

HACKBERRY RECREATION DISTRICT NO. 1
OF CAMERON PARISH

ANNUAL FINANCIAL REPORT AND
INDEPENDENT AUDITORS' REPORTS

Year Ended December 31, 2020

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INDEPENDENT AUDITORS' REPORT

December 28, 2021

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

Report on the Financial Statements

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, 2020, 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.

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 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 each major fund of the Hackberry Recreation District No. 1 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 pages 25 through 26 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.

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

Our audit was conducted for the purpose of forming opinions of the financial statements that collectively comprise the Hackberry Recreation District No. 1 of Cameron Parish's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Chief Executive Officer is presented 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 relate 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 of Compensation, Benefits and Other Payments to Chief Executive Officer 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 December 28, 2021, 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.

Dragon, Cassidy: Skillery

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

HACKBERRY RECREATION DISTRICT NO. 1 OF CAMERON PARISH

Statement of Net Position

December 31, 2020

ASSETS	
Cash	\$ 461,691
Receivables	1,489,593
Prepaid expenses	6,746
Capital assets:	
Land	221,909
Capital assets, net	<u>7,341,914</u>
TOTAL ASSETS	<u>9,521,853</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>
LIABILITIES	
Accounts and other accrued payables	<u>83,372</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>
NET POSITION	
Net investment in capital assets	7,563,823
Net position - restricted	231,550
Net position - unrestricted	<u>1,643,108</u>
TOTAL NET POSITION	<u>\$ 9,438,481</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, 2020

<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	\$ (1,353,637)	\$ 341,874	\$ -	\$ (1,011,763)
		General Revenues:		
				1,450,151
				1,337
				10,000
				16,129
			Total General Revenues	<u>1,477,617</u>
			Change in Net Position	<u>465,854</u>
			Net Position, beginning	<u>8,972,627</u>
			Net Position, ending	<u><u>\$ 9,438,481</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, 2020

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE</u>	<u>2020</u>	<u>2019</u>
ASSETS				
Cash and cash equivalents	\$ 454,657	\$ 7,034	\$ 461,691	\$ 514,145
Receivables				
Ad valorem taxes (net)	1,240,024	248,549	1,488,573	623,352
State revenue sharing	1,020	-	1,020	1,020
Prepaid expenses	4,453	2,293	6,746	6,746
Total Assets	<u>1,700,154</u>	<u>257,876</u>	<u>1,958,030</u>	<u>1,145,263</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 1,700,154</u>	<u>\$ 257,876</u>	<u>\$ 1,958,030</u>	<u>\$ 1,145,263</u>
LIABILITIES				
Accounts payable	<u>\$ 57,046</u>	<u>\$ 26,326</u>	<u>\$ 83,372</u>	<u>\$ 67,942</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted	-	231,550	231,550	97,468
Unassigned	1,643,108	-	1,643,108	979,853
Total Fund Balances	<u>1,643,108</u>	<u>231,550</u>	<u>1,874,658</u>	<u>1,077,321</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 1,700,154</u>	<u>\$ 257,876</u>	<u>\$ 1,958,030</u>	<u>\$ 1,145,263</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, 2020

Total fund balance for governmental fund at December 31, 2020		\$ 1,874,658
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 \$2,392,575 accumulated depreciation	<u>7,341,914</u>	<u>7,563,823</u>
Total net position of governmental activities at December 31, 2020		<u>\$ 9,438,481</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, 2020

	GENERAL FUND	SPECIAL REVENUE FUND	2020	2019
REVENUES				
Ad valorem taxes - net	\$ 1,205,492	\$ 244,659	\$ 1,450,151	\$ 645,696
State revenue sharing	1,337	-	1,337	1,697
Concessions income	341,874	-	341,874	391,973
Usage fees	-	-	-	5,724
Donation	-	10,000	10,000	5,677,000
Other income	6,849	9,280	16,129	19,780
TOTAL REVENUES	1,555,552	263,939	1,819,491	6,741,870
EXPENDITURES				
General Government				
Advertisements	264	-	264	252
Bank Charges	7,208	-	7,208	9,608
Insurance- general	27,165	27,677	54,842	45,027
Insurance- hospitalization	42,443	-	42,443	41,051
Miscellaneous	2,607	-	2,607	3,525
Per Diem	540	-	540	540
Professional fees	4,750	4,750	9,500	11,040
Repairs	184,670	26,787	211,457	56,840
Salaries	242,757	52,036	294,793	314,817
Supplies- concessions	266,161	-	266,161	302,922
Supplies- other	50,631	5,395	56,026	60,015
Taxes	16,722	3,707	20,429	25,926
Telephone	3,727	4,700	8,427	8,891
Utilities	26,571	16,805	43,376	53,040
Capital Outlay	4,081	-	4,081	5,700,652
TOTAL EXPENDITURES	880,297	141,857	1,022,154	6,634,146
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	675,255	122,082	797,337	107,724
OTHER FINANCING SOURCES (USES):				
Transfers in	-	12,000	12,000	-
Transfers out	(12,000)	-	(12,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(12,000)	12,000	-	-
NET CHANGE IN FUND BALANCE	663,255	134,082	797,337	107,724
FUND BALANCE - BEGINNING	979,853	97,468	1,077,321	969,597
FUND BALANCE - ENDING	\$ 1,643,108	\$ 231,550	\$ 1,874,658	\$ 1,077,321

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, 2020

Total net changes in fund balance at December 31, 2020 per Statement of Revenues, Expenditures and Changes in Fund Balance		\$ 797,337
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	\$ 4,081	
Depreciation expense for the year ended December 31, 2020	<u>(335,564)</u>	<u>(331,483)</u>
Total net changes in fund balance at December 31, 2020 per Statement of Activities		<u>\$ 465,854</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, 2020

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, 2020

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, 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 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, 2020

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, 2020, the District had \$463,544 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance and \$213,544 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, 2020

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, 2020 the District's liability for compensated absences was \$0.

HACKBERRY RECREATION DISTRICT NO. 1 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.

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, 2020

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 December 28, 2021, 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, 2020, taxes were levied on property with taxable assessed valuations as follows:

	<u>General Purposes</u>	<u>Special Revenue</u>
Assessed valuation	\$ 130,606,994	\$ 130,606,994
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, 2020

NOTE C - CAPITAL ASSETS

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

	Beginning <u>Of Year</u>	<u>Additions</u>	<u>Deletions</u>	End of <u>Year</u>
Governmental activities:				
Land	\$ 221,909	\$ -	\$ -	\$ 221,909
Buildings	9,189,626	-	-	9,189,626
Equipment	<u>540,780</u>	<u>4,081</u>	-	<u>544,861</u>
Totals at historical cost	9,952,315	4,081	-	9,956,396
Less accumulated depreciation for:				
Buildings	1,648,397	286,987	-	1,935,384
Equipment	<u>408,612</u>	<u>48,577</u>	-	<u>457,189</u>
Total accumulated depreciation	<u>2,057,009</u>	<u>335,564</u>	-	<u>2,392,573</u>
Governmental activities capital assets, net	<u>\$ 7,895,306</u>	<u>\$ 331,483</u>	<u>\$ -</u>	<u>\$ 7,563,823</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	80
Murphy, Terry	110
Stine, Barry	110
Welch, Travis	<u>120</u>
	<u>\$ 540</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, 2020

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, 2020, \$1,656,226,677 of assessed property in the District's taxing jurisdiction is receiving this exemption, which amounts to \$19,543,475 in ad valorem taxes.

NOTE G – CONTINGENT LIABILITIES

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

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. The full extent of damages to the District's facilities or effects on operations have not been determined.

REQUIRED SUPPLEMENTAL INFORMATION

HACKBERRY RECREATION DISTRICT NO. 1 OF CAMERON PARISH

Budgetary Comparison Schedule - General Fund

Year Ended December 31, 2020

	BUDGET		ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES				
Ad valorem taxes - net	\$ 490,000	\$ 490,000	\$1,205,492	\$ 715,492
State revenue sharing	900	900	1,337	437
Concessions income	370,850	335,850	341,874	6,024
Usage fees	8,000	-	-	-
Other income	600	600	6,849	6,249
TOTAL REVENUES	<u>870,350</u>	<u>827,350</u>	<u>1,555,552</u>	<u>728,202</u>
EXPENDITURES				
General Government				
Advertisements	350	350	264	86
Bank Charges	9,000	9,000	7,208	1,792
Insurance- general	27,000	27,000	27,165	(165)
Insurance- hospitalization	40,000	40,000	42,443	(2,443)
Miscellaneous	500	500	2,607	(2,107)
Per Diem	500	500	540	(40)
Professional fees	5,000	5,000	4,750	250
Repairs	41,000	141,000	184,670	(43,670)
Salaries	300,000	300,000	242,757	57,243
Supplies- concessions	300,000	300,000	266,161	33,839
Supplies- other	46,000	46,000	50,631	(4,631)
Taxes	20,000	20,000	16,722	3,278
Telephone	3,600	3,600	3,727	(127)
Utilities	45,000	45,000	26,571	18,429
Capital Outlay	30,000	30,000	4,081	25,919
TOTAL EXPENDITURES	<u>867,950</u>	<u>967,950</u>	<u>880,297</u>	<u>87,653</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,400	(140,600)	675,255	815,855
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(42,500)	(12,500)	(12,000)	500
TOTAL OTHER FINANCING SOURCES (USES)	<u>(42,500)</u>	<u>(12,500)</u>	<u>(12,000)</u>	<u>500</u>
NET CHANGE IN FUND BALANCE	(40,100)	(153,100)	663,255	816,355
FUND BALANCE - BEGINNING	<u>979,853</u>	<u>979,853</u>	<u>979,853</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 939,753</u>	<u>\$ 826,753</u>	<u>\$1,643,108</u>	<u>\$ 816,355</u>

HACKBERRY RECREATION DISTRICT NO. 1 OF CAMERON PARISH

Budgetary Comparison Schedule - Special Revenue Fund

Year Ended December 31, 2020

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		FAVORABLE (UNFAVORABLE)
REVENUES				
Ad valorem taxes - net	\$ 97,000	\$ 97,000	\$ 244,659	\$ 147,659
Donation	-	-	10,000	10,000
Other income	600	600	9,280	8,680
Usage fees	10,000	10,000	-	(10,000)
TOTAL REVENUES	<u>107,600</u>	<u>107,600</u>	<u>263,939</u>	<u>156,339</u>
EXPENDITURES				
General Government				
Bank Charges	100	100	-	100
Insurance- general	25,000	25,000	27,677	(2,677)
Miscellaneous	2,800	2,800	-	2,800
Professional fees	4,750	4,750	4,750	-
Repairs	19,350	19,350	26,787	(7,437)
Salaries	52,000	52,000	52,036	(36)
Supplies- other	16,100	16,100	5,395	10,705
Taxes	5,000	5,000	3,707	1,293
Telephone	5,000	5,000	4,700	300
Utilities	18,000	18,000	16,805	1,195
Capital Outlay	2,000	2,000	-	2,000
TOTAL EXPENDITURES	<u>150,100</u>	<u>150,100</u>	<u>141,857</u>	<u>8,243</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(42,500)	(42,500)	122,082	164,582
OTHER FINANCING SOURCES (USES):				
Transfers in	42,500	12,500	12,000	(500)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>42,500</u>	<u>12,500</u>	<u>12,000</u>	<u>(500)</u>
NET CHANGE IN FUND BALANCE	-	(30,000)	134,082	164,082
FUND BALANCE - BEGINNING	<u>97,468</u>	<u>97,468</u>	<u>97,468</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 97,468</u>	<u>\$ 67,468</u>	<u>\$ 231,550</u>	<u>\$ 164,082</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, 2020

Chief Executive Officer: Terry Murphy, Board President

<u>Purpose</u>	<u>Amount</u>
Salary	\$ -
Benefits-insurance	-
Benefits-retirement	-
Benefits-cell phone	-
Car allowance	-
Vehicle provided by government	-
Per diem	110
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*

December 28, 2021

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, 2020, 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 December 28, 2021.

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 are 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.



HACKBERRY RECREATION DISTRICT NO. 1 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 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 2020-01:

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, 2020

III – Federal Award Findings and Questioned Costs

- N/A

IV – Prior Year Audit Findings

Finding 2019-01:

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

Corrective Actions Taken: None, a repeat finding in 2019.

Finding 2019-02:

Inadequate budgeting procedures resulted in expenditures being over budget by 5% or more and an amended budget was not performed.

Corrective Actions Taken: This finding is considered resolved in 2020.