,692	1,640,036
Facility acquisition and construction	1,366,150	2,485,302
Interest on long-term debt	182,279	405,589
Intergovernmental	-	220
	<u>110,050,046</u>	<u>92,182,676</u>
Change in net position	<u>\$ (841,639)</u>	<u>\$ 14,319,445</u>
Net position, beginning, as previously reported	210,441,210	198,806,056
Change in accounting principle	-	(2,684,291)
Net position, beginning, restated for 2024	<u>210,441,210</u>	<u>196,121,765</u>
Net position, end of year	<u>\$ 209,599,571</u>	<u>\$ 210,441,210</u>

The Commission's revenues are comprised almost entirely of ad valorem taxes and charges for services for use of facilities and activities. Ad valorem taxes revenues decreased slightly in 2025 because of changes in underlying property value assessments. The charges for services were consistent with 2024. These fees are based on the citizens use of the various parks and facilities throughout the year as well as weather conditions throughout the year that affect many outdoor events. Capital grants and contributions increased significantly because of increasing capital projects which are reimbursable under federal grant programs.

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

Management's Discussion and Analysis As of December 31, 2025

The Commission's expenses, overall, increased approximately \$17,867,000, or 19% between 2025 and 2024. This increase is largely because of increased salaries and wages and related costs associated with construction activity.

FINANCIAL ANALYSIS OF THE COMMISSION'S FUNDS

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

The focus of the Commission's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Commission'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.

The General Fund is the primary operating fund of the Commission. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$38,414,205, while total fund balance of the General Fund was \$83,513,923. Compared with the total General Fund balance of \$84,348,433 at the end of 2024, fund balance decreased \$834,510 during 2025. The fund balance decrease is a result of lower ad valorem tax revenue as well as increases in costs for maintenance department operations. This fund balance can be used to support operations in accordance with restrictions, commitments, or assignments placed thereon.

The Commission's other governmental funds, consisting of the Debt Service Fund, the Capital Improvements Fund, the Enhancement Construction Fund and the Special Revenue Enhancement Fund collectively contain \$15,402,435 of fund balance which is either restricted, committed or assigned for various purposes including capital improvements, or assigned for certain uses as determined by management. The Commission also maintains an Enhancement Operating Fund that accounts for the portion of a certain millage that is earmarked for operating supplements under the Imagine Your Parks Strategic Master Plan that is combined with the General Fund for presentation in accordance with GASB 54. The General Fund combining financial statements reflect the components of the General Fund. These combining schedules are included in Other Supplemental Information.

The Louisiana Local Government Budget Act (the Act) requires that the Commission adopt annual budgets for its general and special revenue funds and to adopt budget amendments whenever revenue collections and other sources fail to meet budgeted projections by more than 5%; or when actual expenditures and other uses exceed budgeted expenditures and other uses 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. As indicated in the required supplemental information showing the budgeted revenues, expenditures, and other financing sources and uses for the General and Special Revenue Enhancement Funds, one budget amendment was adopted.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Commission's capital assets as of December 31, 2025, total \$227,097,006 (net of accumulated depreciation). Capital assets include land, buildings and improvements, construction in progress, subscription-based IT arrangements and moveable property consisting of furniture, machinery and equipment. Accumulated depreciation represents approximately 51% of the original cost of all capital assets, and approximately 57% of depreciable capital assets. Capital asset additions in 2025 were \$22,591,082 (excluding reclassification of construction-in-progress), or approximately 10% of the net book value of all capital assets.

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

Management's Discussion and Analysis As of December 31, 2025

Capital Assets at December 31 (Net of Depreciation)

	2025	2024
Land	\$ 32,054,418	\$ 32,054,417
Construction in progress	15,545,970	19,350,067
Moveable Property and Equipment	9,668,939	6,713,564
Subscription-based IT arrangement	1,073,871	-
Immoveable Property	168,753,808	163,585,948
Totals	<u>\$ 227,097,006</u>	<u>\$ 221,703,996</u>

The Commission maintains two funds for capital improvement projects. The first is the Capital Improvements Fund, which accounts for the proceeds of 50% of an ad valorem tax of 4.10 mills dedicated to capital improvements and which the Commission has traditionally used for its on-going Capital Improvement Program. This fund provides for capital improvements on a pay-as-you-go basis. Total expenditures in 2025 of the Capital Improvements Fund were \$20,848,443. The second fund is the Enhancement Construction Fund, which accounts for a portion of the proceeds of an ad valorem tax of 3.253 mills that was approved by the citizenry for funding the operation, maintenance, construction of the park system in accordance with the Strategic Master Plan. Total expenditures in 2025 of the Enhancement Construction Fund were \$337,488. The combined total expenditures of the two capital projects funds were \$21,185,931 and \$14,042,923 in 2025 and 2024, respectively.

Some of the more significant capital improvements during the 2025 fiscal year included construction, renovation and/or design costs for projects at the following locations: Cypress Bayou and Scotlandville Trails.

Long-term debt

During the year ended December 31, 2025, the Commission repaid in full its outstanding bonded debt outstanding. The remaining bonded debt outstanding as of December 31, 2024 was \$4,405,000. In 2025, the Commission had an ending balance of \$181,977 for a note agreement for the purchase of mower equipment and \$966,934 for a subscription-based IT arrangement liability. Long-term debt also includes the Commission's accrued compensated leave of \$7,950,000 and self-insurance claims payable of \$5,805,000. Other significant liabilities include the Commission's share of the City-Parish Employees' Retirement System net pension liability of \$121,775,437 and the total other post-employment benefits liability of \$19,552,370.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

East Baton Rouge Parish has experienced modest economic growth in recent years. The following significant assumptions were made in setting the 2026 budget:

- Increase in revenue due to potential grant awards for ongoing and upcoming capital projects.
- Slight increase in salaries and wages, decrease in capital project and operating expenses.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Commission's finances for those with an interest in the Commission's financial position and operations. Questions concerning information provided in this report or requests for additional information should be addressed to Recreation and Park Commission of East Baton Rouge Finance Department, 6201 Florida Boulevard, Baton Rouge, Louisiana 70806.

BASIC FINANCIAL STATEMENTS

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

Statement of Net Position

December 31, 2025

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 31,439,098
Ad valorem taxes receivable, net	85,296,035
Due from other governments and other	7,553,846
Inventory	773,593
Capital assets - non-depreciable	47,600,387
Capital assets - depreciable, net	179,496,619
Total assets	<u>352,159,578</u>
DEFERRED OUTFLOWS	
Total other post-employment benefit (OPEB) liability	9,526,970
Net pension liability	31,007,337
Total deferred outflows	<u>40,534,307</u>
LIABILITIES	
Accounts payable	7,543,795
Cash overdraft	3,499,690
Accrued expenses payable	3,320,946
Long-term liabilities:	
Due within one year (subscription, notes, compensated absences, claims)	8,218,506
Due within one year (total other post-employment benefits liability)	530,000
Due in more than one year (subscription, notes, compensated absences, claims)	6,685,405
Total other post-employment benefits liability, less amount due in one year	19,022,370
Net pension liability	121,775,437
Total liabilities	<u>170,596,149</u>
DEFERRED INFLOWS	
Total other post-employment benefit (OPEB) liability	11,407,307
Net pension liability	1,090,858
Total deferred inflows	<u>12,498,165</u>
NET POSITION	
Net investment in capital assets	227,881,963
Restricted	
Debt service	4,448,991
Unrestricted	<u>(22,731,383)</u>
Total net position	<u>\$ 209,599,571</u>

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

Statement of Activities

For the Year Ended December 31, 2025

	Expenses	Charges for Services	Capital Grants and Contributions	Total Governmental Activities
<u>Functions/Programs</u>				
Governmental activities				
Administration and planning	\$ 38,782,033	\$ 240,674	\$ -	\$ (38,541,359)
Maintenance department operations	21,342,962	-	-	(21,342,962)
Recreation program operations	28,956,910	3,424,836	6,399,826	(19,132,248)
Golf operations	8,973,381	2,958,755	-	(6,014,626)
Zoo operations	9,177,639	6,033,260	-	(3,144,379)
Aquatics and therapeutics	1,268,692	-	-	(1,268,692)
Facility acquisition and construction	1,366,150	-	-	(1,366,150)
Interest Expense	182,279	-	-	(182,279)
	<u>\$ 110,050,046</u>	<u>\$ 12,657,525</u>	<u>\$ 6,399,826</u>	<u>\$ (90,992,695)</u>
<u>General Revenues</u>				
				85,655,623
				1,631,357
				2,401,929
				462,147
				<u>90,151,056</u>
				(841,639)
				<u>210,441,210</u>
				<u>\$ 209,599,571</u>

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

Governmental Funds Balance Sheet December 31, 2025

	General Fund	Capital Improvements Fund	Enhancement Construction Fund	Special Revenue Enhancement Fund	Debt Service Fund	Total
ASSETS						
Cash and cash equivalents	\$ 9,459,499	\$ -	\$ 4,325,867	\$ 10,010,276	\$ 20,030	\$ 23,815,672
Ad valorem taxes receivable, net	54,023,972	12,089,763	-	19,182,300	-	85,296,035
Due from governments and other	1,631,191	5,922,655	-	-	-	7,553,846
Inventory	773,593	-	-	-	-	773,593
Due from other funds	26,310,764	115,931	7,101,484	-	8,666,903	42,195,082
Total assets	<u>92,199,019</u>	<u>18,128,349</u>	<u>11,427,351</u>	<u>29,192,576</u>	<u>8,686,933</u>	<u>159,634,228</u>
DEFERRED OUTFLOWS	-	-	-	-	-	-
Total assets and deferred outflows	<u>\$ 92,199,019</u>	<u>\$ 18,128,349</u>	<u>\$ 11,427,351</u>	<u>\$ 29,192,576</u>	<u>\$ 8,686,933</u>	<u>\$ 159,634,228</u>
LIABILITIES						
Accounts payable	\$ 3,051,485	\$ 3,642,401	\$ -	\$ 533,420	\$ -	\$ 7,227,306
Cash overdraft	-	3,499,690	-	-	-	3,499,690
Accrued expenses payable	2,069,727	1,217,277	33,749	-	-	3,320,753
Due to other funds	303,166	9,479,258	-	27,664,077	4,237,942	41,684,443
Total liabilities	<u>5,424,378</u>	<u>17,838,626</u>	<u>33,749</u>	<u>28,197,497</u>	<u>4,237,942</u>	<u>55,732,192</u>
DEFERRED INFLOWS	<u>3,260,718</u>	<u>729,881</u>	<u>-</u>	<u>995,079</u>	<u>-</u>	<u>4,985,678</u>
FUND BALANCE						
Nonspendable	773,593	-	-	-	-	773,593
Spendable:						
Restricted	-	-	-	-	4,448,991	4,448,991
Committed	1,342,965	-	-	-	-	1,342,965
Assigned	42,983,160	-	11,393,602	-	-	54,376,762
Unassigned (deficit)	38,414,205	(440,158)	-	-	-	37,974,047
Total fund balance	<u>83,513,923</u>	<u>(440,158)</u>	<u>11,393,602</u>	<u>-</u>	<u>4,448,991</u>	<u>98,916,358</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 92,199,019</u>	<u>\$ 18,128,349</u>	<u>\$ 11,427,351</u>	<u>\$ 29,192,576</u>	<u>\$ 8,686,933</u>	<u>\$ 159,634,228</u>

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position December 31, 2025

Total Fund Balances at December 31, 2025 - Governmental Funds		\$ 98,916,358
Cost of capital assets at December 31, 2025	464,618,935	
Less: Accumulated Depreciation as of December 31, 2025	<u>237,521,929</u>	227,097,006
Deferred inflows at December 31, 2025 (property tax and revenue sharing not available)		4,985,679
Deferred inflows at December 31, 2025 (net pension liability)		(1,090,858)
Deferred outflows at December 31, 2025 (net pension liability)		31,007,337
Deferred inflows at December 31, 2025 (total OPEB liability)		(11,407,307)
Deferred outflows at December 31, 2025 (total OPEB liability)		9,526,970
Consolidation of internal service funds		991,104
Long-term liabilities at December 31, 2025:		
Subscription-based IT arrangement liability	(966,934)	
Notes payable	(181,977)	
Compensated absences payable	(7,950,000)	
Net Pension Liability	(121,775,437)	
Total other post-employment benefit obligation	<u>(19,552,370)</u>	<u>(150,426,718)</u>
Total net position at December 31, 2025 - Governmental Activities		<u>\$ 209,599,571</u>

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

Governmental Funds

Statement of Revenues, Expenditures, and Changes in Fund Balance

December 31, 2025

	General Fund	Capital Improvements Fund	Enhancement Construction Fund	Special Revenue Enhancement Fund	Debt Service Fund	Total
REVENUES						
Local sources:						
Ad valorem taxes	\$ 50,903,640	\$ 11,964,545	\$ -	\$ 23,059,764	\$ -	\$ 85,927,949
Recreation activity fees	12,416,851	-	-	-	-	12,416,851
Earnings on investments	1,175,770	337,920	129,445	485,285	19,094	2,147,514
Donations and miscellaneous	43,566	418,420	161	-	-	462,147
Intergovernmental revenues:						
Revenue sharing	1,322,436	308,921	-	-	-	1,631,357
Restricted grants-in-aid	324,930	6,074,896	-	-	-	6,399,826
Total revenues	66,187,193	19,104,702	129,606	23,545,049	19,094	108,985,644
EXPENDITURES						
Current:						
Administrative and planning	24,065,484	4,810,212	-	533,416	1,063	29,410,175
Maintenance department operations	17,377,919	14,183	-	-	-	17,392,102
Recreation program operations	15,965,027	70	-	-	-	15,965,097
Golf operations	6,852,312	233,660	-	-	-	7,085,972
Zoo operations	7,712,159	-	-	-	-	7,712,159
Aquatics and therapeutics	938,650	-	-	-	-	938,650
COVID-19 relief operations	1,909,143	-	-	-	-	1,909,143
Debt service:						
Principal payment	516,064	-	-	-	4,405,000	4,921,064
Interest expense	100,649	-	-	-	46,913	147,562
Capital outlay	1,695,790	15,790,318	337,488	-	-	17,823,596
Total expenditures	77,133,197	20,848,443	337,488	533,416	4,452,976	103,305,520
Excess of revenues over (under) expenditures	(10,946,004)	(1,743,741)	(207,882)	23,011,633	(4,433,882)	5,680,124

(continued)

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

Governmental Funds

Statement of Revenues, Expenditures, and Changes in Fund Balance

December 31, 2025

	General Fund	Capital Improvements Fund	Enhancement Construction Fund	Special Revenue Enhancement Fund	Debt Service Fund	Total
OTHER FINANCING SOURCES (USES)						
Proceeds from subscription-based IT arrangements	1,342,338	-	-	-	-	1,342,338
Transfers out	-	-	-	(23,011,633)	-	(23,011,633)
Transfers in	8,769,156	-	9,840,080	-	4,402,397	23,011,633
Total other financing sources (uses)	10,111,494	-	9,840,080	(23,011,633)	4,402,397	1,342,338
CHANGES IN FUND BALANCE	(834,510)	(1,743,741)	9,632,198	-	(31,485)	7,022,462
Fund Balance, December 31, 2024	84,348,433	1,303,583	1,761,404	-	4,480,476	91,893,896
Fund Balance, December 31, 2025	<u>\$ 83,513,923</u>	<u>\$ (440,158)</u>	<u>\$ 11,393,602</u>	<u>\$ -</u>	<u>\$ 4,448,991</u>	<u>\$ 98,916,358</u> (concluded)

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The accompanying notes are an integral part of this financial statement.

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities

For the Year Ended December 31, 2025

Excess of Revenues and Other Financing Sources over Expenditures and Other Uses - Total Governmental Funds		\$	7,022,462
Capital Assets:			
Capital outlay and other expenditures capitalized	\$	22,580,526	
Net effect of sales and disposals of capital assets		(416,951)	
Depreciation and amortization expense for year ended December 31, 2025		<u>(16,770,565)</u>	5,393,010
Change in deferred inflows and outflows - property tax and revenue sharing			(272,325)
Proceeds from subscription			(1,342,338)
Change in net position of internal service fund			(5,884,623)
Long Term Debt:			
Principal portion of debt service payments and redemptions	\$	4,405,000	
Payment on subscription liability		375,404	
Change in net pension liability and related deferrals		(8,953,018)	
Change in post-employment benefit obligation		(142,711)	
Deferred loss amortization		(97,445)	
Payment on note payable		140,660	
Change in accrued interest on long-term debt		45,973	
Change in compensated absences payable		<u>(1,531,688)</u>	<u>(5,757,825)</u>
Change in Net Position - Governmental Activities		\$	<u>(841,639)</u>

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

PROPRIETARY FUND TYPE INTERNAL SERVICE FUNDS COMBINING STATEMENT OF NET POSITION DECEMBER 31, 2025

	Employee Benefit Fund	Risk Management Fund	Unemployment Insurance Fund	Print Shop Fund	Total Internal Service Funds
ASSETS					
Current:					
Cash and cash equivalents	\$ 2,723,065	\$ 4,341,578	\$ 558,783	\$ -	\$ 7,623,426
Due from other funds	-	156,236	-	-	156,236
Total assets	<u>\$ 2,723,065</u>	<u>\$ 4,497,814</u>	<u>\$ 558,783</u>	<u>\$ -</u>	<u>\$ 7,779,662</u>
LIABILITIES					
Current:					
Accounts payable	\$ 248,093	\$ 65,558	\$ -	\$ 3,033	\$ 316,684
Due to other funds	334,370	-	-	332,505	666,875
Claims payable	4,000,000	710,000	-	-	4,710,000
	<u>4,582,463</u>	<u>775,558</u>	<u>-</u>	<u>335,538</u>	<u>5,693,559</u>
Long-term:					
Claims payable	-	1,095,000	-	-	1,095,000
Total liabilities	<u>4,582,463</u>	<u>1,870,558</u>	<u>-</u>	<u>335,538</u>	<u>6,788,559</u>
NET POSITION					
Restricted	-	100,000	-	-	100,000
Unrestricted (deficit)	<u>(1,859,398)</u>	<u>2,527,256</u>	<u>558,783</u>	<u>(335,538)</u>	<u>891,103</u>
Total net position	<u>(1,859,398)</u>	<u>2,627,256</u>	<u>558,783</u>	<u>(335,538)</u>	<u>991,103</u>
Total liabilities and net position	<u>\$ 2,723,065</u>	<u>\$ 4,497,814</u>	<u>\$ 558,783</u>	<u>\$ -</u>	<u>\$ 7,779,662</u>

The accompanying notes are an integral part of this financial statement.

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

PROPRIETARY FUND TYPE

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

DECEMBER 31, 2025

	Employee Benefit Fund	Risk Management Fund	Unemployment Insurance Fund	Print Shop Fund	Total Internal Service Funds
OPERATING REVENUES					
Premiums received	\$ 6,217,716	\$ 102,655	\$ -	\$ -	\$ 6,320,371
Total operating revenues	<u>6,217,716</u>	<u>102,655</u>	<u>-</u>	<u>-</u>	<u>6,320,371</u>
OPERATING EXPENSES					
Claims expense	8,796,523	120,622	-	-	8,917,145
Insurance premiums	-	1,149,028	-	-	1,149,028
Administrative fees	<u>1,177,264</u>	<u>1,189,906</u>	<u>23,031</u>	<u>3,033</u>	<u>2,393,234</u>
Total operating expenses	<u>9,973,787</u>	<u>2,459,556</u>	<u>23,031</u>	<u>3,033</u>	<u>12,459,407</u>
Net operating income (loss)	(3,756,071)	(2,356,901)	(23,031)	(3,033)	(6,139,036)
NON-OPERATING REVENUES					
Interest income	<u>49,524</u>	<u>185,937</u>	<u>18,952</u>	<u>-</u>	<u>254,413</u>
Change in net position	(3,706,547)	(2,170,964)	(4,079)	(3,033)	(5,884,623)
Net position December 31, 2024	<u>1,847,149</u>	<u>4,798,220</u>	<u>562,862</u>	<u>(332,505)</u>	<u>6,875,726</u>
Net position December 31, 2025	<u>\$ (1,859,398)</u>	<u>\$ 2,627,256</u>	<u>\$ 558,783</u>	<u>\$ (335,538)</u>	<u>\$ 991,103</u>

The accompanying notes are an integral part of this financial statement.

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

PROPRIETARY FUND TYPE INTERNAL SERVICE FUNDS COMBINING STATEMENT OF CASH FLOWS DECEMBER 31, 2025

	Employee Benefit Fund	Risk Management Fund	Unemployment Insurance Fund	Print Shop Fund	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash premiums received	\$ 6,217,716	\$ 102,655	\$ -	\$ -	\$ 6,320,371
Cash paid in claims and premiums	(5,096,523)	(1,094,650)	-	-	(6,191,173)
Cash paid for expenses	(1,013,281)	(1,176,717)	(23,031)	-	(2,213,029)
Net cash provided by (used in) operating activities	107,912	(2,168,712)	(23,031)	-	(2,083,831)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Income	49,524	185,937	18,952	-	254,413
Net cash provided by investing activities	49,524	185,937	18,952	-	254,413
Net change in cash	157,436	(1,982,775)	(4,079)	-	(1,829,418)
Cash at beginning of year	2,565,629	6,324,353	562,862	-	9,452,844
Cash at end of year	<u>\$ 2,723,065</u>	<u>\$ 4,341,578</u>	<u>\$ 558,783</u>	<u>\$ -</u>	<u>\$ 7,623,426</u>
Reconciliation of change in net position to net cash provided by (used in) operating activities					
Net operating loss	\$ (3,756,071)	\$ (2,356,901)	\$ (23,031)	\$ (3,033)	\$ (6,139,036)
Adjustments to reconcile change in net position to net cash provided by (used in) operating activities:					
Changes in:					
Accounts payable	163,983	13,189	-	3,033	180,205
Claims payable	3,700,000	175,000	-	-	3,875,000
Net cash provided by (used in) operating activities	<u>\$ 107,912</u>	<u>\$ (2,168,712)</u>	<u>\$ (23,031)</u>	<u>\$ -</u>	<u>\$ (2,083,831)</u>

The accompanying notes are an integral part of this financial statement.

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

Notes to the Basic Financial Statements December 31, 2025

1. Summary of Significant Accounting Policies

The accompanying basic financial statements of the Recreation and Park Commission for the Parish of East Baton Rouge (the Commission) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standards-setting body for establishing governmental accounting and financial reporting.

Reporting Entity

The Recreation and Park Commission for the Parish of East Baton Rouge is a body corporate created by Act 246 of the 1946 Session of the Legislature and reorganized by Act 95 of the 1985 Legislature. The Commission has the power to sue and be sued, and to purchase and operate parks and recreation facilities not inconsistent with the laws of the State of Louisiana or the ordinances of the governing authority of East Baton Rouge Parish. The Commission is composed of nine members who serve without compensation.

GASB Codification Section 2100, establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Commission is considered a *primary government*, since it is a special purpose government that is legally separate and is fiscally independent of other state or local governments. As used in GASB Codification Section 2100 fiscally independent means that the Commission may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The Commission has no *component units*, as defined by the GASB or other legally separate organizations for which the Commission members are financially accountable. With the exception of the City-Parish Government of East Baton Rouge which is considered to be a related entity as defined by the GASB, there are no other primary governments with which the Commission has a significant relationship.

Basis of Presentation and Accounting

The Commission's basic financial statements consist of the government-wide statements, the fund financial statements, and the related notes to the basic financial statements. The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units and promulgated by the Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*. Both the government-wide financial statements and the proprietary fund financial statements follow the guidance included in GASB Statement No. 62 – *Codification of Accounting and Financial Reporting Guidance Contained In Pre-November 30, 1989 FASB and AICPA Pronouncements*.

Government-Wide Financial Statements (GWFS)

The Government-Wide Financial Statements were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability has been incurred, regardless of the timing of the related cash flows. Ad valorem taxes are recognized when a legally enforceable claim arises. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect costs are not allocated by function for financial reporting in this Statement. Program revenues include 1) charges to customers who purchase or use goods and services provided by a given function or segment, and 2) grants that are restricted to meet the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported instead as general revenues. This includes internally dedicated resources such as restricted ad valorem taxes.

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

Notes to the Basic Financial Statements December 31, 2025

1. Summary of Significant Accounting Policies (continued)

Basis of Presentation and Accounting (continued)

Fund Financial Statements (FFS)

The accounts of the Commission are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. Funds are maintained consistent with legal and managerial requirements.

Funds of the Commission can be classified into two categories: governmental and proprietary. In turn, each category is divided into separate fund types.

Governmental Funds are used to account for the Commission's primary activities, including the collection and disbursement of specific or legally restricted monies, operations, the acquisition or construction of capital assets, and the servicing of long-term debt. The Commission reports the following major governmental funds:

General Fund is the primary operating fund of the Commission. It accounts for all financial resources of the Commission, except those required to be accounted for in another fund.

Capital Improvements Fund is used to account for ad valorem taxes that are dedicated to the acquisition, construction, or improvement of major capital facilities.

Enhancement Construction Fund is used to account for capital improvements and facility enhancements pursuant to the Imagine Your Parks Strategic Master Plan.

Special Revenue Enhancement Fund is used to account for and distribute the proceeds of a 3.253 mill tax to be used in accordance with the Imagine Your Parks Strategic Master Plan.

Debt Service Fund is used to account for payment of the funds used to service the bond debt.

Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "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 government considers all revenues available if they are collected within 6 months after year-end, or within 60 days after year-end for ad valorem taxes and state revenue sharing. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when 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.

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

Notes to the Basic Financial Statements December 31, 2025

1. Summary of Significant Accounting Policies (continued)

Basis of Presentation and Accounting (continued)

Fund Financial Statements (FFS) (continued)

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in current net assets. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes are recognized when a legally enforceable claim arises (generally when levied) and the resources are available.

Entitlements and shared revenues are recorded as unrestricted grants-in-aid upon meeting the eligibility requirements and becoming measurable and available.

User fee revenues are generally point-of-sale transactions and become measurable and available upon patron use of the facility or service. Revenue is recognized by the Commission at that time.

Expenditures

Salaries and benefits are recorded as earned, except for compensated absences and retirement benefits which are recognized when paid.

Vendor payments are recorded as the obligation is incurred.

Proprietary funds are used to account for activities whose costs are intended to be covered through service charges or transaction related fees. Two types of proprietary funds are utilized under GASB: Enterprise funds and Internal Service funds. The Commission has no Enterprise funds, but employs four separate Internal Service funds. As proprietary funds, the Internal Service funds utilize the accrual basis of accounting similar to that used in the private sector. Revenues are recognized when earned and measurable and expenses are recognized when incurred.

Internal Service funds are used by the Commission to account for: (1) providing of medical and life insurance benefits to employees and retirees, (2) costs associated with workers' compensation, general liability, and vehicle liability claims, (3) costs associated with unemployment claims, and (4) wages and equipment costs associated with the Commission's print shop. The Internal Service funds are presented in the proprietary fund financial statements. Since the principal users of the Internal Service funds are the Commission's governmental activities, financial statements of internal service funds are consolidated into the governmental activities column when presented at the government-wide level. To the extent possible, the costs of these services are reflected in the appropriate functional activity.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and claim and premium expenses generally result from providing services and producing and delivering goods or services in connection with a proprietary fund's principal ongoing operations which, for the Commission are risk management. Operating expenses for internal service funds include the cost of sales to other funds and departments, services and claims, and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

Notes to the Basic Financial Statements December 31, 2025

1. Summary of Significant Accounting Policies (continued)

Cash and cash equivalents

Cash and cash equivalents can include demand deposit account balances, certificates of deposit and U.S. government securities with maturities of 90 days or less from the date purchased. As of December 31, 2025, cash and cash equivalents consist solely of demand and term deposits.

Investments

Investments, when purchased and held, are reported at fair market value. Securities are valued at the last reported sales price prior to year end. Unrealized gains and losses on investments are recorded at fair value and are included in investment income.

Elimination and Reclassifications

In the process of consolidating data for the statement of net position and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

Inventory

Merchandise inventories (items held for resale) and supply inventories are valued at the lower of cost or market, using a moving weighted average. Inventory items are recorded as expenditures when consumed or sold rather than when purchased. Inventory balances at year end are equally offset as non-spendable fund balance.

Capital Assets

All capital assets are capitalized at historical cost, or estimated historical costs for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. Effective January 1, 2019, the Commission maintains a \$2,500 threshold level for capitalizing movable assets and \$100,000 for immovable assets. Prior to 2019, the capitalization threshold was \$1,000 for both movable and immovable assets. The costs of normal maintenance and repairs that do not add value to the asset or materially extend its useful life are not capitalized.

Capital assets are recorded in the GWFS, but are not reported in the Governmental FFS. All depreciable capital assets are depreciated using the straight-line method over their estimated lives. Useful lives are approximately 5 to 20 years for equipment, buildings and improvements. Infrastructure assets acquired prior to 1982 were recorded at estimated values in 1982.

In accordance with customary practice among zoological organizations, animal and horticultural collections are not generally recorded at any value, as there is no objective basis for establishing value. Additionally, animal and horticultural collections have numerous attributes, including species, age, sex, relationship and value to other animals, endangered status, and breeding potential, whereby it is impracticable to assign value. Expenditures related to animal and horticultural acquisitions are expensed in the period of acquisition. In an ongoing commitment to enhance the worldwide reproduction and preservation of animals, the Commission shares animals with other organizations. Consistent with industry practice, the Commission does not record any asset or liability for such sharing arrangements, as generally these arrangements are without monetary consideration.

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

Notes to the Basic Financial Statements December 31, 2025

1. Summary of Significant Accounting Policies (continued)

Compensated Absences

All employees earn vacation leave at various rates from 100 hours per 2,080 paid hours per year (.0481 per paid hour) to 192 hours per 2,080 paid hours per year (.0923 per paid hour) depending upon length of service. A maximum of 120 days (960 hours) may be carried over from one year to the next. Upon resignation, retirement, or death, a maximum amount equal to 120 days (960 hours) of earned vacation leave is paid to the employee (or heirs) at the employee's current rate of pay.

Employees earn sick leave at various rates from 120 hours per 2,080 paid hours per year (.0577 per paid hour) to 192 hours per 2,080 paid hours per year (.0923 per paid hour) depending on length of service. Sick leave may be accumulated without limit. Accumulated sick leave is not paid to an employee leaving service prior to retirement. A full-time employee (or heirs) may be paid for a maximum of 120 days (960 hours) of sick leave (or a combination of sick and vacation leave not to exceed 120 days) upon the employee's retirement (or death, if retirement eligible). Part-time employees are not eligible for paid sick leave.

Commission employees of certain job classifications may accrue compensatory (comp) time in lieu of overtime pay up to a maximum of 160 hours (40 hours for comp executive time). Comp time is paid by the Commission upon termination, resignation, retirement or death, up to the maximum balance of 160 hours (40 hours for comp executive time).

The cost of leave privileges is recognized as a current-year payroll expenditure in the General Fund when leave is actually taken, or when employees (or their heirs) are paid for accrued unused leave.

GASB Statement No. 101, *Compensated Absences*, requires accrual of a liability for compensated absences that has not been used if all of the following are true:

1. The leave is attributable to services already rendered.
2. The leave accumulates.
3. The leave is more likely than not to be used for time off or otherwise paid in cash or settled in noncash means.

The Commission has recorded the following liabilities, including the salary-related benefits associated with the payment of compensated absences as of December 31, 2025:

1. Vacation leave accrued up to 960 days which is estimated to be more likely than not to be paid.
2. Sick leave that is more likely than not to be paid.
3. Applicable percentages of FICA and Medicare.

In the government-wide financial statements, the total compensated absences liability is recorded as an expense and a long-term obligation. A current liability is recorded for the estimated leave taken in a year.

Net Position

Net position represents the difference between assets plus deferred outflows and liabilities plus deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation reduced by the outstanding balance of any debt proceeds used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use by external parties such as creditors, grantors, laws or regulations of other governments.

When expenses are incurred for purposes for what both restricted and unrestricted amounts are available, the Commission uses restricted amounts first, followed by unrestricted amounts.

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

Notes to the Basic Financial Statements December 31, 2025

1. Summary of Significant Accounting Policies (continued)

Fund Equity of Fund Financial Statements

Accounting standards require governmental fund balances to be reported in as many as five classifications as listed below in accordance with Governmental Accounting Standards.

Nonspendable – represents balances that are not expected to be converted to cash in the short-term.

Restricted – represent balances where constraints have been established by parties outside of the Commission or by enabling legislation.

Committed – represent balances where constraints have been established by formal action of the Commission. A simple majority vote in a public meeting is required to establish, modify, or rescind a fund balance commitment.

Assigned – represent balances where informal constraints have been established by the Commission or delegate thereof but are not restricted nor committed.

Unassigned – represent balances for which there are no constraints.

When expenditures are incurred for purposes for which both restricted and unrestricted amounts are available, the Commission reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned, and unassigned amounts are available, the Commission reduces committed amounts first, followed by assigned amounts and then unassigned amounts.

Subscription-Based Information Technology Arrangements (SBITA)

GASB Statement No. 96, *Subscription Based Information Technology Arrangements*, defines a SBITA as a contract that transfers the right to use another entity's subscription asset for a specific period of time in an exchange or exchange-like transaction. The Commission has entered into various SBITA agreements. Under these contracts, the Commission recognizes a subscription liability and a subscription asset (intangible right-to-use asset) at the commencement of the subscription term for any contracts with terms in excess of 12 months. The subscription liability is measured at the present value of payments expected to be made during the subscription term (less any SBITA incentives). The subscription asset is measured at the amount of the initial measurement of the subscription liability, plus any payments made to the vendor at or before the commencement of the subscription term and any capitalizable initial implementation costs. Subscription assets are reported with capital assets, and subscription liabilities are reported with long-term debt in the government-wide Statement of Net position. Subscription assets are amortized on a straight-line basis over the useful life of the related subscription.

An amendment to the SBITA contract is considered a SBITA modification unless the Commission right to use the underlying asset decreases, in which case it is considered a full or partial SBITA termination. A SBITA termination is accounted for by reducing the carrying value of the subscription liability and subscription asset by the Commission, with any difference being recognized as a gain or loss.

The future SBITA payments are discounted using the interest rate stated or implicit in the SBITA contract. If the interest rate is not available, the Commission uses its incremental borrowing rate. The subscription term is determined by the sum of the non-cancellable periods, plus renewal options when they are reasonably certain of being exercised or early termination options when they are reasonably certain of not being exercised.

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

Notes to the Basic Financial Statements December 31, 2025

1. Summary of Significant Accounting Policies (continued)

Interfund Activity

Interfund activity is reported as loans, reimbursements, or transfers. Advances between funds that are intended to be repaid are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation (Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement). All other interfund transactions are treated as transfers. Transfers are movements of monies between funds that will not be repaid. All transfers are netted as part of the reconciliation to the government-wide financial statements.

Use of Estimates

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

Budget Practices

Annually the Commission adopts operating budgets for all governmental funds. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). The proposed budget is prepared using the modified accrual basis of accounting. It is made available for public inspection at the Superintendent's office. The budget is introduced to the Commission at its meeting in November of each year. It is adopted by the Commission at the December meeting after a public hearing. Amendments are recommended to the Commission as needed, and approved at public meetings.

All appropriations lapse at year end. Formal budget integration is employed as a management control device during the year for the governmental funds. The Board of Commissioners reserves all authority to change the budgets.

Encumbrances

Encumbrances represent purchase orders, contracts, or other commitments; and are recorded in budgetary funds to reserve portions of applicable appropriations. The Commission uses an encumbrance accounting system for reporting purchase orders placed late in the year for which goods were not received by December 31st. At year end, outstanding purchase orders are established as an assignment of fund balance for reporting purposes only, since they do not constitute expenditures or liabilities.

Long-Term Obligations

Long-term obligations expected to be financed from governmental funds are reported in the government-wide statement of net position, but not in the governmental funds.

In the government-wide statement of net position, long-term debt and other long-term obligations including the total other post-employment benefit obligation, compensated absences and the net pension liability, are reported as liabilities. Bond premiums, discounts, insurance costs, and gains (losses) on refunding 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 expensed in the year of bond issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current financial period. The face amount of the debt issue is reported as "other financing sources." Premiums received on debt issuances are reported as "other financing sources" and discounts on debt are reported as "other financing uses."

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

Notes to the Basic Financial Statements December 31, 2025

1. Summary of Significant Accounting Policies (continued)

Pension Plans

The Commission is a participating employer in a defined benefit pension plan (plan) as described in Note 5. 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 each of the plans, and additions to/deductions from each plans' fiduciary net position have been determined on the same basis as they are reported by each of the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within each plan.

Deferred Outflows / Inflows of Resources

The Statement of Financial Position will often report a separate section for deferred outflows and (or) deferred inflows of financial resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The deferred outflows of resources on the Statement of Net Position are a result of deferrals concerning bonded debt, pensions and other post-employment benefits. The deferred inflows of resources are also a result of deferrals related to pensions and other post-employment benefits, but also include amounts for ad valorem taxes recognized as receivable but unavailable for current year operations.

Newly Adopted Accounting Standards

The Commission implemented GASB Statement 102, *Certain Risk Disclosures*. This Statement requires disclosure about concentrations and constraints that may make the Commission vulnerable to the risk of substantial impact, as well as events or conditions associated with those risks. The adoption of this statement did not have a material impact on the Commission's financial statements for the year ended December 31, 2025.

2. Ad Valorem Taxes

The 1974 Louisiana Constitution (Article 7, Section 8) provided that land and improvements for residential purposes be assessed at 10% of fair market value; other property and electric cooperative properties, excluding land, are to be assessed at 15%; and public service properties, excluding land, are to be assessed at 25% of fair market value. Fair market value is determined by the elected assessor of the parish on all property subject to taxation except public service properties, which are valued by the Louisiana Tax Commission (LRS 47: 1957). The correctness of assessments by the assessor is subject to review and certification by the Louisiana Tax Commission. The assessor is required to reappraise all property subject to taxation at intervals of not more than four years.

The 2025 ad valorem tax calendar was as follows:

Millage rates adopted	July 10, 2025
Levy date	July 10, 2025
Tax bills mailed	November 24, 2025
Due date	December 31, 2025
Lien date	January 1, 2026

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

Notes to the Basic Financial Statements December 31, 2025

2. Ad Valorem Taxes (continued)

State law requires the sheriff to collect ad valorem taxes in the calendar year in which the assessment is made. Ad valorem taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of 1.25% per month until the taxes are paid. After notice is given to the delinquent taxpayers, the sheriff is required by the *Constitution of the State of Louisiana* to sell the least quantity of property necessary to settle the taxes and interest owed.

Ad valorem taxes are considered measurable in the calendar year of the tax levy. Accordingly, the entire tax roll less an estimate for uncollectible taxes is recorded as taxes receivable in the current calendar year. Uncollectible taxes are those taxes which based on past experience will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll.

At the governmental fund level, property taxes that are measurable and available (receivable within the current period and collected within the current period or within 60 days thereafter to be used to pay liabilities of the current period) are recognized as revenue in the year of levy. Ad valorem taxes that are measurable, but not available, are recorded, net of estimated uncollectible amounts, as deferred inflows in the year of levy. Such deferred inflows are recognized as revenue in the fiscal year in which they become available.

At the entity-wide level ad valorem taxes are recognized in the year of the levy net of uncollectible amounts.

The authorized and levied millage consisted of the following for 2025:

Approved Millage Rate	Levied Millage Rate	Expiration	Authorized Use Per Proposition
4.100	3.895	2034	Capital improvements, operations, maintenance
2.100	1.995	2034	Operations and maintenance
3.960	3.762	2026	Operations and maintenance
3.253	3.090	2034	Capital improvements, operations, maintenance - pursuant to Strategic Master Plan
1.050	0.998	Permanent	Any lawful purpose
<u>14.463</u>	<u>13.740</u>		

Ad valorem taxes receivable and estimated uncollectible taxes by fund for governmental funds are as follows:

	Gross Ad Valorem Taxes Receivable	Estimated Uncollectible Ad Valorem Taxes	Net Ad Valorem Taxes Receivable
General Fund	\$ 54,569,669	\$ (545,697)	\$ 54,023,972
Capital Improvements Fund	12,211,882	(122,119)	12,089,763
Special Revenue Enhancement Fund	19,376,061	(193,761)	19,182,300
	<u>\$ 86,157,612</u>	<u>\$ (861,577)</u>	<u>\$ 85,296,035</u>

The Louisiana Industrial Ad Valorem Tax Exemption Program (ITEP) is an original state incentive program which offers an attractive tax incentive for manufacturers within the state. With approval by the Board of Commerce and local governmental entities, the program provides an 80% ad valorem tax abatement for an initial term of five years and the option to renew for five additional years at 80% ad valorem tax abatement on a manufacturer's qualifying capital investment related to the manufacturing process in the state.

Businesses must be classified as a manufacturer or related to the manufacturing project at the project site in order to receive the benefits of ITEP.

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

Notes to the Basic Financial Statements December 31, 2025

2. Ad Valorem Taxes (continued)

This program is administered by Louisiana Economic Development. More information on this program can be found in the Louisiana Administrative Code Title 13, Part I, Chapter 5.

For the fiscal year ended December 31, 2025, approximately \$3,775,000 in ad valorem taxes were abated as a result of this program.

3. Cash and Cash Equivalents

At December 31, 2025, the Commission's cash balances consist of deposits in financial institutions and petty cash at various facilities as follows:

	Carrying Amount	Bank Balance
Cash and cash equivalents	\$ 31,413,648	\$ 29,202,156
Petty cash	25,450	-
	<u>\$ 31,439,098</u>	<u>\$ 29,202,156</u>

Deposits in financial institutions can be exposed to custodial credit risk. Custodial credit risk for deposits is the risk that in the event of financial institution failure, the Commission's deposits may not be returned. To guard against this risk, under state law, deposits 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 or exceed the amount on deposit with the fiscal agent. The Commission had no custodial credit risk as of December 31, 2025.

Securities that may be pledged as collateral consist of obligations of the U.S. Government and its agencies, obligations of the State of Louisiana and its municipalities and school districts.

The Commission is authorized by LRS 39:1211-1245 and 33:2955 to invest temporarily idle monies in various risk-averse instruments including U.S. Government direct and agency obligations, certificates of deposit of qualified financial institutions, certain debt mutual funds, the Louisiana Asset Management Pool (LAMP) and other investments. The Commission had no investments as of December 31, 2025.

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

Notes to the Basic Financial Statements December 31, 2025

4. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated				
Land	\$ 32,054,418	\$ -	\$ -	\$ 32,054,418
Construction-in-progress	19,350,067	14,998,586	(18,802,683)	15,545,970
Total capital assets, not depreciated	51,404,485	14,998,586	(18,802,683)	47,600,388
Capital Assets Being Depreciated				
Immovable property	365,280,891	19,341,350	-	384,622,241
Movable property and equipment	25,880,702	5,337,610	(164,344)	31,053,968
Subscription-based IT arrangement asset	-	1,342,338	-	1,342,338
Total capital assets being depreciated	391,161,593	26,021,298	(164,344)	417,018,547
Less Accumulated Depreciation/Amortization For				
Immovable property	201,694,943	14,173,490	-	215,868,433
Movable property and equipment	19,167,139	2,328,608	(110,718)	21,385,029
Subscription-based IT arrangement asset	-	268,467	-	268,467
	220,862,082	16,770,565	(110,718)	237,521,929
Total Capital Assets Being Depreciated (net)	170,299,511	9,250,733	(53,626)	179,496,618
Total Capital Assets (net)	<u>\$ 221,703,996</u>	<u>\$ 24,249,319</u>	<u>\$ (18,856,309)</u>	<u>\$ 227,097,006</u>

Depreciation and amortization expense for 2025 is charged to the following functions in the statement of activities:

Administrative and planning	\$ 1,588,635
Maintenance department operations	1,320,168
Recreation, program operations	11,551,468
Golf operations	1,485,189
Zoo operations	495,063
Aquatics operations	330,042
	<u>\$ 16,770,565</u>

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

Notes to the Basic Financial Statements December 31, 2025

5. Retirement System

Defined Benefit Plans

Employees' Retirement System of the City of Baton Rouge, Parish of East Baton Rouge (CPERS)

The Commission is a participating employer in a cost-sharing defined benefit pension plan. This plan is administered by the City of Baton Rouge and Parish of East Baton Rouge Employees' Retirement System (CPERS or the System). The Metropolitan Council of the City of Baton Rouge and Parish of East Baton Rouge maintains the authority to establish and amend plan benefits. The System is administered by a separate board of trustees and is a component unit of the City of Baton Rouge and Parish of East Baton Rouge.

The System issues an annual publicly available financial report that includes the financial statements and required supplementary information for the system. These reports may be obtained by writing, calling or downloading the reports as follows:

CPERS:
209 Saint Ferdinand St.
Baton Rouge, Louisiana 70802
(225) 389-3272
www.brgov.com/dept/ers

The Commission has implemented Government Accounting Standards Board (GASB) Statement 68 on *Accounting and Financial Reporting for Pensions* and Statement 71 on *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB 68*. These standards require the Commission to record its proportional share of the pension plan's Net Pension Liability and report the following disclosures:

Plan Description

The Retirement System was created by The Plan of Government and is governed by a seven-member Board of Trustees (the Board). The Board is responsible for administering the assets of the Retirement System and for making policy decisions regarding investments. Four of the trustees are elected members of the Retirement System. Two are elected by non-police and non-fire department employees, and one trustee each is elected by the police and fire department employees. The remaining membership of the Board consists of one member appointed by the Mayor-President, and two members appointed by the Metropolitan Council. The Metropolitan Council maintains the authority to establish and amend plan benefits.

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

Notes to the Basic Financial Statements December 31, 2025

5. Retirement System (continued)

Defined Benefit Plans (continued)

Retirement Benefits

The following is a description of the plan and its benefits, and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Any person who becomes a regular full-time employee of one of the member employers becomes a member of the Retirement System as a condition of employment, except in the case of newly hired employees of certain participating employers who are mandated to enroll in a statewide retirement system, or those covered under a collective bargaining agreement. Contractual employees may or may not become members, depending upon the provisions of their respective contracts. For 2025 there are 433 active participants.

Normal Retirement

An employee's benefit rights vest after the employee has been a member of the Retirement System for 10 years. Benefit payments are classified into two distinct categories: 1.) full retirement benefits and 2.) minimum eligibility benefits. For members hired before September 1, 2015, the service requirements and benefits granted for each category are:

1. Full retirement benefits:
 - a. Granted with 25 years of service, regardless of age.
 - b. Defined as 3% of average compensation times the number of years of service.
2. Minimum eligibility benefits:
 - a. Granted with 20 years of service regardless of age; or at age 55 with 10 years of service.
 - b. Defined as 2.5% of average compensation times the number of years of service.

Average compensation is determined by the highest average compensation in 36 successive months. In the case of interrupted service, the periods immediately before and after the interruption may be joined to produce 36 successive months. In cases of 20 or more and less than 25 years of service, the computed benefit amount is reduced by 3% for each year below age 55. Benefits paid to employees shall not exceed 90% of average compensation.

For members hired after September 1, 2015, the service requirements and benefits granted for each category are:

1. Full retirement benefits:
 - a. Granted with 25 years of service,
 - b. Defined as 3% of average compensation times the number of years of service.
2. Minimum eligibility benefits:
 - a. Granted with 20 years of service. Defined as 2.5% of average compensation for each year of service, less an actuarially computed age penalty.
 - b. Granted with 10 years of service or more. Defined as 2.5% of average compensation for each year of service.
 - c. Granted with 10 years. Defined as 2.5% of average compensation for each year of service upon attaining age 55 or 60.

Average compensation is determined by the highest average compensation in 60 successive months. Benefits paid to employees shall not exceed 90% of average compensation.

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

Notes to the Basic Financial Statements
December 31, 2025

5. Retirement System (continued)

Defined Benefit Plans (continued)

Retirement Benefits (continued)

Deferred Retirement Option Program (DROP)

Deferred retirees (participants in the Deferred Retirement Option Plan (DROP)) are employees who are eligible for retirement but have chosen to continue employment for a maximum of five years if the member has 25 years of creditable service, or three years if the member has at least 10 but less than 25 years and is age 55 or older. Pension annuities are fixed for these employees and can never be increased, and neither employee nor employer contributions are contributed to the Retirement System on their earnings. DROP deposits for the amount of the participant's monthly benefits are placed in a deferred reserve account until the deferred retirement option period elapses, or until the employee discontinues employment, whichever comes first. These accounts bear interest beginning with the date of the initial deposit for employees who fulfill the provisions of their DROP contract. Failure to fulfill these provisions, specifically to terminate employment at the end of the maximum DROP participation period, results in the enforcement of certain penalty provisions, such as forfeiture of interest and disbursement of the balance of the DROP account to the member or to another qualifying pension plan.

Funding Policy

CPERS plan members contribute a percentage of their annual covered salary, which is stipulated in Part IV, Subpart 2, Sec. 1:264(A) I (b) of the City-Parish Code of Ordinances. Participating employers are required to contribute the remaining amounts necessary to finance the coverage of their employees through periodic contributions at rates annually determined by the CPERS's actuary. The Metropolitan Council of the City of Baton Rouge and Parish of East Baton Rouge has authority to determine employee contributions to CPERS.

Contributions to the plan are required and determined by the East Baton Rouge Metropolitan Council and are expressed as a percentage of covered payroll. The contribution rates in effect for the year ended December 31, 2025, for the Commission and covered employees were as follows:

<u>Commission</u>	<u>Employees</u>
37.41%	9.50%

The contributions made to the System for the past three fiscal years, which equaled the required contributions for each of these years, were as follows:

	<u>December 31,</u>	
<u>2025</u>	<u>2024</u>	<u>2023</u>
\$ 8,107,755	\$ 7,531,513	\$ 8,130,353

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

Notes to the Basic Financial Statements December 31, 2025

5. Retirement System (continued)

Defined Benefit Plans (continued)

Retirement Benefits (continued)

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

The following schedule lists the Commission's proportionate share of the Net Pension Liability allocated by the pension plan as of the measurement date for the plan of December 31, 2024. The Commission uses this measurement to record its Net Pension Liability and associated amounts as of December 31, 2025 in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used as of the respective measurement date along with the change compared to the immediately prior measurement date. The Commission's proportion of the Net Pension Liability was based on a projection of the Commission's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

Measurement Date	Liability at Measurement Date	Proportion at Measurement Date	Increase (Decrease) to Prior Year Proportion
December 31, 2024	\$ 121,775,437	14.9574%	0.7701%

The Commission's recognized pension expense for the year ended December 31, 2025 was \$11,232,841.

At December 31, 2025, the Commission reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 3,913,389	\$ -
Changes in assumptions	4,463,406	-
Net difference between projected and actual earnings on pension plan investments	10,385,488	-
Changes in proportion	3,823,487	(560,252)
Differences between allocated and actual contributions	-	(530,606)
Employer contributions subsequent to the measurement date	8,421,567	-
	<u>\$ 31,007,337</u>	<u>\$ (1,090,858)</u>

The Commission reported a total of \$8,421,567 as deferred outflow of resources related to pension contributions made subsequent to the measurement which will be recognized as a reduction in Net Pension Liability in the year ended December 31, 2026.

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

Notes to the Basic Financial Statements December 31, 2025

5. Retirement System (continued)

Defined Benefit Plans (continued)

Retirement Benefits (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Deferral Period	CPERS
2026	\$ 8,461,107
2027	10,245,697
2028	2,996,845
2029	(208,737)
	<u>\$ 21,494,912</u>

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability for each pension plan as of the measurement period for each plan are as follows:

Valuation Date	December 31, 2024
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	4 years
Investment Rate of Return	7.00%, net of investment expenses
Inflation Rate	2.40% per annum
Mortality	Healthy, Active - PubG-2010 Male/Female Employees, PubS-2010 (Below Median) Male/Female Employees, Generational with MP-2021 using a base year of 2019 Healthy, Inactive - PubG-2010 Male/Female Healthy Retirees, PubS-2010 (Below Median) Male/Female Healthy Retirees, Generational with MP-2021 using a base year of 2019. Disabled PubG-2010 Male/Female Disabled Retirees, PubS-2010 (Below Median) Male/Female Disabled Retirees, Generational with MP-2021 using a base year of 2019.

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

Notes to the Basic Financial Statements December 31, 2025

5. Retirement System (continued)

Defined Benefit Plans (continued)

Retirement Benefits (continued)

Actuarial Assumptions (continued)

Salary Increases < 1 year of service	Inflation, plus	
	Age	Increase
	22-27	5.25%
	32	4.90%
	37-67	2.50%
1+ years of services	22	6.90%
	27	3.15%
	32	1.90%
	37	1.55%
	42	1.20%
	47-67	0.50%
Cost of Living Adjustments	None	

The following describes the method used by the retirement systems in determining the long term rate of return on pension plan investments:

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These expected future real rates of return 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. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation are included in the pension plan's target asset allocation are as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	34.50%	7.50%
International Equity	15.50%	8.50%
Domestic Bonds	25.00%	2.50%
International Bonds	5.00%	3.50%
Real Estate	15.00%	4.50%
Alternative Assets	5.00%	5.66%
Total	100.00%	

Discount Rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at the current contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to provide future benefit payments projected for 50 years. 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 discount rate used to measure the total pension liability for CPERS was 7.00% for the measurement date of December 31, 2024.

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

Notes to the Basic Financial Statements
December 31, 2025

5. Retirement System (continued)

Defined Benefit Plans (continued)

Retirement Benefits (continued)

Sensitivity of the Employer’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the Commission’s proportionate share of the Net Pension Liability (NPL) using the discount rate of the Retirement System as well as what the Commission’s proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by the retirement system:

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
Rates	6.00%	7.00%	8.00%
Commission’s Share of NPL	\$ 150,160,152	\$ 121,775,437	\$ 97,884,188

Payables to the Pension Plan

There was no balance due to the retirement system at December 31, 2025.

Carpenters’ Union and Electrical Workers’ Union

Certain employees are members of union benefit plans, which include defined benefit pension plans, as required by the terms of the collective bargaining agreements. For the Carpenters’ Union plan and the Electrical Union Members’ plans, the plan members are required to contribute 5.0% and 3.0%, respectively, of their annual covered payroll while the Commission contributes at a rate of 19.6% and 19.5%, respectively, for both plans. Contributions to the plans were as follows for the past two years:

2025	\$114,570
2024	\$111,025

Information regarding these plans can be obtained from their respective administrative centers.

- United Brotherhood of Carpenter and Joiners
6755 Airline Highway
Baton Rouge, LA 70805
- National Electrical Contractors Association
13454 Jefferson Highway
Baton Rouge, LA 70817

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

Notes to the Basic Financial Statements
December 31, 2025

5. Retirement System (continued)

Deferred Compensation Plan

The purpose of the deferred compensation plan is to provide retirement benefits to the participants while affording the maximum portability of these benefits to the participants.

The deferred compensation plan is a defined contribution plan that provides for full and immediate vesting of all contributions remitted to the participating companies on behalf of the participants. Eligible employees make an irrevocable election to participate in the deferred compensation plan and purchase retirement benefits through contracts provided by designated companies.

Total contributions by the Commission are 4% of the covered payroll. The participant's contribution (4%), less any monthly fee required to cover the cost of administration and maintenance of the deferred compensation plan, is remitted to the designated company or companies. Benefits payable to participants are not the obligations of the Commission. Such benefits and other rights of the deferred compensation plan are the liability and responsibility solely of the designated company or companies to whom contributions have been made. Employer and employee contributions to the deferred compensation plan each were approximately \$190,000 and \$180,000 for the years ended December 31, 2025 and 2024, respectively.

6. Other Post-Employment Benefits

General Information about the OPEB Plan

Plan description – The Commission provides certain continuing health care and life insurance benefits for its retired employees. The Commission' Other Post-Employment Benefit Plan (the OPEB Plan) is a single employer defined benefit OPEB plan administered by the Commission. The authority to establish and/or amend the obligation of the employer, employees and retirees' rests with the Commission. No assets are accumulated in a trust that meets the criteria in Paragraph 4 of Governmental Accounting Standards Board (GASB) Statement No. 75.

Benefits Provided – Medical benefits to retirees are provided through a self-insured program. All employees are covered CPERS. The retirement eligibility (D.R.O.P. entry) provision in order to obtain full the retirement benefit formula is 25 years of service at any age. There is a graded formula based on service at retirement to determine the percentage of the total medical premium paid by the employer: 73% for 25 or more years of service; 55% for 20 to 24 years of service; and 37% for 15 to 19 years of service. Because of these two interacting provisions, we have assumed that D.R.O.P. entry would occur at the earliest of the following: 25 years of service; age 55 and 20 years of service; and age 60 and 10 years of service.

Employees covered by benefit terms – At December 31, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	89
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	274
	<u>363</u>

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

Notes to the Basic Financial Statements December 31, 2025

6. Other Post-Employment Benefits (continued)

Total OPEB Liability

The Commission's total OPEB liability of \$19,552,370 was measured as of December 31, 2025 and was determined by an actuarial valuation as of January 1, 2025.

Actuarial Assumptions and other inputs – The total OPEB liability in the December 31, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	4.0%, including inflation
Discount rate	4.08% annually (Beginning of Year to Determine ADC) 4.83% annually (As of End of Year Measurement Date)
Healthcare cost trend rates	5.5% annually for ten years, 4.5% thereafter
Mortality	RP-2014 Employee/Healthy Annuitant without projection

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index as of December 31, 2025, the end of the applicable measurement period.

The actuarial assumptions used in the December 31, 2025 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2009 to December 31, 2025.

Changes in the Total OPEB Liability

Balance at December 31, 2024	\$ 18,542,113
Changes for the year:	
Service cost	362,501
Interest	746,301
Differences between expected and actual experience	2,321,028
Changes in assumptions	(1,918,734)
Benefit payments and net transfers	(500,839)
Net changes	1,010,257
Balance at December 31, 2025	<u>\$ 19,552,370</u>

The amount due within one year for the total OPEB Liability is estimated to be \$530,000.

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the Commission, as well as what the Commission's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.83%) or 1-percentage-point higher (5.83%) than the current discount rate:

	1.0% Decrease (3.83%)	Current Rate (4.83%)	1.0% Increase (5.83%)
Total OPEB Liability	\$ 23,719,698	\$ 19,552,370	\$ 16,328,781

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

Notes to the Basic Financial Statements December 31, 2025

6. Other Post-Employment Benefits (continued)

Changes in the Total OPEB Liability (continued)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the Commission, as well as what the Commission's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1.0% Decrease (4.5%)	Current Rate (5.5%)	1.0% Increase (6.5%)
Total OPEB Liability	\$ 16,695,448	\$ 19,552,370	\$ 232,721,228

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2025, the Commission recognized OPEB expense of \$2,519,812. At December 31, 2025, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,919,355	\$ (4,672,936)
Changes in assumptions	2,607,615	(6,734,371)
Total	<u>\$ 9,526,970</u>	<u>\$ (11,407,307)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending December 31,:

2026	\$ (268,983)
2027	(875,018)
2028	(1,626,293)
2029	374,479
2030	294,020
Thereafter	221,458
	<u>\$ (1,880,337)</u>

7. Long-Term Liabilities

The following is a summary of the changes in general long-term obligations for the year ended December 31, 2025:

	Beginning of Year Balance	Additions	Deductions	End of Year Balance
Tax revenue bonds	\$ 4,405,000	\$ -	\$ 4,405,000	\$ -
Note payable	339,390	-	157,413	181,977
Subscription-based IT arrangement liability	-	1,342,338	375,404	966,934
Compensated absences payable	6,418,312	1,531,688	-	7,950,000
Claims payable	1,930,000	9,047,448	5,172,448	5,805,000
	<u>\$ 13,092,702</u>	<u>\$ 11,921,474</u>	<u>\$ 10,110,265</u>	<u>\$ 14,903,911</u>

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

Notes to the Basic Financial Statements December 31, 2025

7. Long-Term Liabilities (continued)

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of December 31, 2025:

	<u>Current</u>	<u>Long-Term</u>
Note payable	167,538	14,439
Subscription-based IT arrangement liability	180,968	785,966
Compensated absences payable	3,160,000	4,790,000
Claims payable	4,710,000	1,095,000
	<u>\$ 8,218,506</u>	<u>\$ 6,685,405</u>

The above liabilities will be liquidated through the following funds: note payable, compensated absences, subscription-based IT arrangement liability, net pension liability and other post-employment obligation – general fund; and claims payable – internal service funds.

As of the beginning of 2012, the Commission's bonds payable included Series 2005 Tax Revenue Bonds, originally issued for \$45,000,000 and secured by a pledge and dedication of a 3.253 mill ad valorem tax approved pursuant to the Imagine Your Parks Program. In August 2012 the Commission issued \$31,190,000 of taxable refunding bonds, Series 2012A, for the purpose of advance refunding \$27,335,000 of the Series 2005 bonds and paying the costs of issuance. The refunding bonds were repaid in full during the year ended December 31, 2025.

In connection with the refunding, the Commission paid an up-front cost that resulted in an accounting loss of \$3,001,256 which was systematically recognized over the life of the refunded bonds as an adjustment to interest expense and as a deferred outflow on the entity-wide financial statements. The final adjustment of \$97,445 was amortized in 2025.

In November 2012, the Commission issued \$13,000,000 of Series 2012B Limited Ad Valorem Tax Revenue Bonds for purpose of funding capital improvements in furtherance of the Imagine Your Parks Program which are also secured by a pledge and dedication of the 3.253 mill ad valorem tax. The bonds were repaid in full during the year ended December 31, 2025.

Additions and deductions to compensated absences payable are disclosed on a net basis.

In 2023, the Commission entered into a finance purchase agreement for the acquisition of 12 commercial mowers. The original amount of the agreement was \$615,000. Payments are due in equal installments of \$14,514 over 48 months. The agreement contains an interest rate of 6.25%.

Debt service requirements for the finance purchase are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	167,538	6,628	174,166
2027	14,439	75	14,514
	<u>\$ 181,977</u>	<u>\$ 6,703</u>	<u>\$ 188,680</u>

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

Notes to the Basic Financial Statements December 31, 2025

7. Long-Term Liabilities (continued)

During the year ended December 31, 2025, the Commission entered into a new SBITA for human resources software subscription. The subscription term is 3 years, commencing on January 1, 2025, and includes two 1-year renewal options. The Commission expects to take advantage of the renewal options.

The Commission recognized a subscription liability and a corresponding subscription asset in the amount of \$1,342,338 at the commencement of the arrangement. The liability was discounted using a rate of 6.25% based on other borrowing arrangements.

As of December 31, 2025, the subscription asset had a carrying value of \$1,073,871, net of accumulated amortization of \$268,467. Amortization expense recognized during the year related to SBITAs totaled \$268,467.

The Government recognized interest expense of \$83,896 related to the subscription liability for the year ended December 31, 2025.

Amortization of the subscription liability is as follows;

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 180,968	\$ 60,433	\$ 241,401
2027	232,541	49,123	281,664
2028	261,158	34,589	295,747
2029	292,267	18,267	310,534
	<u>\$ 966,934</u>	<u>\$ 162,412</u>	<u>\$ 1,129,346</u>

8. Interfund Transactions

Interfund receivable/payable:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 26,310,764	\$ 303,166
Debt Service Fund	8,666,903	4,237,942
Enhancement Construction Fund	7,101,484	-
Capital Improvements Fund	115,931	9,479,258
Special Revenue Enhancement Fund	-	27,664,077
Internal Service Funds	156,236	666,875
	<u>\$ 42,351,318</u>	<u>\$ 42,351,318</u>

Interfund receivables and payables are recorded for the various funds' accrued portion of ad valorem taxes that are collected by other funds, and for amounts owed to the general fund as a result of expenditures paid by the general fund that are to be reimbursed by other funds.

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

Notes to the Basic Financial Statements December 31, 2025

8. Interfund Transactions (continued)

Transfers:

	Transfers Out	Transfers In
General Fund	\$ -	\$ 8,769,156
Debt Service Fund	-	4,402,397
Enhancement Construction Fund	-	9,840,080
Special Revenue Enhancement Fund	23,011,633	-
	<u>\$ 23,011,633</u>	<u>\$ 23,011,633</u>

The purpose of inter-fund transfers is to move ad valorem taxes collected by the Special Revenue Enhancement Fund in accordance with the terms of the general bond resolution of the Commission, to provide operating enhancements to the general fund, to provide monies for construction to the Enhancement Construction Fund and to cover required debt service payments.

9. Risk Management

The Commission manages each type of risk individually and to differing degrees of assumed risk, or self-insured risk. Components of the Commission's risk management activities include general liability, unemployment compensation, worker's compensation, employee health, vehicle liability and property damage.

General liability has no insurance policies to serve as stop loss. The Commission is at risk for the full amount of all general liability claims.

Worker's compensation and employee health plan losses are covered by excess insurance policies, and professional administrators are contracted by the Commission to adjust and manage their respective claims. The self-insured retainer for worker's compensation is \$800,000 per occurrence, and for employee health is \$125,000 per occurrence.

Vehicle liability and property damage are covered by insurance, and the insurance companies are responsible for payment of claims exceeding the deductible. The deductible for vehicle liability is \$50,000 per occurrence and for property damage is \$250,000 per occurrence. The Commission assumes the high deductibles to have lower insurance premiums.

In accordance with GASB Codification Section C50 – "*Claims and Judgements*" the Commission accounts for and reports risk management activities in the internal service funds using the accrual basis of accounting. Claims paid under the self-insurance risk activities are recorded as expenses. There were no major changes in insurance coverage for the year ended December 31, 2025.

The Commission provides medical insurance benefits to its full-time employees who choose to participate. Employees pay the full cost of additional premiums for plans with higher coverage benefits. Cost to the Commission for employee health benefits in 2025 was \$4,064,866.

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

Notes to the Basic Financial Statements December 31, 2025

9. Risk Management (continued)

A reconciliation of the unpaid claims liabilities as of December 31, 2025 follows:

	Employee Benefits Fund	Risk Management Fund	Total
Unpaid claims as of January 1, 2025	\$ 300,000	\$ 1,310,000	\$ 1,610,000
Current year claims incurred and changes in estimates	8,796,523	615,622	9,412,145
Claims paid	(5,096,523)	(120,622)	(5,217,145)
Unpaid claims as of December 31, 2025	<u>\$ 4,000,000</u>	<u>\$ 1,805,000</u>	<u>\$ 5,805,000</u>

The claims liability is shown in the accompanying internal service fund financial statements as:

	Employee Benefits Fund	Risk Management Fund	Total
Short-term	\$ 4,000,000	\$ 710,000	\$ 4,710,000
Long-term	-	1,095,000	1,095,000
Total	<u>\$ 4,000,000</u>	<u>\$ 1,805,000</u>	<u>\$ 5,805,000</u>

10. Other Receivables

	General Fund	Capital Improvements Fund	Total
Grants receivable	\$ -	\$ 5,613,276	\$ 5,613,276
Accounts receivable	1,631,191	309,379	1,940,570
Gross receivables	<u>\$ 1,631,191</u>	<u>\$ 5,922,655</u>	<u>\$ 7,553,846</u>

There was no allowance for other receivables recorded at December 31, 2025. Management deemed all recorded amounts collectable.

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

Notes to the Basic Financial Statements December 31, 2025

11. Governmental Fund Balance

Details of the fund balance categories at year-end are as follows:

	General	Capital Improvements	Debt Service	Enhancement Construction
Nonspendable				
Inventory	\$ 773,593	\$ -	\$ -	\$ -
Spendable				
Restricted for:				
Capital Improvements	-	-	-	-
Debt Service	-	-	4,448,991	-
Committed to:				
Mineral Endowment	1,342,965	-	-	-
Assigned to:				
Strategic Master Plan	11,261,845	-	-	11,393,602
Self-Insurance	1,805,000	-	-	-
Retirement Benefit	19,552,370	-	-	-
Self-Insurance (Health)	4,000,000	-	-	-
YMCA CEA - Howell Place	100,000	-	-	-
Encumbrances	263,945	-	-	-
Working Capital	3,000,000	-	-	-
Emergency Funds and Other	3,000,000	-	-	-
Total Constrained Fund Balance	45,099,718	-	4,448,991	11,393,602
Unassigned Fund Balances	38,414,205	(440,158)	-	-
Total Fund Balance	<u>\$ 83,513,923</u>	<u>\$ (440,158)</u>	<u>\$ 4,448,991</u>	<u>\$ 11,393,602</u>

The Commission has adopted the following policy related to its General Fund assigned fund balance:

The working capital (assigned) minimum is \$3,000,000, with a target of 25% of self-generated revenues. That target level resulted in a fund balance target of \$3,000,000.

The emergency funds (assigned) minimum limit is \$3,000,000 with a target of 25% of self-generated revenues. That target level resulted in a fund balance target of \$3,000,000.

For unassigned fund balances, the desirable target is 50% of total revenues, yet it will not be allowed to fall below 20% of total revenues. The amount presented on the annual financial report for 2025 is \$37,974,047, which equals approximately 35% of total revenue. Within the policy guidelines above, the Commission has given management the authority to assign fund balance based on intentions for use.

Governmental Fund existing resources will be used to satisfy encumbrances. The following encumbered amounts are already included in the above restricted, committed, or assigned fund balance classifications at December 31, 2025:

General Fund	\$ 841,033
Capital Improvements Fund	69,850
Enhancement Construction Fund	5,667
Employee Benefit Fund	4,364
Risk Management Fund	126,392
Total governmental fund encumbrances	<u>\$ 1,047,306</u>

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

Notes to the Basic Financial Statements December 31, 2025

12. Litigation and Claims

In the ordinary course of business, the Commission is a defendant in a number of lawsuits and claims, both asserted and unasserted. Although the outcome of these lawsuits and certain claims is not presently determinable, the Commission's legal counsel intends to vigorously defend these matters so that adverse effects to the Commission are minimized. For most of these matters the resolution will not have a material adverse effect on the financial condition of the Commission. However, for certain matters, if the plaintiff or claimant was successful, the ultimate liability to the commission could be significant. Estimated losses to the Commission are recognized in the Government-Wide Financial Statements and the Risk Management Fund to the extent that they are determined to be probable and estimable. The Commission is completely self-insured with respect to general liability claims, including the aforementioned lawsuits.

13. Commitments, Contingencies, and Subsequent Events

As of December 31, 2025, the Commission had entered into several contracts for a variety of park renovation projects. The obligations for funding those contracts are reflected within the encumbrance amounts presented in Note 11.

As identified in Note 2, the Commission's 3.253 millage ad valorem tax expires in 2026. An election was held on June 27, 2026 during which the renewal of the tax was included on the ballot. The tax initiative was renewed for an additional 10 years expiring in 2036.

14. Deficit Net Position

A deficit net position exists in the Capital Improvements Fund (\$440,158) and the Print Shop Fund (\$332,538). These deficits are expected to be resolved in the subsequent year through transfers from the General Fund.

15. Disaggregation of Accounts Payable and Accrued Liabilities

Accounts, salaries, and other payables as of December 31, 2025, were as follows:

Vendors	\$ 7,562,482
Salaries and benefits	743,256
Due to other governments	2,559,003
	<u>\$ 10,864,741</u>

16. Services Contract

During 2021, the Commission entered into a contract with a vendor to install and maintain certain equipment at seven parks. The equipment is owned and maintained by the vendor for which the Commission pays a service fee each month. The contract is cancelable at any time at which time the Commission may purchase the assets for the net book value of the assets at the time of termination. For the year ended December 31, 2025, the Commission incurred approximately \$875,000 for these services.

There are ongoing legal matters associated with this contract that may result in potential violations of Louisiana law. The outcome of these matters is not presently determinable, in the opinion of the Commission's legal counsel.

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

Notes to the Basic Financial Statements December 31, 2025

17. Current Accounting Standards Scheduled to be Implemented

The following is a summary of accounting standards adopted by the Governmental Accounting Standards Board (GASB) that are scheduled to be implemented in the future that may affect the Commission's financial report:

GASB Statement 103, *Financial Reporting Model Improvements*. This Statement requires changes to key components of the financial reporting model including Management's Discussion and Analysis, presentation of major component units, how unusual or infrequent items are reported, proprietary fund enhancements, and budgetary comparison information. The Commission will include the requirements of this standard, as applicable, in its December 31, 2026 financial statements.

GASB Statement 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital asset note disclosures required by Statement No. 34. These assets include lease assets, Public-Public and Public-Private Partnerships and Availability Payment Arrangements, and subscription-based information technology arrangements. This statement also requires additional disclosures for capital assets held for sale. The Commission will include the requirements of this standard, as applicable, in its December 31, 2026 financial statements.

REQUIRED SUPPLEMENTAL INFORMATION – PART II

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

General Fund Budgetary Comparison Schedule For the Year Ended December 31, 2025

	General Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources:				
Ad valorem taxes	\$ 55,985,716	\$ 55,985,716	\$ 50,903,640	\$ (5,082,076)
Recreation activity fees	12,909,433	12,909,433	12,416,851	(492,582)
Earnings on investments	2,297,949	2,297,949	1,175,770	(1,122,179)
Donations and miscellaneous	15,000	15,000	43,566	28,566
Intergovernmental revenues:				
Revenue sharing	-	-	1,322,436	1,322,436
Restricted grants-in-aid	5,000	5,000	324,930	319,930
Total revenues	<u>71,213,098</u>	<u>71,213,098</u>	<u>66,187,193</u>	<u>(5,025,905)</u>
Expenditures:				
Current:				
Administrative and planning	44,114,108	44,114,108	24,065,484	20,048,624
Program activities	27,856,136	27,856,136	51,371,923	(23,515,787)
Capital outlay	12,483,514	12,483,514	1,695,790	10,787,724
Total expenditures	<u>84,453,758</u>	<u>84,453,758</u>	<u>77,133,197</u>	<u>7,320,561</u>
Excess (deficiency) of revenues over expenditures	<u>(13,240,660)</u>	<u>(13,240,660)</u>	<u>(10,946,004)</u>	<u>2,294,656</u>
Other financing sources (uses):				
Proceeds from subscription-based IT arrangementg	-	-	1,342,338	1,342,338
Operating transfers in	<u>9,940,659</u>	<u>940,659</u>	<u>8,769,156</u>	<u>7,828,497</u>
Total other financing sources (uses)	<u>9,940,659</u>	<u>940,659</u>	<u>10,111,494</u>	<u>7,828,497</u>
Changes in fund balance	(3,300,001)	(12,300,001)	(834,510)	10,123,153
Fund balances, December 31, 2024	<u>84,348,433</u>	<u>84,348,433</u>	<u>84,348,433</u>	<u>-</u>
Fund balances, December 31, 2025	<u>\$ 81,048,432</u>	<u>\$ 72,048,432</u>	<u>\$ 83,513,923</u>	<u>\$ 10,123,153</u>

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

Special Revenue Enhancement Fund Budgetary Comparison Schedule For the Year Ended December 31, 2025

	Special Revenue Enhancement Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources:				
Taxes:				
Ad valorem	\$ 19,313,942	\$ 19,313,942	\$ 23,059,764	\$ 3,745,822
Earnings on investments	63,304	63,304	485,285	421,981
Total revenues	<u>19,377,246</u>	<u>19,377,246</u>	<u>23,545,049</u>	<u>4,167,803</u>
Expenditures:				
Current:				
Administrative and planning	<u>461,587</u>	<u>461,587</u>	<u>533,416</u>	<u>(71,829)</u>
Total expenditures	<u>461,587</u>	<u>461,587</u>	<u>533,416</u>	<u>(71,829)</u>
Excess (deficiency) of revenues over expenditures	<u>18,915,659</u>	<u>18,915,659</u>	<u>23,011,633</u>	<u>4,095,974</u>
Other financing sources (uses):				
Operating transfers out	<u>(17,199,873)</u>	<u>(17,199,873)</u>	<u>(23,011,633)</u>	<u>(5,811,760)</u>
Total other financing sources (uses)	<u>(17,199,873)</u>	<u>(17,199,873)</u>	<u>(23,011,633)</u>	<u>(5,811,760)</u>
Changes in fund balance	1,715,786	1,715,786	-	(1,715,786)
Fund balances, December 31, 2024	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, December 31, 2025	<u>\$ 1,715,786</u>	<u>\$ 1,715,786</u>	<u>\$ -</u>	<u>\$ (1,715,786)</u>

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

**Schedule of Changes in Total OPEB Liability and Related Ratios
For the Years Ended December 31st:**

Financial Statement Reporting Date	Measurement Date	Service Cost	Interest	Difference between actual and expected experience	Changes of assumptions	Benefit payments	Net change in Total OPEB Liability	Total OPEB Liability - Beginning	Total OPEB Liability - Ending	Covered Payroll	Total OPEB Liability as a Percentage of Covered Payroll
12/31/2025	12/31/2025	\$ 362,501	\$ 746,301	\$ 2,321,028	\$ (1,918,734)	\$ (500,838)	\$ 1,010,258	\$ 18,542,112	\$ 19,552,370	\$ 15,934,989	122.70%
12/31/2024	12/31/2024	38,592	909,002	(7,788,222)	(2,215,638)	(570,239)	(9,626,505)	28,168,617	18,542,112	15,322,105	121.02%
12/31/2023	12/31/2023	462,709	872,360	1,839,587	1,916,791	(746,803)	4,344,644	23,823,973	28,168,617	19,054,620	147.83%
12/31/2022	12/31/2022	563,834	457,465	17,092,639	(15,797,542)	(1,398,921)	917,475	22,906,498	23,823,973	18,321,750	130.03%
12/31/2021	12/31/2021	644,825	425,019	1,848,988	233,102	(586,993)	2,564,941	20,341,557	22,906,498	19,147,193	119.63%
12/31/2020	12/31/2020	486,477	567,813	(3,877,215)	2,699,573	(516,415)	(639,767)	20,981,324	20,341,557	18,410,762	110.49%
12/31/2019	12/31/2019	341,465	631,998	860,878	3,904,446	(344,114)	5,394,673	15,586,651	20,981,324	16,765,909	125.14%
12/31/2018	12/31/2018	316,964	555,448	434,321	(1,522,473)	(688,689)	(904,429)	16,491,080	15,586,651	16,121,062	96.69%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

There are no assets accumulated in a trust that meets the criteria of Paragraph 4 of GASB 75 for this OPEB plan.

Changes of assumptions - the discount rate as of 12/31/17 was 3.44% and it changed to 4.10% as of 12/31/18.

Changes of assumptions - the discount rate as of 12/31/18 was 4.10% and it changed to 2.74% as of 12/31/19.

Changes of assumptions - the discount rate as of 12/31/19 was 2.74% and it changed to 2.12% as of 12/31/20.

Changes of assumptions - the discount rate as of 12/31/20 was 2.12% and it changed to 2.06% as of 12/31/21.

Changes of assumptions - the discount rate as of 12/31/21 was 2.06% and it changed to 3.72% as of 12/31/22.

Changes of assumptions - the discount rate as of 12/31/22 was 3.72% and it changed to 3.26% as of 12/31/23.

Changes of assumptions - the discount rate as of 12/31/23 was 3.26% and it changed to 4.08% as of 12/31/24.

Changes of assumptions - the discount rate as of 12/31/24 was 4.08% and it changed to 4.83% as of 12/31/25.

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

**Schedule of Proportionate Share of the Net Pension Liability
Cost-Sharing Defined Benefit Plan
For the Years Ended December 31st (*)**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Employer's Proportion of the Net Pension Liability	14.9574%	14.1873%	14.3635%	14.3027%	14.6164%	13.6670%	12.7513%	12.1652%	12.2059%	11.4766%
Employer's Proportionate Share of the Net Pension Liability	\$ 121,775,437	\$ 107,428,216	\$ 108,915,873	\$ 73,547,051	\$ 85,417,981	\$ 86,008,224	\$ 93,522,057	\$ 65,136,770	\$ 72,533,771	\$ 66,194,382
Employer's Covered Payroll	\$ 18,716,484	\$ 21,139,763	\$ 19,500,965	\$ 20,234,075	\$ 19,746,046	\$ 17,579,655	\$ 17,142,545	\$ 16,700,037	\$ 16,360,826	\$ 15,911,560
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	650.6%	508.2%	558.5%	363.5%	432.6%	489.2%	545.6%	390.0%	443.3%	416.0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.44%	62.46%	61.66%	73.35%	68.78%	65.47%	59.36%	68.80%	64.09%	63.95%

(*) The amounts presented have a measurement date of the previous fiscal year end of the retirement system

Changes of assumptions:

For the year ended December 31, 2018:

The projected salary increases was changed from 3.75% to 3.50%.
The aggregate payroll growth was changed from 5.0% to 2.50%.

For the year ended December 31, 2021:

No changes of assumptions.

For the year ended December 31, 2022:

The expected remaining service lives were reduced from 5 years to 4 years.

For the year ended December 31, 2019:

The discount rate was changed from 7.25% to 7.04%.

For the year ended December 31, 2023:

No changes of assumptions.

For the year ended December 31, 2020:

The discount rate was changed from 7.04% to 7.00%.
The inflation rate was changed from 2.75% to 2.25%.

For the year ended December 31, 2024:

No changes of assumptions.

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

**Schedule of Employer Contributions
Cost-Sharing Defined Benefit Plan
For the Years Ended December 31st**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution ¹	\$ 8,107,755	\$ 7,531,513	\$ 8,130,353	\$ 7,558,574	\$ 7,761,791	\$ 7,345,529	\$ 6,170,459	\$ 6,083,889	\$ 5,480,952	\$ 5,132,391
Contributions in relation to Contractually Required Contribution ²	8,107,755	7,531,513	8,130,353	7,558,574	7,761,791	7,345,529	6,170,459	6,083,889	5,480,952	5,132,391
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's Covered Payroll ³	\$ 21,672,694	\$ 18,716,484	\$ 21,139,763	\$ 19,500,965	\$ 20,234,075	\$ 19,746,046	\$ 17,579,655	\$ 17,142,545	\$ 16,700,037	\$ 16,360,826
Contributions as a Percentage of Covered Payroll	37.41%	40.24%	38.46%	38.76%	38.36%	37.20%	35.10%	35.49%	32.82%	31.37%

For reference only:

¹ Employer contribution rate multiplied by employer's covered payroll.

² Actual employer contributions remitted to retirement system.

³ Employer's covered payroll amount for the current fiscal year end.

OTHER SUPPLEMENTAL INFORMATION

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

Schedule of Compensation Paid to the Head of Commission For the Year Ended December 31, 2025

Superintendent:	<u>Corey Wilson</u>
<u>Purpose</u>	<u>Amount</u>
Salary	\$ 199,661
Benefits - life insurance	2,711
Benefits - medical insurance (commission paid)	14,034
Benefits - retirement system contributions/mandatory	79,950
Car allowance	7,727
Telecommunications	480
Dues	900
Conference travel	1,900
	<u>\$ 307,363</u>

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

General Fund Combining Schedule
Balance Sheet
December 31, 2025

	General Fund	Enhancement Operating Fund	Eliminations	Total
ASSETS				
Cash and cash equivalents	\$ (1,671,989)	\$ 11,131,488	-	\$ 9,459,499
Ad valorem taxes receivable, net	54,023,972	-	-	54,023,972
Due from governments and other	1,631,191	-	-	1,631,191
Inventory	773,593	-	-	773,593
Due from other funds	12,792,674	14,621,149	(1,103,059)	26,310,764
Total assets	<u>67,549,441</u>	<u>25,752,637</u>	<u>(1,103,059)</u>	<u>92,199,019</u>
DEFERRED OUTFLOWS	-	-	-	-
Total assets and deferred outflows	<u>\$ 67,549,441</u>	<u>\$ 25,752,637</u>	<u>\$ (1,103,059)</u>	<u>\$ 92,199,019</u>
LIABILITIES				
Accounts payable	\$ 1,461,096	\$ 1,590,389	\$ -	\$ 3,051,485
Accrued expenses payable	2,062,227	7,500	-	2,069,727
Due to other funds	303,057	1,103,168	(1,103,059)	303,166
Total liabilities	<u>3,826,380</u>	<u>2,701,057</u>	<u>(1,103,059)</u>	<u>5,424,378</u>
DEFERRED INFLOWS	<u>3,260,718</u>	<u>-</u>	<u>-</u>	<u>3,260,718</u>
FUND BALANCE				
Nonspendable	773,593	-	-	773,593
Spendable:				
Committed	1,342,965	-	-	1,342,965
Assigned	31,721,315	11,261,845	-	42,983,160
Unassigned	26,624,470	11,789,735	-	38,414,205
Total fund balance	<u>60,462,343</u>	<u>23,051,580</u>	<u>-</u>	<u>83,513,923</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 67,549,441</u>	<u>\$ 25,752,637</u>	<u>\$ (1,103,059)</u>	<u>\$ 92,199,019</u>

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

General Fund Combining Fund Statement of Revenues, Expenditures, and Changes in Fund Balance December 31, 2025

	General Fund	Enhancement Operating Fund	Eliminations	Total
REVENUES				
Local sources:				
Ad valorem taxes	\$ 50,903,640	\$ -	\$ -	\$ 50,903,640
Recreation activity fees	12,416,851	-	-	12,416,851
Earnings on investments	1,175,770	-	-	1,175,770
Donations and miscellaneous	43,566	-	-	43,566
Intergovernmental revenues:				
Revenue sharing	1,322,436	-	-	1,322,436
Restricted grants-in-aid	324,930	-	-	324,930
Total revenues	<u>66,187,193</u>	<u>-</u>	<u>-</u>	<u>66,187,193</u>
EXPENDITURES				
Current:				
Administrative and planning	17,077,248	6,988,236	-	24,065,484
Maintenance department operations	15,580,844	1,797,075	-	17,377,919
Recreation program operations	15,198,645	766,382	-	15,965,027
Golf operations	6,851,634	678	-	6,852,312
Zoo operations	7,665,292	46,867	-	7,712,159
Aquatics and therapeutics	938,650	-	-	938,650
COVID-19 relief operations	1,909,143	-	-	1,909,143
Debt service:				
Principal payment on notes payable	375,404	140,660	-	516,064
Interest payment on notes payable	83,896	16,753	-	100,649
Capital outlay	654,380	1,041,410	-	1,695,790
Total expenditures	<u>66,335,136</u>	<u>10,798,061</u>	<u>-</u>	<u>77,133,197</u>
Excess of revenues over (under) expenditures	<u>(147,943)</u>	<u>(10,798,061)</u>	<u>-</u>	<u>(10,946,004)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from subscription-based IT arrangements	1,342,338	-	-	1,342,338
Transfers in	-	8,769,156	-	8,769,156
Total other financing sources (uses)	<u>1,342,338</u>	<u>8,769,156</u>	<u>-</u>	<u>10,111,494</u>
CHANGES IN FUND BALANCE	<u>1,194,395</u>	<u>(2,028,905)</u>	<u>-</u>	<u>(834,510)</u>
Fund Balance, December 31, 2024	<u>59,267,948</u>	<u>25,080,485</u>	<u>-</u>	<u>84,348,433</u>
Fund Balance, December 31, 2025	<u>\$ 60,462,343</u>	<u>\$ 23,051,580</u>	<u>\$ -</u>	<u>\$ 83,513,923</u>

OTHER REPORTS 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 Recreation and Park Commission for the Parish of East Baton Rouge
Baton Rouge, 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, each major fund, and the aggregate remaining fund information of the Recreation and Park Commission for the Parish of East Baton Rouge ("Commission") as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated June 30, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission'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 Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2025-001 and 2025-002 to be material weaknesses.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2025-003 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2025-003.

Commission's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Commission's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Commission's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

EisnerAmper LLP

EISNERAMPER LLP
Baton Rouge, Louisiana
June 30, 2026



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Recreation and Park Commission for the Parish of East Baton Rouge
Baton Rouge, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Recreation and Park Commission for the Parish of East Baton Rouge's ("Commission") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the Commission's major federal programs for the year ended December 31, 2025. The Commission's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Commission complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major federal programs. Our audit does not provide a legal determination of the Commission's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Commission's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Commission's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Commission's compliance with the requirements of the major federal programs as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Commission's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Commission's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2025-004. Our opinion on the major federal programs are not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the Commission's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Commission's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.



Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-004 to be a material weakness.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the Commission's response to the internal control over compliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Commission's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

EisnerAmper LLP

EISNERAMPER LLP
Baton Rouge, Louisiana
June 30, 2026



RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2025

FEDERAL DEPARTMENT/PASS-THROUGH ENTITY/PROGRAM	ASSISTANCE LISTING NUMBER	GRANT NUMBER	FEDERAL EXPENDITURES	AMOUNTS PROVIDED TO SUBRECIPIENTS
United States Department of Transportation				
Passed Through:				
<i>Louisiana Department of Transportation and Development</i>				
Highway Planning and Construction - Scotlandville Parkway, Phase1	20.205	H.013267.6	\$ 2,850,048	\$ -
Total United States Department of Homeland Security			<u>2,850,048</u>	<u>-</u>
United States Department of Housing and Urban Development				
Passed Through:				
<i>Louisiana Office of Community Development</i>				
Community Development Block Grant - Cypress Bayou	14.228	B-18--DP-22-001	2,617,228	-
Community Development Block Grant - Airline Highway Safe Room	14.228	B-18-DP-22-0001	<u>607,620</u>	<u>-</u>
Total United States Department of Housing and Urban Development			<u>3,224,848</u>	<u>-</u>
Total Expenditures			<u>\$ 6,074,896</u>	<u>\$ -</u>

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

Notes to the Schedule of Expenditures of Federal Awards

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Recreation and Park Commission for the Parish of East Baton Rouge (the Commission) and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note B – De Minimis Cost Rate

During the year ended December 31, 2025, the Commission did not elect to use the 15% de minimis cost rate as covered in §200.414 of the Uniform Guidance.

Note C – Amounts Passed Through to Subrecipients

During the year ended December 31, 2025, the Commission did not pass through any federal funding to subrecipients.

Note D – Reconciliation to the Basic Financial Statements

The federal grant expenditures are reported within the various expenditure categories of the appropriate funds and are not readily distinguishable to the Schedule of Expenditures of Federal Awards. However, revenue is generally recorded for these grants in an amount equal to allowable costs incurred and therefore the following reconciliation to reported federal grant revenue is provided:

Total expenditures per SEFA	\$ 6,074,896
Plus non-federal grant revenue	<u>324,930</u>
Total restricted grants-in-aid per financial statements	<u>\$ 6,399,826</u>

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

Schedule of Findings and Questioned Costs For the Year Ended December 31, 2025

A. SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditors' report issued:

Unmodified

- Material weakness(es) identified? X Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? X Yes No

Noncompliance material to financial statements noted? X Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? X Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes X None reported

Type of auditors' report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR §200.516(a)? X Yes No

Identification of major programs:

Name of Federal Program or Cluster

Federal Assistance Listing Number

Highway Planning and Construction
Community Development Block Grant

20.205
14.228

- The threshold for distinguishing types A & B programs was program expenditures exceeding \$1,000,000.
- The Recreation and Park Commission for the Parish of East Baton Rouge did not qualify as a low risk auditee.

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

Schedule of Findings and Questioned Costs For the Year Ended December 31, 2025

B. FINDINGS – FINANCIAL STATEMENT AUDIT

2025-001 General Ledger Account Reconciliations

Criteria: To ensure the accuracy of accounting records and serve as a means to detect potential improper activity, the general ledger accounting records should be reconciled on a timely basis.

Condition: General ledger accounts were not reconciled to bank account statements until after the fiscal year end. The resulting bank reconciliations contain unreconciled differences. Additionally, receivables and revenue for grants and ad valorem taxes, inventory, park deposits and accounts payable were also not reconciled to supporting records timely.

Cause: A software conversion and turnover in key staff resulted in delays in issuing the previous year's audits. This carried forward to readiness for the current year resulting in cash, receivables and revenue for grants and ad valorem taxes, inventory, park deposits and accounts payable not being reconciled timely.

Effect: Without reconciliations for cash, receivables and revenue for grants and ad valorem taxes, inventory, park deposits and accounts payable being performed timely and accurately, the accounting records may be inaccurate and improper activity may not be detected.

Recommendation: We recommend the Recreation and Park Commission for the Parish of East Baton Rouge ("BREC") adopt procedures to ensure that cash, receivables and revenue for grants and ad valorem taxes, inventory, park deposits and accounts payable are reconciled accurately and timely on a monthly basis.

Repeat Finding: Yes.

View of Responsible Official: In January 2026, the Finance Department implemented a Month-End Close Checklist to strengthen the monthly reconciliation process and support the timely identification and resolution of unreconciled differences, receivables, and accounts payable balances. The checklist requires applicable accounts to be reconciled and balanced to the trial balance, bank statements, and other supporting documentation each month. This process provides a structured framework for confirming account accuracy and documenting reconciliation efforts. The completed checklist must be reviewed and approved by the Director of Finance within ten (10) business days after the end of the respective month.

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

Schedule of Findings and Questioned Costs For the Year Ended December 31, 2025

B. FINDINGS – FINANCIAL STATEMENT AUDIT (continued)

2025-002 Maintenance of Construction-in-Progress Schedules

Criteria: In order to properly record assets related to ongoing construction projects and properly delineate capitalized expenditures and those that are below the capitalization threshold or otherwise not subject to capitalization, it is important that BREC maintain complete and accurate project accounting records.

Condition: The construction-in-progress schedule is maintained in a spreadsheet requiring manual adjustments in order to properly reflect the assets at year-end. The schedule provided required material corrections to identify costs that were beneath the capitalization threshold, or should not have been initially included as a capital cost. Additionally, corrections were required to properly identify and report projects completed and placed into service.

Cause: BREC did not have appropriate procedures and controls implemented to accumulate and report accurate capital project costs.

Effect: Material adjustments were required to the schedule in order to report complete and accurate capital project costs.

Recommendation: We recommend BREC adopt procedures and controls to ensure that capital project costs are reported completely and accurately.

Repeat Finding: Yes.

View of Responsible Official: The Finance Director and the new Director of Planning and Engineering (P&E) have implemented mandatory usage of MUNIS Project Accounting for the CIP Schedule. Training was completed June 23, 2026. The system-based approach enhances accuracy with identifying capital cost and project tracking of completion.

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

Schedule of Findings and Questioned Costs For the Year Ended December 31, 2025

B. FINDINGS – FINANCIAL STATEMENT AUDIT (continued)

2025-003 Local Government Budget Act

Criteria: Louisiana Revised Statute 38:1311 requires the entity to revise its budget when total revenues or total expenditures and other sources or uses plus projected revenues or expenditures and other sources or uses for the remainder of the year, within a fund, are failing to meet total budgeted revenues or expenditures and other financing sources or uses unfavorably by five percent or more. Louisiana Revised Statute 39:1305 requires governments to prepare and adopt a comprehensive budget presenting a complete financial plan each fiscal year for the General Fund and each Special Revenue Fund.

Condition: Based on the last budget adopted by BREC prior to the end of its fiscal year, the Special Revenue Enhancement Fund had an unfavorable budget variation for expenditures and other financing uses.

Cause: BREC did not adopt an amended budget for the Special Revenue Enhancement Fund when actual expenditures were projected to exceed budgeted expenditures and other financing uses by more than five percent.

Effect: BREC is not in compliance with the requirements of the Local Government Budget Act.

Recommendation: We recommend BREC adopt procedures to ensure that budget amendments for any funds with unfavorable variances of five percent or more are adopted prior to the end of the fiscal year.

Repeat Finding: Yes.

View of Responsible Official: The Finance Department has adopted a comprehensive BREC-wide expenditure tool that tracks year to date spending and added a Year-End Checklist that prompts the Finance Staff to address budget variations in all funds in accordance with the Local Government Budget Act.

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

Schedule of Findings and Questioned Costs For the Year Ended December 31, 2025

C. FINDINGS – FEDERAL AWARD PROGRAM

2025-004 Preparation of the Schedule of Expenditures of Federal Awards and Reconciliation of Grant Revenue

Criteria: The Uniform Guidance Subpart F Section 200.510 requires the preparation of a Schedule of Expenditures of Federal Awards (SEFA) that includes an accurate reporting of federal awards expended based on the terms and conditions of the grants along with the amount of funds disbursed to subrecipients. In order for the SEFA to be prepared accurately and properly report the amounts expended for federal awards, a system of controls should be in existence that includes the timely preparation and review of the amounts reported on the SEFA. Review of the amounts reported should include a reconciliation of the expenditures under the grants to the grant revenue. Additionally, the reconciliation should consider grant revenue that is due from the awarding agency for expenditures incurred during the fiscal year.

Condition: The SEFA provided for audit did not contain complete and accurate reporting of federal expenditures, and the grant information required to be reported on the SEFA. Additionally, the grant revenue recorded in the accounting system did not reflect all amounts due from awarding agencies for expenditures incurred in the fiscal year.

Questioned Costs: None.

Cause: BREC does not have adequate internal controls and procedures to ensure adequate capturing of relevant data for federal awards and reconciliation to the accounting system.

Effect: An inaccurate SEFA may result in incomplete reporting of federal expenditures and non-compliance with federal regulations with respect to required major program audits and coverage requirements. Grant revenue may not reflect the total revenue within the proper period.

Recommendation: We recommend that BREC review its policies and procedures for identifying, recording, and tracking federal expenses and implement controls to report federal awards completely and accurately within the SEFA. The policies and procedures should include capturing all grant revenue for eligible expenses incurred during the fiscal year.

Repeat Finding: Yes.

View of Responsible Official: The Finance Department and Planning and Engineering completed training for usage of MUNIS Grant Module, June 23, 2026. BREC's Grant Policy is also in the process of being revised to implement processes and workflows to document all grants.

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

Summary Schedule of Prior Year Audit Findings

A. FINDINGS – FINANCIAL STATEMENT AUDIT

2024-001 General Ledger Account Reconciliations

Criteria: To ensure the accuracy of accounting records and serve as a means to detect potential improper activity, the general ledger accounting records should be reconciled on a timely basis.

Condition: General ledger accounts were not reconciled to bank account statements until after the fiscal year end. The resulting bank reconciliations contain unreconciled differences. Additionally, park deposit accounts were not reconciled to supporting records, grant receivables were not reconciled to supporting records, and inventory accounts were not reconciled to the underlying inventory records.

Cause: A software conversion and turnover in key staff resulted in cash, grant receivables, and inventory accounts not being reconciled timely.

Effect: Without reconciliations for bank accounts, grant receivables, and inventory being performed timely and accurately, the accounting records may be inaccurate and improper activity may not be detected.

Recommendation: We recommend the Recreation and Park Commission for the Parish of East Baton Rouge ("BREC") adopt procedures to ensure that bank accounts, park deposits, grant receivables, and inventory accounts are reconciled accurately and timely on a monthly basis.

Current Year Status: Not resolved. See current year finding 2025-001.

2024-002 Timely Filing of Report with Louisiana Legislative Auditor

Criteria: In accordance with R.S. 24:513, any local auditee that receives public assistance of \$500,000 or more in revenues and other sources in any one fiscal year must be audited annually and the annual audit reporting package must be submitted to the Louisiana Legislative Auditor. The due date for the audit reporting package is six months after the organization's fiscal year end.

Condition: BREC was required to have the audit completed by the filing deadline of June 30, 2025. BREC did not comply with the timeline established by regulation and therefore a finding is required by the Louisiana Legislative Auditor.

Cause: Due to staffing issues, the year-end close out procedures were not performed on a timely basis and resulted in delays in providing the needed information to the auditors necessary for the timely filing of the audit report with the Louisiana Legislative Auditor.

Effect: If BREC is non-compliant in the future it may result in it being placed on the non-compliance list maintained by the Louisiana Legislative Auditor. In addition, R.S. 39:72.1 prohibits the payment of funds appropriated to an agency that is not in compliance with the State Audit Law.

Recommendation: BREC should ensure proper staffing is maintained to complete year-end close out procedures on a timely basis to allow sufficient time for the auditor to complete their procedures and meet future deadlines.

Current Year Status: Resolved.

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

Summary Schedule of Prior Year Audit Findings

A. FINDINGS – FINANCIAL STATEMENT AUDIT (continued)

2024-003 Maintenance of Construction-in-Progress Schedules

Criteria: In order to properly record assets related to ongoing construction projects and properly delineate capitalized expenditures and those that are below the capitalization threshold or otherwise not subject to capitalization, it is important that BREC maintain complete and accurate project accounting records.

Condition: The construction-in-progress schedule is maintained in a spreadsheet requiring manual adjustments in order to properly reflect the assets at year-end. The schedule provided required material corrections to identify costs that were beneath the capitalization threshold, should have been initially included as a capital cost, or should not have been initially included as a capital cost. Additionally, corrections were required to properly identify and report projects completed and placed into service.

Cause: BREC did not have appropriate procedures and controls implemented to accumulate and report accurate capital project costs.

Effect: Material adjustments were required to the schedule in order to report complete and accurate capital project costs.

Recommendation: We recommend BREC adopt procedures and controls to ensure that capital project costs are reported completely and accurately.

Current Year Status: Not resolved. See current year finding 2025-002.

2024-004 Budget Publication and Hearing

Criteria: Louisiana Revised Statute 39:1307 provides that political subdivisions shall publish a notice that states the proposed budget is available for public inspection and explains when the public hearing will occur. This notice shall be published at least 10 days prior to the public hearing.

Condition: Proof of advertisement was not available to document appropriate notice was provided to the public that the budget was available for public inspection and when the public hearing would occur.

Cause: BREC did not provide documentation of the advertisement for public inspection and public hearing at least 10 days prior to the public hearing.

Effect: BREC is not in compliance with Louisiana Revised Statute 39:1307.

Recommendation: We recommend BREC adopt procedures and controls to ensure that notices of proposed budgets are published at least 10 days before the public hearing.

Current Year Status: Resolved.

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

Summary Schedule of Prior Year Audit Findings

A. FINDINGS – FINANCIAL STATEMENT AUDIT (continued)

2024-005 Local Government Budget Act

Criteria: Louisiana Revised Statute 38:1311 requires the entity to revise its budget when total revenues or total expenditures and other sources or uses plus projected revenues or expenditures and other sources or uses for the remainder of the year, within a fund, are failing to meet total budgeted revenues or expenditures and other financing sources or uses unfavorably by five percent or more. Louisiana Revised Statute 39:1305 requires governments to prepare and adopt a comprehensive budget presenting a complete financial plan each fiscal year for the General Fund and each Special Revenue Fund.

Condition: Based on the last budget adopted by BREC prior to the end of its fiscal year, the Special Revenue Enhancement Fund had an unfavorable budget variation for expenditures and other financing uses.

Cause: BREC did not adopt an amended budget for the Special Revenue Enhancement Fund when actual expenditures were projected to exceed budgeted expenditures and other financing uses by more than five percent.

Effect: BREC is not in compliance with the requirements of the Local Government Budget Act.

Recommendation: We recommend BREC adopt procedures to ensure that budget amendments for any funds with unfavorable variances of five percent or more are adopted prior to the end of the fiscal year.

Current Year Status: Not resolved. See current year finding 2025-003.

2024-006 Timely Filing of the Federal Data Collection Form

Criteria: The Office of Management and Budget (OMB), through the General Services Administration, requires that Single Audit Reports from state and local governments be submitted to the Federal Audit Clearinghouse in annual period that the state and local government expends more than \$750,000 in federal awards. Without any waivers, the report is due no later than nine months after an entity's year end.

Condition: The single audit report was not submitted to the Federal Audit Clearinghouse within the timeline established by regulation.

Questioned Costs: None.

Cause: Due to staffing issues, the year-end close-out procedures were not performed on a timely basis and resulted in delays in providing the needed information to the auditors necessary for the timely filing of the audit report with the Federal Audit Clearinghouse.

Effect: The lack of timely filing may result in delays or denial of federal grant assistance.

Recommendation: BREC should ensure proper staffing is maintained to complete year-end close-out procedures on a timely basis to allow sufficient time for the auditors to complete their procedures and meet future deadlines.

Current Year Status: Resolved.

RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE

Summary Schedule of Prior Year Audit Findings

B. FINDINGS – FEDERAL AWARD PROGRAM

2024-007 Preparation of the Schedule of Expenditures of Federal Awards and Reconciliation of Grant Revenue

Criteria: The Uniform Guidance Subpart F Section 200.510 requires the preparation of a Schedule of Expenditures of Federal Awards (SEFA) that includes an accurate reporting of federal awards expended based on the terms and conditions of the grants along with the amount of funds disbursed to subrecipients. In order for the SEFA to be prepared accurately and properly report the amounts expended for federal awards, a system of controls should be in existence that includes the timely preparation and review of the amounts reported on the SEFA. Review of the amounts reported should include a reconciliation of the expenditures under the grants to the grant revenue. Additionally, the reconciliation should consider grant revenue that is due from the awarding agency for expenditures incurred during the fiscal year.

Condition: The SEFA provided for audit did not contain complete and accurate reporting of federal expenditures, and the grant information required to be reported on the SEFA. Additionally, the grant revenue recorded in the accounting system did not reflect all amounts due from awarding agencies for expenditures incurred in the fiscal year.

Questioned Costs: None.

Cause: BREC does not have adequate internal controls and procedures to ensure adequate capturing of relevant data for federal awards and reconciliation to the accounting system.

Effect: An inaccurate SEFA may result in incomplete reporting of federal expenditures and non-compliance with federal regulations with respect to required major program audits and coverage requirements. Grant revenue may not reflect the total revenue within the proper period.

Recommendation: We recommend that BREC review its policies and procedures for identifying, recording, and tracking federal expenses and implement controls to report federal awards completely and accurately within the SEFA. The policies and procedures should include capturing all grant revenue for eligible expenses incurred during the fiscal year.

Current Year Status: Not resolved. See current year finding 2025-004.

2024-008 Written Policies and Procedures Over Federal Grants

Criteria: The Uniform Guidance requires written policies and procedures documenting how the organization determines and complies with the applicable compliance requirements.

Condition: BREC does not currently maintain written policies and procedures for determining and documenting the applicable compliance requirements in accordance with 2 CFR 200.318-326.

Questioned Costs: None.

Cause: Written policies and procedures for the applicable compliance requirements have not been developed.

Effect: Written policies and procedures over the applicable compliance requirements are not available to guide staff responsible for federal expenditures.

Recommendation: We recommend that BREC develop written policies and procedures for determining and documenting the applicable compliance requirements under the Uniform Guidance.

Current Year Status: Resolved.



**RECREATION AND PARK COMMISSION
FOR THE PARISH
OF EAST BATON ROUGE**

REPORT ON STATEWIDE

**AGREED-UPON PROCEDURES ON
COMPLIANCE AND CONTROL AREAS**

**FOR THE YEAR ENDED
DECEMBER 31, 2025**



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To: Board of the Recreation and Park Commission for the Parish of East Baton Rouge and the Louisiana Legislative Auditor

We have performed the procedures enumerated in Schedule A on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) of the Recreation and Park Commission for the Parish of East Baton Rouge ("BREC") for the fiscal period January 1, 2025 through December 31, 2025. BREC's management is responsible for those C/C areas identified in the SAUPs.

BREC has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of performing specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2025 through December 31, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures we performed, and the associated findings are summarized in the attached Schedule A, which is an integral part of this report.

We were engaged by BREC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs of BREC for the fiscal period January 1, 2025 through December 31, 2025. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of BREC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

The purpose of this report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.



EISNERAMPER LLP
Baton Rouge, Louisiana
June 30, 2026

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The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read “*no exception noted*” or for step 13 “*we performed the procedure and discussed the results with management*”. If not, then a description of the exception ensues.

1) **Written Policies and Procedures**

A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

- i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.

No exception noted.

- ii. **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

No exception noted.

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

No exception noted.

- iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

No exception noted.

- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

No exception noted.

- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

No exception noted.

- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

The Entity has written policies for Travel and Expense reimbursement; however, the policy does not specifically address (2) dollar thresholds by category of expense. The policy does specifically address (1) allowable expenses, (3) documentation requirements, and (4) required approvers.

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

No exception noted.

- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

The Entity has written policies for Ethics; however, the policy does not specifically address (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy. The policy does specifically address (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, and (3) system to monitor possible ethics violations.

- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

The Entity does not have written policies for Debt Service; there was no policy to specify (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

No exception noted.

- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

The Entity has written policies for Prevention of Sexual Harassment; however, the policy does not specifically address (3) annual reporting. The policy does specifically address (1) agency responsibilities and prohibitions and (2) annual employee training.

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
- i. Observe whether the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No exception noted.

- ii. For those entities reporting on the governmental accounting model, review the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year and observe whether the minutes from at least one meeting each month referenced or included monthly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

BREC's board/finance committee minutes include monthly budget-to-actual comparisons on the general fund; however, the board/finance committee did not include semi-annual budget-to actual comparisons, at a minimum, for the special enhancement revenue fund that is a special revenue fund. This is considered an exception.

- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

No exception noted.

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

BREC's board/finance committee did not receive written updates of the progress of resolving audit findings. This is considered an exception.

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

A listing of bank accounts was provided and included a total of 14 bank accounts. Management identified the entity's main operating account. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected 5 bank accounts (1 main operating and 4 randomly) and obtained the bank reconciliations for the month ending August, 2025, resulting in 5 bank reconciliations obtained and subjected to the below procedures.

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

For 5 of the 5 bank accounts selected, there was no evidence that the reconciliations were prepared within 2 months of the related statement closing date. This is considered an exception.

- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and

For 5 of the 5 bank accounts selected, there was written evidence that a member of management who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation. However, for 5 of the 5 bank accounts selected, there was no evidence that the reconciliations were prepared within 1 month of when the reconciliation was prepared. This is considered an exception.

- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No exception noted.

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

A listing of deposit sites was provided and included a total of 1 deposit site. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 1 deposit site and performed the procedures below.

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

A listing of collection locations for each deposit site selected in procedure #4A was provided and included a total of 65 collection locations. No exceptions were noted as a result of performing this procedure.

From each of the listings provided, we randomly selected one collection location for each deposit site. Review of the Entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

- i. Employees responsible for cash collections do not share cash drawers/registers;

No exception noted.

- ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit;

For 4 of 5 collection locations selected the employee responsible for collecting cash is also responsible for making deposits. This is considered an exception.

Recreation and Park Commission for the Parish of East Baton Rouge
Agreed-Upon Procedures Performed and Associated Findings
December 31, 2025

Schedule A

- iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and

No exception noted.

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

No exception noted.

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

Employees who have access to cash are not covered by a bond or insurance policy. This is considered an exception.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

We randomly selected 2 deposit dates for 1 of the 5 bank accounts selected in procedure #3A. The Entity only maintains 1 cash account for cash collections. We obtained supporting documentation for each of the 10 deposits and performed the procedures below.

- i. Observe that receipts are sequentially pre-numbered.

No exception noted.

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

No exception noted.

- iii. Trace the deposit slip total to the actual deposit per the bank statement.

No exception noted.

- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

For 8 of the 10 deposits selected the deposit was not made within one business day of receipt at the collection location (or within one week if the depository is more than 10 miles from the collection location and the cash is stored securely in a locked safe or drawer). This is considered an exception. For 2 of the 10 deposit dates selected the deposit was made within one business day of receipt at the collection location.

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

No exception noted.

5) Non-payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

The listing of locations that process payments for the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 1 location and performed the procedures below.

- B. For each location selected under #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:

The listing of employees involved with non-payroll purchasing and payment functions for each payment processing location selected in procedure #5A was provided. No exceptions were noted as a result of performing this procedure.

Review of the Entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

No exception noted.

- ii. At least two employees are involved in processing and approving payments to vendors;

No exception noted.

- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;

No exception noted.

- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

For the disbursement processing location selected, the employee/official responsible for signing checks does not mail the payment or give the signed checks to an employee to mail who is not responsible for processing payments. This is considered an exception.

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

No exception noted.

- C. For each location selected under #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and

A listing of non-payroll disbursements for each payment processing location selected in procedures #5A was provided related to the reporting period. No exceptions were noted as a result of performing this procedure.

From each of the listings provided, we randomly selected 5 disbursements and performed the procedures below.

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice, and that supporting documentation indicates that deliverables included on the invoice were received by the entity, and

No exceptions noted.

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

For 4 of the 5 disbursements selected, the purchase requisition was not initiated by someone not responsible for approving the requisition/purchase order. For 3 of the 5 disbursements selected, the purchase requisition was not approved by someone not responsible for approving the requisition/purchase order. For 3 of the 5 disbursements selected, the purchase invoice was not processed by someone who did not approve the payment. For 3 of the 5 disbursements selected, the purchase invoice was not approved by someone who did not approve the payment. For 5 of the 5 disbursements selected, the check signer did not mail the payment or give the payment to someone who is not responsible for processing the payment. These are considered exceptions.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

No exception noted.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

A listing of cards was provided. No exceptions were noted as a result of performing this procedure.

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and

From the listing provided, we randomly selected 5 credit cards used in the fiscal period. We randomly selected one monthly statement for each of the 5 cards selected and performed the procedures noted below.

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., itemized receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported; and

No exception noted.

- ii. Observe that finance charges and late fees were not assessed on the selected statements.

No exception noted.

- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

We randomly selected 9 transactions, or all transactions if less than 10 from each statement and obtained supporting documentation for the transactions. For each transaction, observed that it was supported by (1) an original itemized receipt that identified precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). No exceptions noted.

- D. Using the list of terminated employees obtained in Payroll and Personnel procedure #9C identify those individuals who had access to cards and randomly select 5 terminated employees (or all terminated employees with card access if less than 5) from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees' authorization has been removed.

No exception noted.

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

The listing of travel and travel-related expense reimbursements was provided for the fiscal period. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 5 reimbursements and performed the procedures below.

- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana (doa.la.gov/doa/ost/ppm-49-travel-guide/) or the U.S. General Services Administration (www.gsa.gov);

No exception noted.

- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;

No exception noted.

- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by "Written Policies and Procedures", procedure #1A(vii); and

No exception noted.

- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exception noted.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

An active vendor list for the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 5 contracts and performed the procedures below.

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;

No exception noted.

- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter);

No exception noted.

- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

No exception noted.

- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

No exception noted.

9) Payroll and Personnel

- A. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

A listing of employees/elected officials employed during the fiscal year was provided. No exceptions were noted as a result of performing this procedure. From the listing provided, we randomly selected 5 employees/officials and performed the specified procedures.

- B. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

We randomly selected 1 pay period during the fiscal period and performed the procedures below for the 5 employees/officials selected in procedure #9A.

- i. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

No exception noted.

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

No exception noted.

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

No exception noted.

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

No exception noted.

- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

A listing of employees/officials receiving termination payments during the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 2 employees/officials and performed the specified procedures.

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums) have been paid, and any associated forms have been filed, by required deadlines.

No exceptions noted.

10) Ethics

- A. Using the 5 randomly selected employees/officials from procedure "Payroll and Personnel" procedure #9A, above obtain ethics documentation from management, and

- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

No exception noted.

- ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

No exception noted.

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

No exception noted.

11) Debt Service

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued as required by Article VII, Section 8 of the Louisiana Constitution.

N/A – no bonds/notes or other debt instruments issued during the fiscal period.

- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

A listing of bonds/notes outstanding at the end of the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

The note outstanding at the end of the fiscal period is not subject to debt covenants, reserve balances.

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

The Entity provided a listing of misappropriations during the fiscal period. The listing contained 5 matters. Of the 5 matters, 2 were subject to reporting to the Legislative Auditor and District Attorney. The Entity reported one matter to the Legislative Auditor and District Attorney but did not report the second matter. This is considered an exception.

- B. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exception noted.

13) Information Technology Disaster Recovery/Business Continuity

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

- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

We performed the procedure and discussed the results with management.

- ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

- iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidenced that the selected terminated employees have been removed or disabled from the network.

We performed the procedure and discussed the results with management.

- C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:12671. The requirements are as follows:

- Hired before June 9, 2020 - completed the training; and
- Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

No exception noted.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from "Payroll and Personnel" procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

No exceptions noted.

- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

No exception noted.

- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:

- i. Number and percentage of public servants in the agency who have completed the training requirements;

No exception noted.

¹ While it appears to be a good practice for charter schools to ensure its employees are trained to keep their information technology assets safe from cyberattack, charter schools do not appear required to comply with 42:1267. An individual charter school, though, through specific provisions of its charter, may mandate that all employees/officials receive cybersecurity training.

Recreation and Park Commission for the Parish of East Baton Rouge
Agreed-Upon Procedures Performed and Associated Findings
December 31, 2025

Schedule A

- ii. Number of sexual harassment complaints received by the agency;
No exception noted.
- iii. Number of complaints which resulted in a finding that sexual harassment occurred;
No exceptions noted.
- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
No exceptions noted.
- v. Amount of time it took to resolve each complaint.
No exceptions noted.

Recreation and Park Commission for the Parish of East Baton Rouge
Management's Response and Corrective Action Plan
December 31, 2025

Schedule B

Management has reviewed and will address the exceptions noted above.

EISNERAMPER

**RECREATION AND PARK COMMISSION
FOR THE
PARISH OF EAST BATON ROUGE**

REPORT TO MANAGEMENT

DECEMBER 31, 2025



June 30, 2026

Members of the Commission and Management
Recreation and Park Commission for the Parish of East Baton Rouge
Baton Rouge, Louisiana

We have audited the financial statements of the Recreation and Park Commission for the Parish of East Baton Rouge (BREC), for the year ended December 31, 2025 and have issued our report thereon dated June 30, 2026. As part of our audit, we considered internal accounting control to the extent we determined necessary to plan our audit as required by auditing standards generally accepted in the United States of America. Under these standards, the purposes of such evaluation are to establish a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of BREC's internal control.

The objective of internal control is to provide reasonable, but not absolute, assurance as to the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of the financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal accounting control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgments by management.

No matter how good a system, there are inherent limitations that should be recognized in considering the potential effectiveness of internal accounting control. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes of judgment, carelessness, or other personal factors. Control procedures whose effectiveness depends upon segregation of duties can be circumvented by collusion. Similarly, control procedures can be circumvented intentionally by management either with respect to the execution and recording of transactions or with respect to the estimates and judgments required in the preparation of financial statements. Further, projection of any evaluation of internal accounting control to future periods is subject to the risk that the degree of compliance with the procedures may deteriorate. We say this simply to suggest that any system needs to be constantly reviewed and improved where necessary.

Also, in accordance with *Government Auditing Standards*, we considered compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.

However, during the course of our audit, we became aware of matters that are opportunities for strengthening internal controls or operating efficiency or instances of immaterial non-compliance. Our comments and suggestions regarding these matters are set forth below. This letter does not affect our reports dated June 30, 2026, on the financial statements of the BREC's internal control over financial reporting.

Very truly yours,



EISNERAMPER LLP
Baton Rouge, Louisiana

**ATTACHMENT TO REPORT TO MANAGEMENT
RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE**

For the Year Ended December 31, 2025

A. Settlement of Interfund Accounts

Condition

BREC, as does most governments, utilizes several interfund general ledger accounts to track balances due between its various accounting funds. We noted that the settlement of these accounts is not being performed on a timely basis.

Recommendation:

We recommend BREC adopt procedures to ensure that, on a periodic basis, the amounts due between the funds are being settled.

Management's Response:

Finance has implemented a Month-End Checklist to strengthen the timely review and settlement of interfund accounts. As part of this process, interfund balances will be reviewed and settled each month. The Finance Director will review, approve, and sign off on the completed month-end process within 10 business days after month-end.

B. Gift Card Reconciliation

Condition

Gift cards provide a source of revenue for BREC and avenue to offer future benefits or services to the public on a prepaid basis. It is important that BREC accurately track the number of cards issued and their respective outstanding balances on a regular basis. During our audit, it was noted that an accurate listing of the gift cards and their outstanding balances is not being produced and reviewed, and the accounting records updated on a regular basis.

Recommendation

It is recommended that internal controls and procedures be implemented to ensure that an accurate listing of the gift cards and their balances is produced and reviewed, and the accounting records updated on a regular basis.

Management's Response

The Finance Department worked with external departments to eliminate outdated gift cards. The next step is to adjust the General Ledger Accounts as the active cards are used using the external department's monthly reporting.

**ATTACHMENT TO REPORT TO MANAGEMENT
RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE**

For the Year Ended December 31, 2025

C. Timely Cash Deposits

Condition

BREC policy requires revenue collections be deposited timely (daily). We noted in our audit procedures several instances where revenue collections were not deposited timely.

Recommendation

It is recommended that internal controls and procedures be implemented to ensure that revenue collections are deposited in a timely manner.

Management's Response

BREC is the process of going cashless. In addition, the Finance Department is in the process of revising the BREC Policy for Cash Deposits updating the frequency of deposits and the amounts required for daily deposits.

D. Identification of Components of Capital Construction Costs

Condition

For proper financial reporting, it is important that the organization appropriately identify each of the major components of its construction projects, ensure the appropriate useful lives are assigned to each component and ensure that all project costs are captured and capitalized. Construction costs should be appropriately allocated to individual projects and their related components for capitalization.

Recommendation

It is recommended that the separate components of construction projects be identified, captured and capitalized. It is also recommended that the organization consider adopting and maintaining a capital project budget by project on a life-to-date basis and report actual expenditures toward those projects on an on- going basis.

Management's Response

Due to Planning & Engineering's ("P&E") leadership change this condition was delayed. Finance and P&E have assumed work on utilizing the MUNIS Project Accounting to strengthen Capital Construction Projects.

**ATTACHMENT TO REPORT TO MANAGEMENT
RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE**

For the Year Ended December 31, 2025

E. Budgetary Oversight and Reporting

Condition

Louisiana Revised Statute R.S. 39:1305(D) requires the proposed budget for a political subdivision be accompanied by an adoption instrument that defines the authority of the Chief Executive Officer to make changes within various budget classifications without approval by the governing authority, as well as those powers reserved solely to the governing authority. The resolution accompanying the 2025 budget did not so describe the Superintendent's authority.

A major component of BREC's purpose and mission is the construction and development of parks and recreational facilities which involve significant capital outlays. Recommended accounting practices call for the adoption of a multi-year capital budget on a project basis and reporting against those budgets with actual expenditures and encumbrances in order to demonstrate management of approved projects within budgeted means of financing. BREC currently adopts and reports on capital expenditures on an annual basis, but not on a multi-year basis, and the budget does not identify specific projects.

Recommendation

To fully comply with Louisiana Revised Statute R.S. 39:1305(D), the adoption instrument for future budgets should define the authority of the Superintendent to make changes to the budget without BREC approval, within the confines of the broader statute. Also, although not required by law but in accordance with best practices, we recommend that BREC adopt a multi-year budget that identifies capital projects and the means of financing for those projects. Reports of actual and obligated expenditures in comparison to those budgets should be presented to and reviewed by BREC on a periodic basis.

Management's Response

Finance has implemented a Year-End Checklist which prompts Finance Staff to add the resolution to the Annual Budgets. P&E and Finance are working on a Capital Budget that details projects and spans out cost three (3) to five (5) years.

**ATTACHMENT TO REPORT TO MANAGEMENT
RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE**

For the Year Ended December 31, 2025

F. Ad Valorem Tax Allowance

Condition

BREC records a one percent allowance for ad valorem tax receivables to account for estimated uncollectible amounts. However, the methodology and supporting documentation for determining the allowance is limited. The estimate does not appear to be updated regularly based on historical collection data or other relevant factors.

Recommendation

We recommend that BREC implement processes to periodically review and update the allowance for ad valorem tax receivables. This process should include:

- An analysis of historical collection trends.
- Consideration of economic conditions, legal constraints, and taxpayer behavior.
- Documentation of the assumptions and rationale used to support the estimate.

Establishing and maintaining adequate support for the allowance will enhance the reliability of financial statements and ensure compliance with applicable accounting standards.

Management's Response

The Finance Department will establish methodology with supporting documentation to determine estimates of uncollected amounts. The project was delayed due to the early start of the 2025 Audit.

G. Theft of Public Assets

Condition

Louisiana Revised Statute 14:67 defines theft as the misappropriation or taking anything of economic value which belongs to another, either without the consent of the other to the misappropriation or taking, or by means of fraudulent conduct, practices, or representations. Two instances, or likely instances, of misappropriation were identified by BREC staff and are described in the following schedule. One of the instances were reported to the Legislative Auditor.

Recommendation

We recommend BREC continue its prosecution and/or pursuit of these matters and that the internal controls be reviewed and potentially revised to deter such instances from occurring in the future. Additionally, we recommend that the controls in BREC's Human Resources and Payroll functions be reviewed and updated to ensure that appropriate reviews of payroll exception reports and other payroll reports are performed timely and thoroughly.

Management's Response

BREC Human Resources Director implemented a mandatory class for Fair Labor Practices for all supervisors in the Spring of 2026. In addition, payroll must review and report any payroll systems' edits in the reduction of timesheet hours.

**ATTACHMENT TO REPORT TO MANAGEMENT
RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE**

For the Year Ended December 31, 2025

H. Review and Documentation of System Organization Control (SOC) Report

Condition

BREC uses a third party for processing claims related to health insurance liabilities. The third party's controls relating to the processing of claims cover only a portion of the overall internal control structure of each user entity of the third party's system. It is not feasible for the control objectives to be solely achieved by the third party. Therefore, each user entity's internal control over financial reporting must be evaluated in conjunction with the third party's controls and related testing detailed in the third party's Service Organization Control (SOC) 1 Type 2 Report. While the SOC 1 report is being obtained by management, there is no documentation or evidence that management has reviewed these complimentary user controls and determined if changes in their internal controls systems are needed. This evaluation should be done annually for all SOC 1 Type 2 Reports obtained.

Recommendation

We recommend that on an annual basis, management review the complimentary user controls necessary to support the review of BREC's overall internal control structure and determine if changes are needed in their processes. This should be documented in a memo acknowledging receipt and review of the SOC 1 Type 2 Report obtained as well as any changes needed to current internal processes and implementing the necessary controls that may not be adequate or missing if any.

Management's Response

The SOC 1 report provided by our current third-party administrator (TPA) for medical services, Louisiana Blue (formerly Blue Cross and Blue Shield of Louisiana), offers independent assurance that the organization's internal controls over financial reporting are appropriately designed and operating effectively. The primary purpose of the SOC 1 report is to provide entities such as BREC and its external auditors with confidence that outsourced financial reporting processes are reliable, well-controlled, and support the integrity of financial reporting. In addition, BREC maintains established standards, policies, and procedures that further strengthen and safeguard its internal control environment.

**ATTACHMENT TO REPORT TO MANAGEMENT
RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE**

For the Year Ended December 31, 2025

I. Information Technology Written Policies and Procedures and User Access Reviews

Condition

While BREC maintains detailed policies and procedures over its Information Technology ("IT") function, the policies and procedures do not appear to have been formally reviewed and updated recently. Additionally, we noted that no formal user access reviews are performed particularly at the admin level. While there are procedures to control user access and removal, best practice is that user access reviews be performed on a periodic basis. This review should include consideration of generic, shared, and duplicative accounts.

Recommendation

It is recommended that BREC review its IT policies and procedures on a regular basis and ensure they are updated as appropriate. This review should be documented.

It is recommended that periodic user access reviews be performed for appropriate operating system and applications. Consideration should be given to whether there are any unknown accounts, user access rights are appropriate, generic or shared accounts are still valid, and vendor accounts are disabled if not required on an ongoing basis.

Management's Response

Management concurs with the observation and appreciates the recommendation. While BREC has established policies and procedures governing Information Technology operations, we acknowledge that portions of the documentation would benefit from a formalized review and update cycle to ensure continued alignment with current operational practices, technology, and industry best practices.

To address this finding, BREC will implement a formal policy governance process that includes scheduled periodic reviews and updates.

Additionally, BREC will establish and document a formal user access review process to be performed on a periodic basis. These reviews will include verification of user access privileges, with particular emphasis on privileged and administrative accounts, as well as the identification and validation of generic, shared, inactive, and duplicate accounts. The review process will include documented approvals, remediation of identified exceptions, and retention of review records for audit purposes.

**ATTACHMENT TO REPORT TO MANAGEMENT
RECREATION AND PARK COMMISSION FOR THE PARISH OF EAST BATON ROUGE**

For the Year Ended December 31, 2025

J. Subscription-Based Information Technology (“IT”) Arrangements Utilization

Condition

During our procedures, we observed that BREC has entered subscription-based software arrangements to support certain administrative functions. Based on discussions with management, it appears that at least one of these arrangements used within the human resources/payroll function is not currently being utilized to its full capacity.

While we understand that such arrangements are often implemented to enhance operational efficiency and internal controls, underutilization of these systems may result in unnecessary expenditures and inefficiencies in resource allocation.

Recommendation

We recommend that management perform a comprehensive review of all subscription-based IT arrangements to evaluate whether these services are fully implemented, appropriately utilized, and aligned with operational needs. As part of this review, management should:

- Assess the extent to which each system’s functionality is being utilized;
- Identify any barriers to full implementation (e.g., training, configuration, or process integration issues);
- Develop and execute a plan to either fully implement and utilize these systems where appropriate; and
- Where systems are no longer necessary or cost-effective, explore opportunities to modify, reduce, or terminate the arrangements in accordance with contractual terms.

Taking these steps will help ensure that BREC is maximizing the value of its technology investments and maintaining strong stewardship over public resources.

Management’s Response

During 2026, progress toward full implementation of the NeoGov Payroll Module was impacted by turnover in the project manager role responsible for overseeing the transition. This change resulted in delays in advancing the system to full utilization. The HR team has since re-established project ownership and is actively progressing through a structured, phased implementation plan. This approach is designed to ensure proper configuration, staff training, and alignment with operational needs before full deployment. Full implementation and utilization of the system are expected to be achieved by January 1, 2027. Upon completion, the platform is anticipated to enhance workflow efficiency, strengthen internal controls, and maximize the value of the organization’s technology investment.

Attachment A to Management Letter

	Element of Comment	Facility Rentals	Review of Overtime Reduction
1	A general statement describing the fraud or misappropriation that occurred.	Misappropriation	Payroll Misappropriation
2	A description of the funds or assets that were the subject of the fraud or misappropriation (ex., utility receipts, petty cash, computer equipment).	Cash	Time
3	The amount of funds or approximate value of assets involved.	\$5,918.00	\$1,206.00
4	The department or office in which the fraud or misappropriation occurred.	Recreation	Recreation
5	The period of time over which the fraud or misappropriation occurred.	9/12/2022	11/20/2022
6	The title/agency affiliation of the person who committed or is believed to have committed the act of fraud or misappropriation.	Recreation Manager	Facility Supervisor
7	The name of the person who committed or is believed to have committed the act of fraud or misappropriation, if formal charges have been brought against the person and/or the matter has been adjudicated.	N/A	N/A
8	Is the person who committed or is believed to have committed the act of fraud still employed by the agency?	No	Yes
9	If the person who committed or is believed to have committed the act of fraud is still employed by the agency, do they have access to assets that may be subject to fraud or misappropriation?	No	No
10	Has the agency notified the appropriate law enforcement body about the fraud or misappropriation?	Yes	No
11	What is the status of the investigation at the date of the auditor's/accountant's report?	Complete	Complete
12	If the investigation is complete and the person believed to have committed the act of fraud or misappropriation has been identified, has the agency filed charges against that person?	No	No
13	What is the status of any related adjudication at the date of the auditor's/accountant's report?	N/A	N/A
14	Has restitution been made or has an insurance claim been filed?	No	No
15	Has the agency notified the Louisiana Legislative Auditor and the District Attorney in writing, as required by Louisiana Revised Statute 24:523 (Applicable to local governments only)?	Yes	No
16	Did the agency's internal controls allow the detection of the fraud or misappropriation in a timely manner?	No	No
17	If the answer to the last question is "no," describe the control deficiency/significant deficiency/material weakness that allowed the fraud or misappropriation to occur and not be detected in a timely manner.	The facility rental and cash collection process lacked proper segregation of duties, as one employee had too much control over rental coordination, payment collection, and cash handling without sufficient independent review. In addition, rental records, receipts, calendars, and deposits were not consistently reconciled, and supporting documentation was incomplete or inconsistent. These weaknesses, combined with limited management oversight and reliance on manual processes, increased the risk of misappropriation, lost revenue, and inaccurate financial reporting.	The audit identified control deficiencies in the timekeeping and overtime approval process. Employee time records were edited after the fact, including adjustments that reduced or removed overtime hours. The same supervisor had the ability to edit, approve, and submit time records, creating a lack of segregation of duties and limited independent review. Time edits were not consistently supported by documented justification or employee confirmation, and NOVAtime audit trail activity was not effectively monitored to identify unusual edits or overtime reductions.
18	Management's plan to ensure that the fraud or misappropriation does not occur in the future	A. Recreation: Department-Wide Directives including Cashless Policy (with Senior Tea Dances and Adaptive Sunshine socials to transition to cashless by Jan 1st, 2026), Security/Damage Deposits only via RecTrac, No-POS equals No Collections, rentals or workarounds, with Patrons directed to Webtrac, New signage promoting Cashless Facility and Reminders to never leave without a BREC Receipt, and New Training for Phone/web payment flows for Webtrac Household accounts. B. Recreation: We are in the process of creating SOP's and processes to eliminate cash acceptance with exempt staff running daily. The goal is for this process to be complete by the end of 2026. Rectrac Reports; Checks/Money Orders deposited next business day. All other payments flow directly to Finance via POS/e-commerce. Ban envelopes and on-site storage. No Payments may exist outside the system. C. Recreation: Exempt staff run RecTrac Deposit reports daily. Assistant Directors receive bi-monthly rental reports for upcoming weekends for sites they managed populated by RecTrac. Continuation of unannounced petty cash counts and spot checks by Recreation and Finance-led reviews. D. Recreation: Progressive actions for violations E. Recreation: We are in the process of creating SOP's and processes to eliminate cash acceptance with exempt staff running daily. The goal is for this process to be complete by the end of 2026. F. Finance: Finance is aware of this issue and is currently working on an SOP to correct the reconciliation process.	A. Finance: Payroll functions were moved into the HR department and SOP's are being put into place to create journal entries if and when timesheets are altered. B. Human Resources: Learning and Development released the FLSA Training and assigned to all managers and timekeepers. C. Human Resources: SOP presented to Internal Audit, Timekeeper training guide was created and department heads were trained on it. SOP will be provided to L&D upon approval by Internal Audit. D. Finance: Payroll functions were moved into the HR department and SOP's are being put into place to create journal entries if and when timesheets are altered. E. Human Resources: Exploring options with new Time and Attendance provider. Limitations on current system prevent this functionality systemically. Will continue to work with IS to identify potential solutions. F. Finance: Payroll functions were moved into the HR department and SOP's are being put into place to create journal entries if and when timesheets are altered.