

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, 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, 2014, 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, 2014 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 Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Commission's basic financial statements. The accompanying Detailed Schedule of Operating Expenses and Schedule of Compensation, Benefits, and Reimbursements to Agency Head, Political Subdivision Head, or Chief Executive Officer are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The Detailed Schedule of Operating Expenses and Schedule of Compensation, Benefits, and Reimbursements to Agency Head, Political Subdivision Head, or Chief Executive Officer are the responsibility of management and were derived from and related 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 information 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 February 9, 2015, 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.



CERTIFIED PUBLIC ACCOUNTANTS

Morgan City, Louisiana
February 9, 2015

ATCHAFALAYA GOLF COURSE COMMISSION
Statement of Net Position (Deficit)
Enterprise Fund
September 30, 2014

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 64,590
Accounts receivable	3,288
Other receivables	5,795
Inventory	86,436
Total current assets	<u>160,109</u>

NONCURRENT ASSETS

Property, Plant and Equipment at cost (net of accumulated depreciation of \$710,002)	<u>229,092</u>
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TOTAL ASSETS	<u>\$ 389,201</u>
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LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$ 74,429
Lease obligation payable	48,989
Total current liabilities	<u>123,418</u>

LONG-TERM LIABILITIES

Lease obligation payable after one year	4,184
Due to Affiliate	1,341,984
Total Long-Term Liabilities	<u>1,346,168</u>

DEFERRED INFLOWS OF RESOURCES

Unearned revenue	<u>99,277</u>
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Total liabilities and deferred inflows of resources	<u>1,568,863</u>
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NET POSITION (DEFICIT)

Net investment in capital assets	175,919
Unrestricted	<u>(1,355,581)</u>
Total net position (deficit)	<u>(1,179,662)</u>

TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 389,201</u>
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ATCHAFALAYA GOLF COURSE COMMISSION
Statement of Revenues, Expenses and Net Position (Deficit)
Enterprise Fund
For the Year Ended September 30, 2014

OPERATING REVENUES

Golf		\$ 700,506
Golf equipment and accessories sales	151,067	
Less cost of goods sold	<u>(100,770)</u>	50,297
Food and beverage facility rental		61,784
Advertising packages revenue		147,953
Outing Surcharge		12,168
Rentals		<u>12,800</u>
 TOTAL OPERATING REVENUES		 <u>985,508</u>

OPERATING EXPENSES

Golf operations		292,975
Maintenance operations		618,623
Cart cost		53,327
General and administration		<u>205,021</u>
 TOTAL OPERATING EXPENSES		 <u>1,169,946</u>

INCOME (LOSS) FROM OPERATIONS (184,438)

NON-OPERATING REVENUE (EXPENSES)

Grant from St. Mary Parish Council		250,000
Interest income		47
Interest expense		<u>(4,710)</u>

TOTAL NON-OPERATING REVENUE NET 245,337

INCREASE IN NET POSITION 60,899

NET POSITION (DEFICIT) - BEGINNING OF PERIOD (1,240,561)

NET POSITION (DEFICIT) - END OF PERIOD \$ (1,179,662)

ATCHAFALAYA GOLF COURSE COMMISSION
Statement of Cash Flows - Enterprise Fund
For the Year Ended September 30, 2014

Increase (Decrease) in Cash and Cash Equivalents

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from customers	\$ 1,012,872
Cash paid to suppliers and employees	<u>(1,114,486)</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>(101,614)</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Payments on lease-purchase	(93,405)
Purchase of fixed assets	<u>(15,923)</u>
NET CASH USED BY CAPITAL AND RELATED ACTIVITIES	<u>(109,328)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Payment to St. Mary Parish Council	(2,582)
Grant received from St. Mary Parish Council	<u>250,000</u>
CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>247,418</u>

Net increase in cash and cash equivalents	36,476
Cash and cash equivalents at beginning of period	<u>28,114</u>
Cash and cash equivalents at end of period	<u>\$ 64,590</u>

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

INCOME (LOSS) FROM OPERATIONS	\$ (184,438)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	34,812
Decrease in accounts receivable	2,686
Decrease in other receivable	24,678
Increase in inventory	(9,156)
Increase in accounts payable and accrued expenses	35,715
Decrease in deferred inflows of resources	<u>(5,911)</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>\$ (101,614)</u>

ATCHAFALAYA GOLF COURSE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2014

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 ratability over the advertising year.

Fees paid for annual play and cart rental packages cover the period October 1st through September 30th. Fees paid prior to September 30th for the next year are recognized as deferred in-flows of resources as of September 30, 2014.

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 \$3,000 was recognized as revenue from unredeemed gift cards in 2014.

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, 2014, of \$86,436 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, 2014 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.

N. Future Accounting Changes

In 2012, GASB issued Statement No. 68 which modifies the methods governments use to recognize the liabilities and expenses of providing pension benefits to their employees. The statement is effective for financial statements for years beginning after June 15, 2014. Adoption of GASB 68 is expected to require the Commission to recognize the difference between the actuarial total pension liability and the fair value of the plan assets as a net pension liability. The effect of this change cannot presently be determined.

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 2014, the carrying amount of the Commission's cash is \$64,590 and the bank balance is \$71,129 which is fully covered by federal depository insurance.

NOTE 3 - FIXED ASSETS

Fixed asset and depreciation activity for the year ended September 30, 2014 is as follows:

	<u>Ending Balance 09/30/13</u>	<u>Additions</u>	<u>Ending Balance 09/30/14</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>\$15,923</u>	<u>339,767</u>
Total capital assets	<u>923,171</u>		<u>939,094</u>
Less depreciation	<u>(675,190)</u>	<u>\$(34,812)</u>	<u>(710,002)</u>
Total capital assets net	<u>\$247,981</u>	<u>\$(18,889)</u>	<u>\$229,092</u>

Depreciation expense for the year ended September 30, 2014 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, 2014, the equipment acquired under these leases is reported at \$211,622 (\$322,018 cost less \$110,396 of accumulated depreciation).

The ending balance for the equipment lease obligations as of September 30, 2014 is \$53,173.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2014 are as follows:

Year ending	
<u>September 30,</u>	
2015	\$50,400
2016	<u>4,200</u>
Total minimum lease payments	54,600
Less: Interest portion	<u>(1,427)</u>
Present value of minimum lease payments	<u>\$53,173</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 16.00% of annual covered payroll. The Commission's actual contributions to the System for the years ended September 30, 2014, 2013, and 2012 were approximately \$37,000, \$45,000, and \$44,000 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, 2014 the Commission owed the Council \$1,341,984 for salary and benefit reimbursements incurred through that time. The Council has agreed to defer repayment of this amount by the Commission until December 2015 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.

NOTE 8 - SUBSEQUENT EVENT

The Commission plans to purchase a new golf cart fleet with GPS at a cost of approximately \$530,000 less trade value of the old carts of approximately \$100,000 leaving a remaining balance of approximately \$430,000. A grant in the amount of \$100,000 from a private foundation, will lower the amount of financing required for purchasing the fleet to approximately \$330,000.

SUPPLEMENTARY INFORMATION

ATCHAFALAYA GOLF COURSE COMMISSION

Detail Schedule of Operating Expenses
For the Year Ended September 30, 2014

Golf operation

Supplies	\$ 4,896
Advertising	32,682
Promotion	12,544
Range balls	5,007
Salaries and Wages	<u>237,846</u>

Total \$ 292,975

Cart cost

Supplies	\$ 287
Equipment repairs	30,698
Insurance	8,835
Cart/GPS Lease	<u>13,507</u>

Total \$ 53,327

Maintenance operation

Depreciation	\$ 34,812
Utilities	1,113
Drug Screen Testing	133
Chemical/pesticides	49,448
Dues and subscriptions	435
Equipment rental	7,894
Fertilizer	13,404
Fuel	26,917
Irrigation and drainage	10,902
Repairs and maintenance	42,558
Sand and Gravel	4,910
Salary/wages/benefits	188,252
Supplies	16,731
Telephone	2,604
Travel/seminars	300
Seed and sod	5,433
Contract labor	212,448
Miscellaneous	<u>329</u>

Total \$ 618,623

General and administration

Advertising	\$ 719
Credit card fees	19,765
Drug screen/physical	885
Office supplies	5,554
Equipment rental	4,178
Building repairs	32,813
Supplies	25,100
Telephone	2,581
Uniforms	1,723
Postage	1,675
Utilities	31,148
Cable	1,576
Dues and subscriptions	4,791
Travel/seminars	3,598
Professional	21,155
Repairs and maintenance	1,435
Salary and Wages	22,014
Computer/ Maintenance	16,582
Mobile Phone	1,585
Security/Alarm Service	580
Miscellaneous	<u>5,564</u>

Total \$ 205,021

ATCHAFALAYA GOLF COURSE COMMISSION

Schedule of Compensation, Benefits, and Reimbursements to
Agency Head, Political Subdivision Head, or Chief Executive Officer
For the Year Ended September 30, 2014

Director of Golf: Edward F. Selser, Jr.

Purpose	Amount
Salary	\$ 73,500
Benefits-Insurance	11,287
Benefits-retirement	11,887
Reimbursements/Travel	2,861
Professional Dues	450

These amounts represent all compensation, benefits, and reimbursements for the year.

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, 2014, 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 9, 2015.

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, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings as item 2014-001 and 2014-002, to be material weaknesses.

Compliance and Other Matters

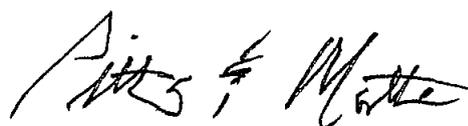
As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 9, 2015

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

Schedule of Findings
For the Year Ended September 30, 2014

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, 2014.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

Material Weaknesses

ITEM 2014-001 - 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 internal controls derived by employing an additional person in our bookkeeping area is outweighed by the additional personnel costs.

ITEM 2014-002 - 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 2 instances. Both 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 and one "End of Day Audit Trail Report" did not agree to the "End of Shift Report". 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.

Recommendation: We recommend the Commission employees follow all control steps, properly complete all documents, and retain all documents related to these steps. In addition we recommend that the "Individual Cashier Report" be modified to include a section for voids and a related explanation.

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

C. FINDINGS AND QUESTIONED COSTS - FEDERAL AWARD PROGRAMS

This section is not applicable for the year ended September 30, 2014.

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 2013-1 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.

Item 2013-2 Sales Revenue

Condition: In our test of revenue and related controls we audited 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". We did not find any instances where revenue was improperly recorded nor did we find instances of missing funds.

Corrective Action: This has not been corrected.

INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL WARDS

Not applicable to prior year.

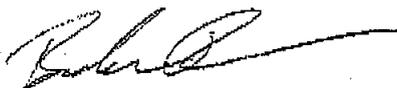
Corrective Action: We have reviewed this situation and have decided that the additional control derived by employing an additional person in our bookkeeping area is outweighed by the additional personnel cost.

Re: Item No. 2014-002 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 designed, completed and retained.

Atchafalaya Golf Course



Brandon Richard
Assistant Supervisor