

JOHNSON BAYOU RECREATION DISTRICT
OF CAMERON PARISH
JOHNSON BAYOU, LOUISIANA

ANNUAL FINANCIAL REPORT AND
INDEPENDENT AUDITORS' REPORTS

Year Ended December 31, 2020

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INDEPENDENT AUDITORS' REPORT

January 6, 2022

Board of Commissioners
Johnson Bayou Recreation District of
Cameron Parish
Johnson Bayou, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major fund of the Johnson Bayou Recreation District of Cameron Parish, a component unit of the Cameron Parish Police Jury, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise Johnson Bayou Recreation District of Cameron Parish's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the

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overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the Johnson Bayou Recreation District of Cameron Parish as of December 31, 2020, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the supplemental information on page 25 be presented to supplement the basic financial statements. Such 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. 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.

Management has omitted 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 the 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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Johnson Bayou Recreation District of Cameron Parish's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Chief Executive Officer is presented on page 27 for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Chief

Executive Officer 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. Such 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 is 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 January 6, 2022 on our consideration of the Johnson Bayou Recreation District 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 Johnson Bayou Recreation District of Cameron Parish's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Shagron, Casiday: Skully".

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

JOHNSON BAYOU RECREATION DISTRICT OF CAMERON PARISH

Statement of Net Position

December 31, 2020

ASSETS	
Cash	\$ 629,981
Receivables	1,688,868
Capital assets:	
Land	18,203
Capital assets, net	<u>4,912,559</u>
TOTAL ASSETS	<u>7,249,611</u>
DEFERRED OUTFLOWS OF RESOURCES	
	<u>-</u>
LIABILITIES	
Accounts payable	52,564
DEFERRED INFLOWS OF RESOURCES	
	<u>-</u>
NET POSITION	
Net investment in capital assets	4,930,762
Net position - unrestricted	<u>2,266,285</u>
TOTAL NET POSITION	<u>\$ 7,197,047</u>

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

JOHNSON BAYOU RECREATION DISTRICT OF CAMERON PARISH

Statement of Activities

Year Ended December 31, 2020

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net Revenues (Expenses) and Changes in Net Position Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental Activities:				
General government	\$ 1,146,311	\$ 49,879	\$ 250	\$ (1,096,182)
		General Revenues:		
			Property taxes, net	1,387,713
			Payment in lieu of taxes	112,410
			Insurance proceeds	402,293
			Interest	300
			Total General Revenues	<u>1,902,716</u>
			Change in Net Position	806,534
			Net Position, beginning	<u>6,390,513</u>
			Net Position, ending	<u>\$ 7,197,047</u>

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

FUND FINANCIAL STATEMENTS

JOHNSON BAYOU RECREATION DISTRICT OF CAMERON PARISH

Balance Sheet - Governmental Fund

December 31, 2020

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash	\$ 629,981	\$ 532,405
Receivables		
Ad valorem taxes (net)	1,374,130	994,424
State revenue sharing	146	146
Insurance	314,592	-
Total Assets	<u>2,318,849</u>	<u>1,526,975</u>
DEFERRED OUTFLOW OF RESOURCES		
	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
	<u>\$ 2,318,849</u>	<u>\$ 1,526,975</u>
LIABILITIES		
Accounts payable	\$ 50,576	\$ 11,423
Accrued liabilities	1,988	4,612
Total Liabilities	<u>52,564</u>	<u>16,035</u>
DEFERRED INFLOW OF RESOURCES		
	<u>-</u>	<u>-</u>
FUND BALANCE		
Unassigned	<u>2,266,285</u>	<u>1,510,940</u>
Total Fund Balance	<u>2,266,285</u>	<u>1,510,940</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
	<u>\$ 2,318,849</u>	<u>\$ 1,526,975</u>

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

JOHNSON BAYOU RECREATION DISTRICT OF CAMERON PARISH

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

December 31, 2020

Total fund balance for governmental fund at December 31, 2020		\$ 2,266,285
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	\$ 18,203	
Capital assets, net of \$1,436,478 accumulated depreciation	<u>4,912,559</u>	<u>4,930,762</u>
Total net position of governmental activities at December 31, 2020		<u>\$ 7,197,047</u>

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

JOHNSON BAYOU RECREATION DISTRICT OF CAMERON PARISH

Statement of Revenues, Expenditures and
Changes in Fund Balance - Governmental Fund

Year Ended December 31, 2020

	<u>2020</u>	<u>2019</u>
REVENUES		
Ad valorem taxes - net	\$ 1,387,713	\$ 1,005,975
Payment in lieu of taxes	112,410	112,410
State revenue sharing	-	101
Concessions income	49,479	82,110
Contributions	250	-
Interest	300	776
Rental	400	1,210
Insurance proceeds	402,293	-
Intergovernmental - FEMA	-	8,300
TOTAL REVENUES	<u>1,952,845</u>	<u>1,210,882</u>
EXPENDITURES		
General Government		
Automobile	113	1,386
Equipment rental	9,346	16,478
Insurance	49,759	41,794
Per diem	280	330
Professional fees	9,540	9,540
Repairs	519,128	43,839
Salaries	211,737	259,294
Special events	6,011	17,690
Supplies - concessions	55,504	83,549
Supplies - office	10,618	6,694
Supplies - other	33,274	27,193
Taxes	16,850	20,964
Telephone	7,769	8,373
Utilities	40,358	57,612
FEMA Reimbursement	-	529,396
Capital Outlay	227,213	114,713
TOTAL EXPENDITURES	<u>1,197,500</u>	<u>1,238,845</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	755,345	(27,963)
FUND BALANCE - BEGINNING	1,510,940	1,980,553
PRIOR PERIOD ADJUSTMENT	-	(441,650)
FUND BALANCE - BEGINNING, RESTATED	<u>1,510,940</u>	<u>1,538,903</u>
FUND BALANCE - ENDING	<u>\$ 2,266,285</u>	<u>\$ 1,510,940</u>

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

JOHNSON BAYOU RECREATION DISTRICT OF CAMERON PARISH

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

Year Ended December 31, 2020

Total net changes in fund balance at December 31, 2020 per Statement of Revenues, Expenditures and Changes in Fund Balance		\$	755,345
The change in net position reported for governmental activities in the statement of activities 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 the Statement of Revenues, Expenditures and Changes in Fund Balance	\$	227,213	
Depreciation expense for the year ended December 31, 2020		<u>(176,024)</u>	<u>51,189</u>
Total changes in net position at December 31, 2020 per Statement of Activities		\$	<u><u>806,534</u></u>

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

JOHNSON BAYOU RECREATION DISTRICT OF CAMERON PARISH

Notes to Basic Financial Statements

December 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Johnson Bayou Recreation District 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 Johnson Bayou Recreation District of Cameron Parish includes all funds, account groups, et cetera, that are within the oversight responsibility of the Johnson Bayou Recreation District 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.

JOHNSON BAYOU RECREATION DISTRICT OF CAMERON PARISH

Notes to Basic Financial Statements

December 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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.
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, Johnson Bayou Recreation District 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.

JOHNSON BAYOU RECREATION DISTRICT OF CAMERON PARISH

Notes to Basic Financial Statements

December 31, 2020

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 has one fund, the General Fund, which is therefore considered its major fund.

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.

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

JOHNSON BAYOU RECREATION DISTRICT OF CAMERON PARISH

Notes to Basic Financial Statements

December 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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, 2020 the District had \$666,967 in deposits (collected bank balances). These deposits were secured from risk by \$250,000 of federal deposit insurance and \$416,967 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

5. Budgets

A General 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.

The budget was amended once during 2020.

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

JOHNSON BAYOU RECREATION DISTRICT OF CAMERON PARISH

Notes to Basic Financial Statements

December 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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 position.

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	5-20 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental 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 an 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, 2020 the District's liability for compensated absences was \$0.

JOHNSON BAYOU RECREATION DISTRICT OF CAMERON PARISH

Notes to Basic Financial Statements

December 31, 2020

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.

JOHNSON BAYOU RECREATION DISTRICT OF CAMERON PARISH

Notes to Basic Financial Statements

December 31, 2020

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 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 January 6, 2022, the date the financial statements were available to be issued.

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 years ended December 31, 2020, taxes were levied on property with taxable assessed valuations as follows:

Assessed valuation	\$ 225,397,576
Millage	6.48
Total taxes levied	\$ 1,460,576

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. An allowance for uncollectibles is recorded at \$28,215 at December 31, 2020 based on prior year history collections and amounts paid under protest. The millage will expire in 2022.

JOHNSON BAYOU RECREATION DISTRICT OF CAMERON PARISH

Notes to Basic Financial Statements

December 31, 2020

NOTE C - CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2020 follows:

	<u>Beginning Of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>End of Year</u>
Governmental activities:				
Land	\$ 18,203	\$ -	\$ -	\$ 18,203
Buildings and Improvements	5,825,825	49,661	-	5,875,486
Equipment	295,999	4,552	-	300,551
Construction in progress	<u>-</u>	<u>173,000</u>	<u>-</u>	<u>173,000</u>
Totals at historical cost	6,140,027	227,213	-	6,367,240
Less accumulated depreciation for:				
Buildings and Improvements	1,079,802	149,125	-	1,228,927
Equipment	<u>180,652</u>	<u>26,899</u>	<u>-</u>	<u>207,551</u>
Total accumulated depreciation	<u>1,260,454</u>	<u>176,024</u>	<u>-</u>	<u>1,436,478</u>
Governmental activities capital assets, net	<u>\$ 4,879,573</u>	<u>\$ 51,189</u>	<u>\$ -</u>	<u>\$ 4,930,762</u>

Construction in progress of \$173,000 at December 31, 2020 represents a splashpad project. Remaining costs are estimated at \$50,000 and completion is expected in 2022.

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.

Jinks, Adrienne	\$ 70
Jinks, Heath	70
Erbelding, Tammy	70
Romero, Pamela	<u>70</u>
	<u>\$ 280</u>

JOHNSON BAYOU RECREATION DISTRICT OF CAMERON PARISH

Notes to Basic Financial Statements

December 31, 2020

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.

NOTE F – TAX ABATEMENT

Louisiana's State Constitution Chapter VII Section 21 authorizes the State 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 operation; 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, 2020, \$1,465,373,945 of assessed property in the District's taxing jurisdiction is receiving this exemption, which amounts to \$9,495,623 in ad valorem taxes.

NOTE G – COMMITMENTS AND CONTINGENCIES

On August 27, 2020 Hurricane Laura made landfall in Southwest Louisiana as a Category 4 hurricane which was followed by Hurricane Delta on October 8, 2020. As of December 31, 2020, a receivable of \$314,592 and revenue of \$402,293 is recorded representing the net hurricane expenses recoverable by FEMA through December 31, 2020. The full extent of damages to the District's facilities or effects on operations have not been determined.

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may impact the School Board's ongoing operations; however, the extent and severity of the potential impact is unknown at this time.

REQUIRED SUPPLEMENTAL INFORMATION

JOHNSON BAYOU RECREATION DISTRICT OF CAMERON PARISH

Budgetary Comparison Schedule - General Fund

Year Ended December 31, 2020

	<u>BUDGET</u>	<u>FINAL</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Ad valorem taxes - net	\$ 1,049,285	\$ 1,008,006	\$ 1,387,713	\$ 379,707
Payment in lieu of taxes	112,410	112,410	112,410	-
State revenue sharing	-	-	-	-
Concessions income	78,800	49,479	49,479	-
Contributions	-	250	250	-
Interest	750	290	300	10
Rental	1,000	400	400	-
Insurance proceeds	-	87,702	402,293	314,591
TOTAL REVENUES	<u>1,242,245</u>	<u>1,258,537</u>	<u>1,952,845</u>	<u>694,308</u>
EXPENDITURES				
General Government				
Automobile	1,000	-	113	(113)
Bank service charge	-	20	-	20
Equipment rental	17,000	8,963	9,346	(383)
Insurance	45,000	20,794	49,759	(28,965)
Per diem	600	280	280	-
Professional fees	9,500	9,540	9,540	-
Repairs	125,000	486,003	519,128	(33,125)
Salaries	300,000	224,954	211,737	13,217
Special events	-	-	6,011	(6,011)
Supplies - concessions	93,000	59,469	55,504	3,965
Supplies - office	7,500	7,185	10,618	(3,433)
Supplies - other	30,000	37,336	33,274	4,062
Taxes	-	-	16,850	(16,850)
Telephone	8,000	7,061	7,769	(708)
Utilities	60,000	37,732	40,358	(2,626)
Capital Outlay	360,000	146,250	227,213	(80,963)
TOTAL EXPENDITURES	<u>1,056,600</u>	<u>1,045,587</u>	<u>1,197,500</u>	<u>(151,913)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	185,645	212,950	755,345	542,395
FUND BALANCE - BEGINNING	<u>1,510,940</u>	<u>1,510,940</u>	<u>1,510,940</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 1,696,585</u>	<u>\$ 1,723,890</u>	<u>\$ 2,266,285</u>	<u>\$ 542,395</u>

OTHER INFORMATION

JOHNSON BAYOU RECREATION DISTRICT OF CAMERON PARISH

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

Year Ended December 31, 2020

Chief Executive Officer: Heath Jinks, Board President

<u>Purpose</u>	<u>Amount</u>
Salary	\$ -
Benefits-insurance	-
Benefits-retirement	-
Benefits-cell phone	-
Car allowance	-
Vehicle provided by government	-
Per diem	70
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

January 6, 2022

To the Board of Commissioners
Johnson Bayou Recreation District of Cameron Parish
Johnson Bayou, 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 Johnson Bayou Recreation District of Cameron Parish, a component unit of the Cameron Parish Police Jury, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise Johnson Bayou Recreation District of Cameron Parish's basic financial statements, and have issued our report thereon dated January 6, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Johnson Bayou Recreation District 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 Johnson Bayou Recreation District of Cameron Parish's internal control. Accordingly, we do not express an opinion on the effectiveness of Johnson Bayou Recreation District 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 Johnson Bayou Recreation District 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 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 responses.

Johnson Bayou Recreation District of Cameron Parish's Response to Findings

Johnson Bayou Recreation District 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.

Dragan, Casiday: Shillory

JOHNSON BAYOU RECREATION DISTRICT OF CAMERON PARISH

Schedule of Findings and Responses

Year Ended December 31, 2020

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unmodified

Internal control over financial reporting:

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

II. Findings Relating to the Financial Statements Which Are Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards

Finding 2020-001:

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.

JOHNSON BAYOU RECREATION DISTRICT OF CAMERON PARISH

Schedule of Findings and Responses – Continued

Year Ended December 31, 2020

Finding 2020-002:

Budget Not Amended When Budget Variances Exceeded Allowable Limit

Condition: Actual expenditures in the general fund exceeded budgeted expenditures by more than 5%, and the budget was not amended for the increase.

Effect: Violation of the Louisiana Budget Act.

Recommendation: We recommend that the budget be more closely monitored, and anytime actual expenditures exceed budgeted expenditures by more than 5% the budget be presented to the board for amendment.

Corrective Action Planned: Management will monitor budget vs actual expenses and amend the budget as necessary.

III – Federal Award Findings and Responses

- None

IV – Prior Year Audit Findings

Finding 2019-001:

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

Corrective Actions Taken: None, a repeat finding in 2020.

Finding 2019-002:

Budget not amended when budget variances exceeded allowable limit

Corrective Actions Taken: None, a repeat finding in 2020.