

HACKBERRY RECREATION DISTRICT NO. 1
OF CAMERON PARISH

ANNUAL FINANCIAL REPORT AND
INDEPENDENT AUDITORS' REPORTS

Year Ended December 31, 2022

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INDEPENDENT AUDITORS' REPORT

June 22, 2023

Board of Directors
Hackberry Recreation District No. 1 of
Cameron Parish
Hackberry, Louisiana

Opinion

We have audited the accompanying financial statements of the governmental activities and each major fund of the Hackberry Recreation District No. 1 of Cameron Parish, a component unit of the Cameron Parish Police Jury, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Hackberry Recreation District No. 1 of Cameron Parish's financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Hackberry Recreation District No. 1 of Cameron Parish as of December 31, 2022, and the respective changes in financial position for the year then ended in accordance with accounting standards generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Hackberry Recreation District No. 1 of Cameron Parish, 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 opinion.

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 Hackberry Recreation District No. 1 of Cameron Parish's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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, 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 Hackberry Recreation District No. 1 of Cameron Parish'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Hackberry Recreation District No. 1 of Cameron Parish'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 supplemental information on pages 25 through 26 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate

operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance 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.

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Schedule of Compensation, Benefits and Other Payments to Chief Executive Officer but does not include basic financial statements and other auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, or responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our reports.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2023, on our consideration of the Hackberry Recreation District No. 1 of Cameron Parish's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant 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 to 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 Hackberry Recreation District No. 1 of Cameron Parish's internal control over financial reporting and compliance.

Shagson, Cassidy: Hillary

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

HACKBERRY RECREATION DISTRICT NO. 1 OF CAMERON PARISH

Statement of Net Position

December 31, 2022

ASSETS	
Cash	\$ 1,285,798
Receivables	1,355,884
Prepaid expenses	33,802
Capital assets:	
Land	221,909
Capital assets, net	<u>7,045,834</u>
TOTAL ASSETS	<u>9,943,227</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>
LIABILITIES	
Accounts and other accrued payables	<u>63,444</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>
NET POSITION	
Net investment in capital assets	7,267,743
Net position - restricted	232,056
Net position - unrestricted	<u>2,379,984</u>
TOTAL NET POSITION	<u>\$ 9,879,783</u>

The accompanying notes are an integral part of these financial statements.

HACKBERRY RECREATION DISTRICT NO. 1 OF CAMERON PARISH

Statement of Activities

Year Ended December 31, 2022

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net Revenues (Expenses) and</u>
		<u>Charges for</u> <u>Services</u>	<u>Operating Grants</u> <u>and Contributions</u>	<u>Changes in Net Position</u> <u>Governmental</u> <u>Activities</u>
Governmental Activities:				
General government	\$ (1,718,165)	\$ 421,924	\$ -	\$ (1,296,241)
		General Revenues:		
		Property taxes, net		1,411,069
		State revenue sharing		1,801
		Insurance proceeds		2,700
		Other income		15,692
		Total General Revenues		<u>1,431,262</u>
		Change in Net Position		135,021
		Net Position, beginning		<u>9,744,762</u>
		Net Position, ending		<u><u>\$ 9,879,783</u></u>

The accompanying notes are an integral part of these financial statements.

FUND FINANCIAL STATEMENTS

HACKBERRY RECREATION DISTRICT NO. 1 OF CAMERON PARISH

Balance Sheet - Governmental Funds

December 31, 2022

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE</u>	<u>2022</u>	<u>2021</u>
ASSETS				
Cash and cash equivalents	\$ 1,280,073	\$ 5,725	\$ 1,285,798	\$ 1,226,859
Receivables				
Ad valorem taxes (net)	1,128,671	226,193	1,354,864	1,295,502
State revenue sharing	1,020	-	1,020	1,020
Prepaid expenses	15,700	18,102	33,802	19,101
Total Assets	<u>2,425,464</u>	<u>250,020</u>	<u>2,675,484</u>	<u>2,542,482</u>
DEFERRED OUTFLOWS OF RESOURCES				
	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
	<u>\$ 2,425,464</u>	<u>\$ 250,020</u>	<u>\$ 2,675,484</u>	<u>\$ 2,542,482</u>
LIABILITIES				
Accounts payable	\$ 45,480	\$ 17,964	\$ 63,444	\$ 57,243
DEFERRED INFLOWS OF RESOURCES				
	-	-	-	-
FUND BALANCES				
Restricted	-	232,056	232,056	252,938
Unassigned	2,379,984	-	2,379,984	2,232,301
Total Fund Balances	<u>2,379,984</u>	<u>232,056</u>	<u>2,612,040</u>	<u>2,485,239</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
	<u>\$ 2,425,464</u>	<u>\$ 250,020</u>	<u>\$ 2,675,484</u>	<u>\$ 2,542,482</u>

The accompanying notes are an integral part of these financial statements.

HACKBERRY RECREATION DISTRICT NO. 1 OF CAMERON PARISH

Reconciliation of the Balance Sheet-Governmental Fund to the
Statement of Net Position

December 31, 2022

Total fund balance for governmental fund at December 31, 2022		\$ 2,612,040
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$ 221,909	
Capital assets, net of \$3,049,044 accumulated depreciation	<u>7,045,834</u>	<u>7,267,743</u>
Total net position of governmental activities at December 31, 2022		<u>\$ 9,879,783</u>

The accompanying notes are an integral part of these financial statements.

HACKBERRY RECREATION DISTRICT NO. 1 OF CAMERON PARISH

Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds

Year Ended December 31, 2022

	GENERAL FUND	SPECIAL REVENUE FUND	2022	2021
REVENUES				
Ad valorem taxes - net	\$ 1,175,630	\$ 235,439	\$ 1,411,069	\$ 1,275,389
State revenue sharing	1,801	-	1,801	968
Concessions income	418,692	-	418,692	415,420
Usage fees	3,232	-	3,232	-
Insurance proceeds	2,700	-	2,700	709,249
Other income	5,629	10,063	15,692	28,005
TOTAL REVENUES	1,607,684	245,502	1,853,186	2,429,031
EXPENDITURES				
General Government				
Advertisements	258	-	258	418
Bank Charges	11,917	-	11,917	9,627
Insurance- general	61,897	70,178	132,075	70,191
Insurance- hospitalization	62,328	-	62,328	48,779
Miscellaneous	12,642	65	12,707	6,431
Per Diem	480	-	480	490
Professional fees	5,500	5,500	11,000	8,000
Repairs	140,556	77,699	218,255	852,078
Salaries	299,453	54,314	353,767	302,990
Supplies- concessions	379,431	-	379,431	331,364
Supplies- other	65,709	6,943	72,652	61,883
Taxes	24,012	3,209	27,221	27,901
Telephone	4,778	6,378	11,156	9,288
Utilities	49,080	36,803	85,883	62,008
Capital Outlay	333,460	13,795	347,255	27,002
TOTAL EXPENDITURES	1,451,501	274,884	1,726,385	1,818,450
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	156,183	(29,382)	126,801	610,581
OTHER FINANCING SOURCES (USES):				
Transfers in	-	8,500	8,500	-
Transfers out	(8,500)	-	(8,500)	-
TOTAL OTHER FINANCING SOURCES (USES)	(8,500)	8,500	-	-
NET CHANGE IN FUND BALANCE	147,683	(20,882)	126,801	610,581
FUND BALANCE - BEGINNING	2,232,301	252,938	2,485,239	1,874,658
FUND BALANCE - ENDING	\$ 2,379,984	\$ 232,056	\$ 2,612,040	\$ 2,485,239

The accompanying notes are an integral part of these financial statements.

HACKBERRY RECREATION DISTRICT NO. 1 OF CAMERON PARISH

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

Year Ended December 31, 2022

Total net changes in fund balance at December 31, 2022 per Statement of Revenues, Expenditures and Changes in Fund Balance		\$ 126,801
The change in net position reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital Outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 347,255	
Depreciation expense for the year ended December 31, 2022	<u>(339,035)</u>	<u>8,220</u>
Total net changes in fund balance at December 31, 2022 per Statement of Activities		<u>\$ 135,021</u>

The accompanying notes are an integral part of these financial statements.

HACKBERRY RECREATION DISTRICT NO. 1 OF CAMERON PARISH

Notes to Basic Financial Statements

December 31, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Hackberry Recreation District No. 1 of Cameron Parish was created by the Cameron Parish Police Jury. The District is governed by a board of five commissioners who are appointed by the Cameron Parish Police Jury. The District establishes regulations governing the park, playground and community center and provides administration, management, maintenance and operations of the facilities.

The more significant of the government's accounting policies are described below.

1. Reporting Entity

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Statement No. 14, the Hackberry Recreation District No. 1 of Cameron Parish includes all funds, account groups, et cetera, that are within the oversight responsibility of the Hackberry Recreation District No. 1 of Cameron Parish.

As the governing authority, for reporting purposes, the Cameron Parish Police Jury is the financial reporting entity. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Cameron Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body and
 - a. The ability of the Cameron Parish Police Jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Cameron Parish Police Jury.
2. Organizations for which the Cameron Parish Police Jury does not appoint a voting majority but are fiscally dependent on the Cameron Parish Police Jury.

HACKBERRY RECREATION DISTRICT NO. 1 OF CAMERON PARISH

Notes to Basic Financial Statements

December 31, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3. Organizations for which the reporting entity financial statements could be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based upon the application of these criteria, Hackberry Recreation District No. 1 of Cameron Parish is a component unit of the Cameron Parish Police Jury's reporting entity.

2. Basis of Presentation

The accompanying basic financial statements of the District have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments", issued in June 1999.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

The statement of activities presents a comparison between direct expenses and program revenues for each of the functions of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

Program revenues include (a) fees and charges paid by the recipients of services offered by the District; and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

HACKBERRY RECREATION DISTRICT NO. 1 OF CAMERON PARISH

Notes to Basic Financial Statements

December 31, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fund Financial Statements

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

The District reports the following major funds:

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

The Special Revenue Fund is used to account for specific revenues that are legally restricted to expenditures for particular purposes. This fund accounts for the receipt and use of proceeds of the multi-purpose facility.

3. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, the activities are presented using the economic resources measurement focus. In the fund financial statements, the “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide statement of net position and statement of activities, the activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

HACKBERRY RECREATION DISTRICT NO. 1 OF CAMERON PARISH

Notes to Basic Financial Statements

December 31, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting.

4. Cash

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

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. At December 31, 2022, the District had \$1,328,862 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance and \$1,078,862 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

5. Budgets

A general fund and special revenue fund budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at fiscal year end.

On or before the last meeting of each year, the budget is prepared by function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

The proposed budget is presented to the government's Board of Commissioners for review. The board holds a public hearing and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated.

Expenditures may not legally exceed budgeted appropriations at the activity level.

HACKBERRY RECREATION DISTRICT NO. 1 OF CAMERON PARISH

Notes to Basic Financial Statements

December 31, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

The budget was amended once during the year.

6. Accounts Receivable

Uncollectible amounts due for ad valorem taxes and other receivables of governmental funds are recognized as bad debts at the time information becomes available which would indicate that the particular receivable is not collectible.

7. Capital Assets

Capital assets, which include property, plant and equipment are reported in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	20-40 years
Equipment	5-12 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the government fund upon acquisition.

8. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts. In accordance with the provisions of Statement of Financial Accounting Standards No. 43, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be taken as "terminal leave" prior to retirement. At December 31, 2022 the District's liability for compensated absences was \$0.

HACKBERRY RECREATION DISTRICT NO. 1 OF CAMERON PARISH

Notes to Basic Financial Statements

December 31, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

9. Estimates

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

10. Equity Classification

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

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Net position – restricted – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Net position – unrestricted – All other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as restricted, assigned and unassigned.

- a. Restricted fund balance – Includes fund balance amounts that are intended to be used for specific purposes based on generally outside actions.
- b. Assigned fund balance – Includes fund balance amounts that are intended to be used for specific purposes based on internal (Board) actions.
- c. Unassigned fund balance – Includes positive fund balance within the general fund which has not been classified within the above mentioned categories.

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, expenditures are to be spent from

HACKBERRY RECREATION DISTRICT NO. 1 OF CAMERON PARISH

Notes to Basic Financial Statements

December 31, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

restricted fund balance first and then unrestricted. Expenditures incurred in the unrestricted fund balances shall be reduced first from the committed fund balance, then from the assigned fund balance and finally, the unassigned fund balance.

11. Subsequent Events

Management has evaluated subsequent events through June 22, 2023, the date the financial statements are available for issue.

12. Comparative Data

Comparative totals for the prior have been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations.

NOTE B - AD VALOREM TAXES

For the year ended December 31, 2022, taxes were levied on property with taxable assessed valuations as follows:

	<u>General Purposes</u>	<u>Special Revenue</u>
Assessed valuation	\$ 120,947,291	\$ 120,947,291
Millage	9.83	1.97

Property tax millage rates are adopted in July for the calendar year in which the taxes are levied and recorded. All taxes are due and collectible when the assessment rolls are filed on or before November 15th of the current year, and become delinquent after December 31st. Property taxes not paid by the end of February are subject to lien.

HACKBERRY RECREATION DISTRICT NO. 1 OF CAMERON PARISH

Notes to Basic Financial Statements

December 31, 2022

NOTE C - CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2022 follows:

	<u>Beginning Of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>End of Year</u>
Governmental activities:				
Land	\$ 221,909	\$ -	\$ -	\$ 221,909
Buildings	9,189,626	347,255	-	9,536,881
Equipment	<u>557,997</u>	<u>-</u>	<u>-</u>	<u>557,997</u>
Totals at historical cost	9,969,532	347,255	-	10,316,787
Less accumulated depreciation for:				
Buildings	2,222,371	294,720	-	2,517,091
Equipment	<u>487,638</u>	<u>44,315</u>	<u>-</u>	<u>531,953</u>
Total accumulated depreciation	<u>2,710,009</u>	<u>339,035</u>	<u>-</u>	<u>3,049,044</u>
Governmental activities capital assets, net	<u>\$ 7,259,523</u>	<u>\$ 8,220</u>	<u>\$ -</u>	<u>\$ 7,267,743</u>

NOTE D - PER DIEM

As provided by Louisiana Revised Statute 33:4504, the board members received \$10 per diem for each regular and special meeting attended, but shall not be paid for more than twelve meetings in each year.

Labove, Travis	\$ 120
Moore, Bethany	100
Murphy, Terry	80
Boykin, Desiree	60
Welch, Travis	<u>120</u>
	<u>\$ 480</u>

NOTE E - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

HACKBERRY RECREATION DISTRICT NO. 1 OF CAMERON PARISH

Notes to Basic Financial Statements

December 31, 2022

NOTE F – TAX ABATEMENTS

Louisiana's State Constitution Chapter VII Section 21 authorizes the Stat Board of Commerce and Industry to create a ten (10) year ad valorem tax abatement program for new manufacturing establishments in the State. Under the terms of this program, qualified businesses may apply for an exemption of local ad valorem taxes on capital improvements and equipment related to manufacturing for the first ten years of its operations; after which the property will be added to the local tax roll and taxed at the value and millages in force at the time. The future value of this exempt property could be subject to significant fluctuation from today's value; however, the District could receive a substantial increase in ad valorem tax revenues once the exemption on this property expires. All applicable agreements have been entered into by the Cameron Parish Police Jury and directly affect the District's ad valorem assessments. Because these taxes are not assessed or due, no adjustments have been made to the District's financial statements to record a receivable. As of December 31, 2022, \$2,137,548,423 of assessed property in the District's taxing jurisdiction is receiving this exemption, which amounts to \$25,223,071 in ad valorem taxes.

REQUIRED SUPPLEMENTAL INFORMATION

HACKBERRY RECREATION DISTRICT NO. 1 OF CAMERON PARISH

Budgetary Comparison Schedule - General Fund

Year Ended December 31, 2022

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Ad valorem taxes - net	\$ 1,050,000	\$1,175,630	\$ 125,630
State revenue sharing	900	1,801	901
Usage fees	10,000	3,232	(6,768)
Concessions income	350,000	418,692	68,692
Insurance proceeds	-	2,700	2,700
Other income	600	5,629	5,029
TOTAL REVENUES	<u>1,411,500</u>	<u>1,607,684</u>	<u>196,184</u>
EXPENDITURES			
General Government			
Advertisements	350	258	92
Bank Charges	9,000	11,917	(2,917)
Insurance- general	28,000	61,897	(33,897)
Insurance- hospitalization	60,000	62,328	(2,328)
Miscellaneous	500	12,642	(12,142)
Per Diem	500	480	20
Professional fees	5,000	5,500	(500)
Repairs	51,000	140,556	(89,556)
Salaries	320,000	299,453	20,547
Supplies- concessions	330,000	379,431	(49,431)
Supplies- other	46,000	65,709	(19,709)
Taxes	25,000	24,012	988
Telephone	3,600	4,778	(1,178)
Utilities	45,000	49,080	(4,080)
Capital Outlay	985,000	333,460	651,540
TOTAL EXPENDITURES	<u>1,908,950</u>	<u>1,451,501</u>	<u>457,449</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(497,450)	156,183	653,633
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	-
Transfers out	-	(8,500)	(8,500)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(8,500)</u>	<u>(8,500)</u>
NET CHANGE IN FUND BALANCE	(497,450)	147,683	645,133
FUND BALANCE - BEGINNING	<u>2,232,301</u>	<u>2,232,301</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 1,734,851</u>	<u>\$2,379,984</u>	<u>\$ 645,133</u>

HACKBERRY RECREATION DISTRICT NO. 1 OF CAMERON PARISH

Budgetary Comparison Schedule - Special Revenue Fund

Year Ended December 31, 2022

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	AMENDED		FAVORABLE (UNFAVORABLE)
REVENUES				
Ad valorem taxes - net	\$ 210,000	\$ 210,000	\$ 235,439	\$ 25,439
Other income	600	600	10,063	9,463
Usage fees	15,000	15,000	-	(15,000)
TOTAL REVENUES	<u>225,600</u>	<u>225,600</u>	<u>245,502</u>	<u>19,902</u>
EXPENDITURES				
General Government				
Bank Charges	100	100	-	100
Insurance- general	40,000	80,000	70,178	9,822
Miscellaneous	2,800	2,800	65	2,735
Professional fees	4,750	4,750	5,500	(750)
Repairs	48,500	78,500	77,699	801
Salaries	58,000	58,000	54,314	3,686
Supplies- other	16,100	16,100	6,943	9,157
Taxes	5,000	5,000	3,209	1,791
Telephone	5,000	5,000	6,378	(1,378)
Utilities	24,000	34,000	36,803	(2,803)
Capital Outlay	-	-	13,795	(13,795)
TOTAL EXPENDITURES	<u>204,250</u>	<u>284,250</u>	<u>274,884</u>	<u>9,366</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	21,350	(58,650)	(29,382)	29,268
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	8,500	8,500
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>8,500</u>	<u>8,500</u>
NET CHANGE IN FUND BALANCE	21,350	(58,650)	(20,882)	37,768
FUND BALANCE - BEGINNING	<u>252,938</u>	<u>252,938</u>	<u>252,938</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 274,288</u>	<u>\$ 194,288</u>	<u>\$ 232,056</u>	<u>\$ 37,768</u>

OTHER INFORMATION

HACKBERRY RECREATION DISTRICT NO. 1 OF CAMERON PARISH

Schedule of Compensation, Benefits and Other Payments
To Chief Executive Officer

Year Ended December 31, 2022

Chief Executive Officer: Travis Labove, Board President

<u>Purpose</u>	<u>Amount</u>
Salary	\$ -
Benefits-insurance	-
Benefits-retirement	-
Benefits-cell phone	-
Car allowance	-
Vehicle provided by government	-
Per diem	120
Reimbursements	-
Travel	-
Registration fees	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing Unvouchered expenses	-
Special meals	-

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*

June 22, 2023

The Board of Directors
Hackberry Recreation District No. 1 of Cameron Parish
Hackberry, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Hackberry Recreation District No. 1 of Cameron Parish, a component unit of the Cameron Parish Police Jury, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Hackberry Recreation District No. 1 of Cameron Parish's basic financial statements, and have issued our report thereon dated June 22, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Hackberry Recreation District No. 1 of Cameron Parish's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Hackberry Recreation District No. 1 of Cameron Parish's internal control. Accordingly, we do not express an opinion on the effectiveness of Hackberry Recreation District No. 1 of Cameron Parish's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or

significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hackberry Recreation District No. 1 of Cameron Parish'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

Hackberry Recreation District No. 1 of Cameron Parish's Response to Findings

Hackberry Recreation District No. 1 of Cameron Parish's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Shagun, Casiday: Hillery

HACKBERRY RECREATION DISTRICT NO. 1 OF CAMERON PARISH

Schedule of Findings and Responses

Year Ended December 31, 2022

I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ___ yes X no
 - Control deficiency(s) identified that are
not considered to be material weakness(es)? X yes ___ none reported
- Noncompliance material to financial
statements noted? ___ yes X no

II - Findings Relating to the Financial Statements Which are Required to be Reported in Accordance with Louisiana Governmental Audit Guide

Finding 2022-01:

Inadequate Segregation of Duties

Condition: Because of the small size of the District's office staff, the opportunity for segregation of duties is limited. Effective internal control requires adequate segregation of duties among entity personnel.

Effect: Without proper segregation of duties, misstatements in amounts may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Recommendation: To the extent cost effective, duties should be segregated, and management should attempt to mitigate this weakness by supervision and review procedures.

Corrective Action Planned: Management has responded that it does not believe that it is cost effective to employ adequate personnel to achieve appropriate segregation of duties. Management has implemented supervision and review procedures such as review and approval of supporting documents related to expenditures, review listings of revenue received and review of bank reconciliations on a monthly basis.

HACKBERRY RECREATION DISTRICT NO. 1 OF CAMERON PARISH

Schedule of Findings and Responses - Continued

Year Ended December 31, 2022

III – Federal Award Findings and Questioned Costs

- N/A

IV – Prior Year Audit Findings

Finding 2021-01:

Proper segregation of duties for effective internal controls is not in place.

Corrective Actions Taken: None, a repeat finding in 2022.

Finding 2021-02:

Inadequate budgeting procedures resulted in revenues being less than budget by 5% or more and an amended budget was not performed for both the general and special revenue funds.

Corrective Actions Taken: This finding is considered resolved in 2022.

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

June 21, 2023

Board of Directors
Hackberry Recreation District No. 1 of Cameron Parish
Hackberry, Louisiana

We have performed the procedures included enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year January 1, 2022 through December 31, 2022. The District's management is responsible for those C/C areas identified in the SAUPs.

Hackberry Recreation District No. 1 of Cameron Parish has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal year January 1, 2022 through December 31, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

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.

The District's policies and procedures manual addresses budgeting.

- 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.

The District's policies and procedures manual addresses purchasing.

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

The District's policies and procedures manual addresses disbursements.

- 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 confirmations with outside parties,

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reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

The District's policies and procedures manual addresses receipt/collections.

- 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.

The District's policies and procedures manual addresses payroll/personnel.

- 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.

The District's policies and procedures manual addresses contracting.

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

The District's policies and procedures manual addresses travel and expense reimbursement.

- 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).

The District's policies and procedures manual addresses credit cards.

- 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) requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

The District's policies and procedures manual addresses ethics.

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

The District's policies and procedures manual addresses debt service.

- xi. *Information Technology Disaster Recovery/Business Continuity*, includes (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.

The District's policies and procedures manual addresses information technology disaster recovery/business continuity.

- 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 District's policies and procedures manual addresses prevention of sexual harassment.

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 that 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 exceptions were found as a result of this procedure.

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on 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.*

The minutes to the board meeting mention financial reports given to the board, however there is no documentation of budget to actual comparisons.

Management Response: Management presents budget to actual comparisons annually. Monthly expenditures are presented at each board meeting.

- iii. For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted 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 unrestricted fund balance in the general fund.

No exceptions were found as a result of this procedure.

- 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.

There were no written updates of the progress of resolving the audit finding regarding budgeting.

Management Response: The prior year budget finding was addressed in the adoption of the 2022 budget. The segregation of duties continues to be an unresolved finding.

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:

- 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);

No exceptions were found as a result of this procedure.

- ii. Bank reconciliations include 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 (e.g., initialed and dated, electronically logged); and

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

4) Collections

A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/check/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).

The listing was provided by management.

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 no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe the job duties are properly segregated at each collection location such that:

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

Employees that are responsible for cash collections share a cash drawer.

Management Response: Management utilizes supervisors to oversee collections and observe employees on a continuing basis.

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

Employees responsible for collecting cash are not responsible for preparing/making bank deposits.

- iii. Each employee responsible for collecting cash is not 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

Employees responsible for collecting cash are not responsible for posting collection entries to the general ledger.

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

Employees responsible for reconciling collections to the general ledger by revenue source are not responsible for collecting cash.

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

No exceptions were found as a result of this procedure.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure 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 no the same day). Obtain supported documentation for each of the deposits and:

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- 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).

The deposits tested were not made within one business day of receipt.

Management Response: Management has set the frequency of deposits to twice a week.

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

No exceptions were found as a result of this procedure.

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 was provided by management.

- 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

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- 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;

The employee responsible for processing payments is not prohibited from adding/modifying vendor files. No other employee reviews changes to vendor files.

Management Response: Due to only one office personnel, this procedure is not feasible.

- 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

The employee who processes checks also mails checks.

Management Response: Due to only one office personnel, this procedure is not feasible.

- 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 exceptions were found as a result of this procedure.

- C. For each location selected under procedure #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

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

No exceptions were found as a result of this procedure.

- 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.

All transactions tested were authorized, approved and processed by different employees.

- 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) 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 exceptions were found as a result of this procedure.

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.

The listing was provided by management.

- 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:
- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excess 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 exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- 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, observed 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.

No exceptions were found as a result of this procedure.

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

- 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 or the U.S. General Services Administration (www.gsa.gov);

No travel and travel-related expense reimbursements occurred in 2022.

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

No travel and travel-related expense reimbursements occurred in 2022.

- 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 travel and travel-related expense reimbursements occurred in 2022.

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

No travel and travel-related expense reimbursements occurred in 2022.

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

- 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 exceptions were found as a result of this procedure.

- 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 exceptions were found as a result of this procedure.

- 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 exceptions were found as a result of this procedure.

- 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 exceptions were found as a result of this procedure.

9) Payroll and Personnel

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

No exceptions were found as a result of this procedure.

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
 - i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation sick, compensatory);

No exceptions were found as a result of this procedure.

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

No supervisor approval of attendance records were documented.

Management Response: Management will approve, in writing, attendance records.

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

No cumulative leave records were maintained.

Management Response: In the future, management will maintain cumulative leave records.

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

No exceptions were found as a result of this procedure.

- 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 the entity policy.

No terminations in 2022.

- 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, etc.) have been paid, and any associated forms have been filed, by required deadlines.

No exceptions were found as a result of this procedure.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
- i. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

The required ethics training was not completed by all the employees selected.

Management Response: Management will complete the required ethics training next year.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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 the State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

The District does not have any debt.

- 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).

The District does not have any debt.

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 District was not aware of any misappropriation of public funds or assets during the fiscal year.

- B. Observe 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.

The District has the required notice posted in a conspicuous place upon its premises and does not have a website.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures.
- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if 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 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.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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 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.

The sexual harassment training was not completed by all the employees selected.

Management Response: Management will complete the sexual harassment training next year.

- B. Observe 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 exceptions were found as a result of this procedure.

- 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;

The annual sexual harassment report for 2022 was not filed as of February 1.

- ii. Number of sexual harassment complaints received by the agency;

The annual sexual harassment report for 2022 was not filed as of February 1.

- iii. Number of complaints which resulted in a finding that sexual harassment occurred;

The annual sexual harassment report for 2022 was not filed as of February 1.

- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

The annual sexual harassment report for 2022 was not filed as of February 1.

- v. Amount of time it took to resolve each complaint.

The annual sexual harassment report for 2022 was not filed as of February 1.

Management Response: Management will file the District's annual sexual harassment report.

We were engaged by Hackberry Recreation District No. 1 of Cameron Parish to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Hackberry Recreation District No. 1 of Cameron Parish and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

Dragan, Cassidy; Skully