

**ATCHAFALAYA GOLF COURSE COMMISSION**

PARISH OF ST. MARY, STATE OF LOUISIANA

Annual Component Unit Financial Statements with Independent Auditors' Report

And

Report on Internal Control Over Financial Reporting and Compliance and Other Matters

For the Year Ended September 30, 2013

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date APR 02 2014

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
Atchafalaya Golf Course Commission  
Patterson, Louisiana

### Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the major fund of Atchafalaya Golf Course Commission, a component unit of St. Mary Parish, as of and for the year ended September 30, 2013, and the related notes to these financial statements, which collectively comprise the Commission's basic 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 auditor's 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 business-type activities and the major fund of Atchafalaya Golf Course Commission, as of September 30, 2013 and the respective changes in financial position and cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

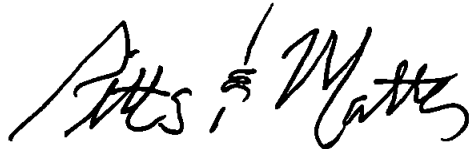
### Other Matters

#### Required Supplementary Information

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 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 Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 14, 2014, on our consideration of the Atchafalaya Golf Course Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contract, 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 Atchafalaya Golf Course Commission's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Atts & Mattz". The signature is written in a cursive, flowing style.

CERTIFIED PUBLIC ACCOUNTANTS

Morgan City, Louisiana  
February 14, 2014

**ATCHAFALAYA GOLF COURSE COMMISSION**  
Statement of Net Position (Deficit)  
Enterprise Fund  
September 30, 2013

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 28,114
Accounts receivable	5,974
Other receivables	30,473
Inventory	<u>77,280</u>
Total current assets	<u>141,841</u>

**NONCURRENT ASSETS**

Property, Plant and Equipment at cost ( net of accumulated depreciation of \$675,190)	<u>247,981</u>
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<b>TOTAL ASSETS</b>	<b><u>\$ 389,822</u></b>
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**LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION**

**CURRENT LIABILITIES**

Accounts payable and accrued expenses	\$ 38,714
Lease obligation payable	<u>88,742</u>
Total current liabilities	<u>127,456</u>

**LONG-TERM LIABILITIES**

Lease obligation payable	53,173
Due to Affiliate	<u>1,344,566</u>
Total Long-Term Liabilities	<u>1,397,739</u>

**DEFERRED INFLOWS OF RESOURCES**

Unearned revenue	<u>105,188</u>
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Total liabilities and deferred inflows of resources	<u>1,630,383</u>
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**NET POSITION (DEFICIT)**

Net investment in capital assets	106,065
Unrestricted	<u>(1,346,626)</u>
Total net position (deficit)	<u>(1,240,561)</u>

<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<b><u>\$ 389,822</u></b>
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**ATCHAFALAYA GOLF COURSE COMMISSION**  
Statement of Revenues, Expenses and Net Position (Deficit)  
Enterprise Fund  
For the Year Ended September 30, 2013

**OPERATING REVENUES**

Golf		\$ 806,028
Golf equipment and accessories sales	164,518	
Less cost of goods sold	<u>(102,018)</u>	62,500
Food and beverage facility rental		60,620
Advertising revenues		154,514
Outing Surcharge		12,454
Rentals		<u>8,375</u>
<b>TOTAL OPERATING REVENUES</b>		<u><b>1,104,491</b></u>

**OPERATING EXPENSES**

Golf operations		257,983
Maintenance operations		730,705
Cart cost		103,667
General and administration		<u>274,262</u>
<b>TOTAL OPERATING EXPENSES</b>		<u><b>1,366,617</b></u>

**INCOME (LOSS) FROM OPERATIONS** (262,126)

**NON-OPERATING REVENUE (EXPENSES)**

Grant from St. Mary Parish Council		250,000
Grant from BP		105,956
Interest income		3
Interest expense		<u>(8,787)</u>

**TOTAL NON-OPERATING REVENUE NET** 347,172

**INCREASE IN NET POSITION** 85,046

**NET POSITION (DEFICIT) - BEGINNING OF PERIOD** (1,325,607)

**NET POSITION (DEFICIT) - END OF PERIOD** **\$ (1,240,561)**

**ATCHAFALAYA GOLF COURSE COMMISSION**  
**Statement of Cash Flows - Enterprise Fund**  
**For the Year Ended September 30, 2013**

Increase (Decrease) in Cash and Cash Equivalents

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Cash received from customers	\$ 1,094,104
Cash paid to suppliers and employees	<u>(1,347,428)</u>
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<u><b>(253,324)</b></u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:**

Payments on lease-purchase	<u>(93,451)</u>
<b>NET CASH USED BY CAPITAL AND RELATED ACTIVITIES</b>	<u><b>(93,451)</b></u>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:**

Payment to St. Mary Parish Council	(38,080)
Grant received from BP	105,956
Grant received from St. Mary Parish Council	<u>250,000</u>
<b>CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES</b>	<u><b>317,876</b></u>

Net decrease in cash and cash equivalents (28,899)

Cash and cash equivalents at beginning of period 57,013

Cash and cash equivalents at end of period \$ 28,114

**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES:**

**INCOME (LOSS) FROM OPERATIONS** **\$ (262,126)**

Adjustments to reconcile operating income to net cash provided by operating activities:

Depreciation	34,709
Decrease in accounts receivable	4,831
Increase in other receivable	(15,218)
Decrease in inventory	2,644
Decrease in accounts payable and accrued expenses	(2,117)
Decrease in deferred inflows of resources	<u>(16,047)</u>

**NET CASH USED BY OPERATING ACTIVITIES** **\$ (253,324)**



**ATCHAFALAYA GOLF COURSE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2013**

**NOTE 1 - SUMMARY OF ACCOUNTING POLICIES**

The Atchafalaya Golf Course Commission (Commission) was created on August 13, 2003 by the St. Mary Parish Council (Council). The Commission's sole responsibility and duty is to maintain, operate, and administer the Atchafalaya Golf Course (Course).

The Course was completed and the Commission began operations on August 14, 2005. The accounting and reporting practices of the Commission conform to generally accepted accounting principles (GAAP) as applicable to government units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The following is a summary of the significant accounting policies used in preparing the financial statements:

**A. Reporting Entity**

In evaluating how to define the governmental unit, for financial reporting purposes, consideration has been given to the following criteria as set forth in GAAP:

- a. Financial benefit or burden
- b. Appointment of a voting majority
- c. Imposition of will
- d. Fiscally dependent

Based upon the above criteria, the Commission is a component unit and integral part of the St. Mary Parish Council (the primary government).

These financial statements include only the operations of the Commission.

## NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

### B. Basis of Accounting

The financial statements of the Commission are prepared on the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred. Under Governmental Accounting Standards Board Statement No. 62, the Commission has elected not to apply Financial Accounting Standards Board provisions issued after November 30, 1989.

#### Proprietary Fund Type

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The operating revenues of the Commission primarily come from green fees and sales to the general public. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

### C. Revenues

The following is a summary of the Commission's recognition policies for its major revenue sources:

Green fees, cart rentals, and golf merchandise sales are recorded as revenue at the time the rounds are played or the sale takes place.

Fees paid for advertising on the Commission's GPS video equipped golf carts are recorded as deferred in-flows of resources when received and recognized as revenue ratably over the advertising year.

Fees paid for annual play and cart rental packages cover the period October 1<sup>st</sup> through September 30<sup>th</sup>. Fees paid prior to September 30<sup>th</sup> for the next year are recognized as deferred in-flows of resources as of September 30, 2013.

Rentals for use of the restaurant and bar facilities are recognized monthly.

Interest and investment earnings are recognized when earned.

Revenue from the sale of gift cards is recognized in revenue when the gift cards are redeemed for merchandise or services. The Commission records revenue from unredeemed gift cards in golf equipment and accessories sales when the probability of redemption is remote. Approximately \$12,000 was recognized as revenue from unredeemed gift cards in 2013.

## NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

### D. Deferred Outflows and Inflows of Resources

In 2013, the Commission implemented the provision of GASBS 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position" and GASBS 65, "Items Previously Reported as Assets and Liabilities". As required by these standards the Commission is now reporting net position (deficit) instead of net assets (deficit). These statements also require certain financial statement items to be reported as deferred inflows and deferred outflows, that were previously reported as assets and liabilities. The District has evaluated its transactions with the requirements of these pronouncements, related to deferred items, and determined that it has three items in the current year that meet the requirements of this statement; payment for purchase of gift certificates not yet redeemed, fees not yet earned for advertising on GPS, and deposits on tournaments yet to be held. Accordingly, these items are reported as unearned revenue in the Statement of Net position (deficit) under Deferred Inflows of Resources.

### E. Expenses

Expenses are recognized under the accrual basis of accounting where liabilities are recorded at the time expenses are incurred.

### F. Budgets and Budgetary Accounting

The Commission follows these procedures in establishing administrative budgetary accounting:

- a. An administrative budget is employed as a management planning and control device during the year for the Proprietary Fund. The forecasted budget is prepared on a basis consistent with GAAP.
- b. These financial statements do not present budget and actual comparisons of the administrative budget because it is not a legally adopted budget.

### G. Cash and Cash Equivalents

For financial statement purposes, cash and cash equivalents include bank deposits and/or certificates of deposit with original maturates of less than three months.

### H. Accounts Receivable

Accounts receivable are not from individuals and consists primary of amounts due from credit card processing companies and organizations which owe charges from recent golf tournaments. Uncollectible charges are insignificant, therefore no allowance for bad debts is needed.

## NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

### I. Inventory

Golf merchandise inventory at September 30, 2013, of \$77,280 is valued at the lower of cost of market.

### J. Equipment

The Commission's fixed assets, which are primarily golf carts and golf course maintenance equipment are capitalized. The equipment is recorded at cost or, if contributed property, at their market value at the time of contribution. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized.

Depreciation of all exhaustible fixed assets is charged as an expense against their operation. Accumulated depreciation is reported on the statement of net position. Depreciation has been provided over estimated useful lives using the straight-line method.

The estimated useful lives are as follows:

Golf carts	7 years
Golf course maintenance equipment	10 years
Small equipment	3 years

### K. Compensated Absences

Accumulated vacation and sick leave are recorded as an expense of the year in which paid. At September 30, 2013 unrecorded compensated absences are immaterial.

### L. Equity Classifications

Equity is classified as net position and displayed in three components – net invested in capital assets, restricted and unrestricted. These classifications are defined as follows:

- Net investment in capital assets – This component of net position consists of capital assets net of accumulated depreciation and reduced by outstanding debt related to the acquisition of the assets.
- Restricted – This component of net position consists on net position with constraints imposed by the Board to restrict the use of certain funds.
- Unrestricted net position – This component of net position consist of net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

## NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

### M. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require 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, expenditures, and expenses during the reporting year. Actual results could differ from those estimates.

## NOTE 2 - CASH AND CASH EQUIVALENTS

The Commission does not have a formal investment policy related to interest rate risk (the risk of an investment decreasing in value due to increasing interest rates).

In addition, the Commission does not have a formal investment policy related to credit risk (including concentrations of credit). However the Commission does follow state law as to limitations on types of deposits and investments as described below.

The Commission does not invest in any investments subject to foreign currency risk.

### Cash and cash equivalents

Under state law the Commission may deposit its funds with certain state and federally chartered financial institutions. These deposits are required to be insured or collateralized by the financial institutions.

At September 2013, the carrying amount of the Commission's cash is \$28,114 and the bank balance is \$36,604 which is fully covered by federal depository insurance.

### NOTE 3 - FIXED ASSETS

Fixed asset and depreciation activity for the year ended September 30, 2013 is as follows:

	<u>Ending Balance 09/30/12</u>	<u>Additions</u>	<u>Ending Balance 09/30/13</u>
Assets not being depreciated:			
Improvements	\$2,470		\$2,470
Other capital assets:			
Small equipment	13,687		13,687
Golf carts	583,170		583,170
Course Maintenance equipment	<u>323,844</u>		<u>323,844</u>
Total capital assets	<u>923,171</u>		<u>923,171</u>
Less depreciation	(640,481)	\$(34,709)	(675,190)
Total capital assets net	<u>\$282,690</u>	<u>\$(34,709)</u>	<u>\$247,981</u>

Depreciation expense for the year ended September 30, 2013 was approximately \$35,000

Substantially all course maintenance equipment is pledged to secure a long-time lease/purchase agreement.

#### NOTE 4 - CAPITAL LEASE

In 2011 and 2012 the Commission entered into a lease purchase agreements to acquire various pieces of equipment for maintenance and upkeep of the golf course. These lease agreements qualify as capital leases for accounting purposes and therefore the obligations have been recorded at the present value of the future minimum lease payments as of the lease inceptions.

At September 30, 2013, the equipment acquired under these leases is reported at \$243,824 (\$322,018 cost less \$78,194 of accumulated depreciation).

The ending balance for the equipment lease obligations as of September 30, 2013 is \$141,915.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2013 are as follows:

Year ending	
<u>September 30,</u>	
2014	\$93,451
2015	50,400
2016	<u>4,200</u>
Total minimum lease payments	148,051
Less: Interest portion	<u>(6,136)</u>
Present value of minimum lease payments	<u>\$141,915</u>

#### NOTE 5 - PENSION PLAN

The Commission (through the St. Mary Parish Council) contributes to the Parochial Employees' Retirement System of Louisiana (Plan A), a cost sharing multiple-employer public employee retirement system administered by a Board of Trustees consisting of seven members. The System provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. The System was established by the Louisiana legislature by Act 205 of 1952 and revised by Act 765 of 1979. The System issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by calling the Parochial Employees' Retirement System of Louisiana at (225) 928-1361.

Plan members are required to contribute 9.50% of their annual covered salary and the Commission is required to contribute at a rate established by the State Legislature. The current rate is 16.75% of annual covered payroll. The Commission's actual contributions to the System for the years ended September 30, 2013, 2012, and 2011 were approximately \$45,000, \$44,000, and \$32,000 respectively, and equals the required contributions.

The Commission does not provide any other post employment benefits.

#### **NOTE 6 - RELATED PARTY AND ECONOMIC DEPENDENCE**

The Course, its clubhouse, and certain maintenance equipment are owned by the Council. Debt related to the building of the Course, construction of the clubhouse, and purchase of certain equipment is funded by the Council.

The Council established the Commission to maintain and operate the Course in the Council's and public's behalf. The Course is economically dependent upon the Council.

The staff at the Course are employees of the Council. Initially the Commission agreed to reimburse the Council for the salaries and other costs of the Course's staff. At September 30, 2013 the Commission owed the Council \$1,344,566 for salary and benefit reimbursements incurred through that time. The Council has agreed to defer repayment of this amount by the Commission until December 2014 at which time the Council may again defer repayment.

Because the Council recognizes the great recreational, and economic benefits provided by the Course, the Council has committed to continue funding a portion of the Course's salaries and benefits, as necessary to insure continuing the Course's ongoing operations.

#### **NOTE 7 - RISK MANAGEMENT**

The Commission is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the Commission carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements of claims have not exceed coverage in the past.



**SUPPLEMENTARY INFORMATION**

## ATCHAFALAYA GOLF COURSE COMMISSION

Detail Schedule of Operating Expenses  
For the Year Ended September 30, 2013

### Golf operation

Printing	\$ 42
Supplies	1,282
Dues & Subscriptions	3,014
Advertising	15,568
Promotion	2,449
Range balls	4,749
Salaries and Wages	<u>230,879</u>
 Total	 <u>\$ 257,983</u>

### Cart cost

Supplies	\$ 1,358
Equipment repairs	70,854
Insurance	8,835
Cart/GPS Lease	13,507
Equipment rental	<u>9,113</u>
 Total	 <u>\$ 103,667</u>

### Maintenance operation

Depreciation	\$ 34,709
Utilities	421
Drug Screen Testing	80
Chemical/pesticides	61,100
Dues and subscriptions	365
Equipment rental	410
Fertilizer	29,215
Fuel	29,482
Irrigation and drainage	7,183
Repairs and maintenance	44,482
Sand and Gravel	6,124
Salary/wages/benefits	266,278
Supplies	16,015
Telephone	2,480
Travel/seminars	466
Seed and sod	4,720
Contract labor	226,611
Miscellaneous	<u>564</u>
 Total	 <u>\$ 730,705</u>

### General and administration

Advertising	107,494
Promotion	775
Credit card fees	18,081
Drug screen/physical	1,215
Office supplies	4,004
Equipment rental	3,404
Building repairs	26,020
Supplies	19,498
Telephone	2,938
Uniforms	2,102
Postage	2,441
Utilities	24,491
Cable	1,543
Dues and subscriptions	1,380
Travel/seminars	3,216
Professional	17,882
Repairs and maintenance	4,764
Salary and Wages	19,069
Computer/ Maintenance	10,786
Mobile Phone	1,481
Security/Alarm Service	432
Miscellaneous	<u>1,246</u>
 Total	 <u>\$ 274,262</u>

**INTERNAL CONTROL OVER FINANCIAL REPORTING AND COMPLIANCE  
AND OTHER MATTERS SECTION**



**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**

Board of Commissioners  
Atchafalaya Golf Course  
Patterson, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the business-type activities and the major fund of the Atchafalaya Golf Course Commission (Commission), as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated February 14, 2014.

**Internal Control Over Financial Reporting**

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2013-1 and 2013-2, to be material weaknesses.

#### Compliance and Other Matters

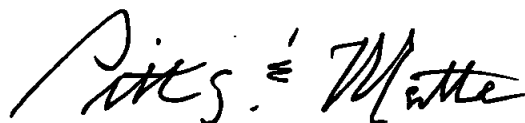
As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.

#### Atchafalaya Golf Course Commission's Response to Findings

Atchafalaya Golf Course Commission's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Commission'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 Commission'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 Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is considered a public record and may be distributed by the Louisiana Legislative Auditor.



CERTIFIED PUBLIC ACCOUNTANTS

Morgan City, Louisiana  
February 14, 2014

**ST. MARY PARISH  
ATCHAFALAYA GOLF COURSE COMMISSION**

Schedule of Findings, Questioned Costs and Federal Awards  
For the Year Ended September 30, 2013

**A. SUMMARY OF AUDIT RESULTS**

1. The auditors' report expresses an unmodified opinion on the financial statements of the Atchafalaya Golf Course Commission.
2. Independent Auditors' Report on Internal Control Over Financial Reporting and Compliance and Other Matters

Internal Control

There were two deficiencies in internal control over financial reporting noted during the audit of the financial statements. These conditions are reported as material weaknesses.

Compliance and Other Matters

There were no instances of noncompliance nor other matters noted during the audit of the financial statements that are required to be reported.

3. Federal Awards

This section is not applicable for the year ended September 30, 2013.

## B. FINDINGS - FINANCIAL STATEMENT AUDIT

### Material Weaknesses

#### ITEM 2013-1 - SEGREGATION OF DUTIES

##### Auditors' Comments

Condition: While performing audit tests and inquiring about internal control, we discovered that there is little segregation of duties within some of the Commission's accounting functions.

Criteria: Ordinarily, the accounting duties performed in an organization are segregated to reduce possible errors or irregularities that could occur in the accounting records and not be detected.

Effect: Lack of segregation of duties results in a material weakness in internal accounting controls.

Cause: The Commission has limited personnel.

Recommendation: We recommend the Commission determine if the improvement in internal control gained by hiring additional personnel in the accounting area justifies the additional payroll cost.

Management's Comments: We have reviewed this situation and have decided that the additional controls derived by employing an additional person in our bookkeeping area is outweighed by the additional personnel costs.

#### ITEM 2013-2 - SALES REVENUE

##### Auditors' Comments

Condition: Internal Control over Golf Course sales revenue has four main areas:

- A. Sales and collection,
- B. Close out and reconciliation of register,
- C. Deposit of funds, and
- D. Recording in accounting records.

In our test of revenues and related internal controls we selected a sample of revenue and collections for 40 days at random. Out of 40 days activity we found errors in 3 instances. All three errors occurred in the area of "close out and reconciliation of register" (B from above). We did not find any instances where revenue was improperly recorded nor did we find instances of missing funds. One "End of Shift Report" was missing, one "Individual Cashier Report" was missing, and one "Individual Cashier Report" was incomplete. According to the control system in place by the Golf Course the following "close out and reconciliation of register" (B from above) steps are to be performed daily.

1. Print "End of Shift Report" (generated by cash register-one is completed for each cashier) to determine final amount of sales for the shift.
2. Count funds in register and complete the "Individual Cashier Report" (manually completed preprinted form-one is completed for each cashier).
3. Reconcile amounts on "Individual Cashier Report" to "End of Day Shift Report" and close out register.
4. Place cash and all receipts in an envelope and seal. Deposit envelope along with the reports in safe at end of each shift.
5. Management removes all items from safe the following day and runs the "End of Day Audit Trail Report" (computer generated form) which contains a summary of the daily sales. This report is agreed to the "End of Shift Report(s)" and the "Individual Cashier Report(s)".

Criteria: The Commission's internal control procedures require all close out documents, "End of Shift Report" and "Individual Cashier Report", to be complete and deposited into the safe at the end of each shift.

Effect: Lack of documentation or incomplete documentation could result in possible misstatement of revenue.

Cause: One document appears to have been properly completed but subsequently lost. One document was not properly completed. In the third instance we were not able to determine if the document was not completed or if it was completed then subsequently lost.

Recommendation: We recommend the Commission employees follow all control steps, properly complete all documents, and retain all documents related to these steps.

Management's Comments: We will be diligent in the future in following all procedures and make sure all required documents are properly completed and retained.



**C. FINDINGS AND QUESTIONED COSTS - FEDERAL AWARD PROGRAMS**

This section is not applicable for the year ended September 30, 2013.

SUMMARY OF PRIOR YEAR FINDINGS AND RELATED CORRECTIVE ACTION  
PREPARED BY ATCHAFALAYA GOLF COURSE COMMISSION

INTERNAL CONTROL OVER FINANCIAL REPORTING AND COMPLIANCE AND  
OTHER MATTERS MATERIAL TO THE FINANCIAL STATEMENTS

Internal Control

Material Weakness

Item 2012-1 Lack of Segregation of Duties

Condition: While performing audit tests and inquiring about internal control, over auditors discovered that there is very little segregation of duties within the Commission's accounting function.

Corrective Action: This has not been corrected.

INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL WARDS

Not applicable to prior year.



February 14, 2014

Mr. Daryl Purpera, CPA CPE  
Legislative Auditor  
State of Louisiana  
P.O. Box 94397  
Baton Rouge, LA 70804-9397

Dear Mr. Purpera:

The Atchafalaya Golf course Commission respectfully submits the following corrective action plan for our period ended September 30, 2013.

**CORRECTIVE ACTION:**

Person Responsible: Rudy Sparks  
Atchafalaya golf Course Commission  
P.O. Box 1109  
Patterson, LA 70392

Time for Completion: September 30, 2014

**Material Weaknesses:**

RE: Item No. 2013-1 Segregation of Duties

**Auditors' Comment:** While performing audit test and inquiring about internal control, our auditors discovered that there is very little segregation of duties within the commission's accounting function.

**Corrective Action:** We have reviewed this situation and have decided that the additional control derived by employing an additional person in our bookkeeping area is outweighed by the additional personnel cost.

Re: Item No. 2013-2 Sales Revenue

**Auditors' comment:** In our auditor's test of revenue and related internal controls, they found certain errors in the area of "close out and reconciliation of register". They did not find instances of missing funds nor misrecorded revenues.

**Corrective Action:** We will be diligent in the future in following all procedures and making sure all required documents are properly completed and retained.

Atchafalaya golf Course

A handwritten signature in black ink, appearing to read "Brandon Richard". The signature is written in a cursive, flowing style.

Brandon Richard  
Assistant Supervisor