

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, 2023

CONTENTS

<u>FINANCIAL INFORMATION SECTION</u>	<u>PAGE</u>
Independent Auditors' Report	1-4
Basic Financial Statements	
Statement of Net Position (Deficit) Business Type Activity – Enterprise Fund	5
Statement of Revenues, Expenses and Net Position (Deficit) Business Type Activity – Enterprise Fund	6
Statement of Cash Flows Business Type Activity – Enterprise Fund	7-8
Notes to the Financial Statements	9-22
<u>REQUIRED SUPPLEMENTARY INFORMATION</u>	
Schedule of the Commission's Proportionate Share of Net Pension Liability (unaudited)	24
Schedule of Commission Contributions (unaudited)	25-26
<u>SUPPLEMENTARY INFORMATION</u>	
Detail Schedule of Operating Expenses	28
Schedule of Compensation, Benefits, and Reimbursements to Agency Head, Political Subdivision Head, or Chief Executive	29
<u>INTERNAL CONTROL OVER FINANCIAL REPORTING AND COMPLIANCE AND OTHER MATTERS SECTION</u>	
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	31-32
Schedule of Findings	33-35
Summary of Prior Year Findings and Related Corrective Action	36
Corrective Action Plan Prepared by Management of Atchafalaya Golf Course Commission	37-38



INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of the business-type activities and the major fund of Atchafalaya Golf Course Commission (Commission), a component unit of the St. Mary Parish Council, as of and for the year ended September 30, 2023, and the related notes to the financial statements which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business type activities and the major fund of the Commission as of September 30, 2023, and the respective changes in financial position and cash flow thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of The Financial Statements section of our report. We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required 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.

Accounting principles generally accepted in the United States of America require that the Schedule of the Commission's Proportionate Share of the Net Pension Liability (Asset), the Schedule of Commission's Contributions, as listed in the table of contents, 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 with 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 appropriate evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that comprise the Commission's financial statements. The accompanying Schedule of Operating Expenses, Schedule of Compensation, Benefits, and Reimbursements to Agency Head, Political Subdivision Head, or Chief Executive Officer are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Requirements by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated May 9, 2024 on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Commission's internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with Government Auditing Standards in considering Commission's internal control over financial reporting and compliance.

Pitts + Mette

CERTIFIED PUBLIC ACCOUNTANTS

May 9, 2024
Morgan City, Louisiana

ATCHAFALAYA GOLF COURSE COMMISSION

Statement of Net Position (Deficit)
Business Type Activity - Enterprise Fund
September 30, 2023

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

CURRENT ASSETS

Cash and cash equivalents	\$ 107,782
Lease receivable	11,229
Other receivables	16,430
Inventory	44,438
Total current assets	<u>179,879</u>

NONCURRENT ASSETS

Property, plant and equipment at cost (net of accumulated depreciation of \$679,675)	263,309
Lease receivable	<u>21,421</u>
Total noncurrent assets	<u>284,730</u>

Total assets 464,609

DEFERRED OUTFLOWS OF RESOURCES 101,437

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES \$ 566,046

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$ 111,133
Sales tax	5,632
Lease obligation payable	72,732
Total current liabilities	<u>189,497</u>

LONG-TERM LIABILITIES

Lease obligation payable after one year	212,246
Due to affiliate	528,620
Net pension liability	78,478
Total Long-Term Liabilities	<u>819,344</u>

Total liabilities 1,008,841

DEFERRED INFLOWS OF RESOURCES 78,680

Total liabilities and deferred inflows of resources 1,087,521

NET POSITION (DEFICIT)

Unrestricted	<u>(521,475)</u>
Total net position (deficit)	<u>(521,475)</u>

TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION \$ 566,046

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

ATCHAFALAYA GOLF COURSE COMMISSION
Statement of Revenues, Expenses and Net Position (Deficit)
Business Type Activity - Enterprise Fund
For the Year Ended September 30, 2023

OPERATING REVENUES

Golf		\$ 592,786
Golf equipment and accessories sales	119,798	
Less cost of goods sold	<u>(87,469)</u>	32,329
Food and beverage facility rental		58,208
Advertising packages revenue		83,752
Rentals		<u>14,334</u>
TOTAL OPERATING REVENUES		<u>781,409</u>

OPERATING EXPENSES

Golf operations		231,531
Maintenance operations		570,982
Cart cost		110,693
General and administration		<u>145,831</u>
TOTAL OPERATING EXPENSES		<u>1,059,037</u>

INCOME (LOSS) FROM OPERATIONS (277,628)

NON-OPERATING REVENUE (EXPENSES)

Grants from St. Mary Parish Council		250,000
Interest expense		(2,057)
Nonemployer pension contributions		<u>1,900</u>
TOTAL NON-OPERATING REVENUE NET		<u>249,843</u>

DECREASE IN NET POSITION (27,785)

NET POSITION (DEFICIT) - BEGINNING OF PERIOD (493,690)

NET POSITION (DEFICIT) - END OF PERIOD **\$ (521,475)**

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

ATCHAFALAYA GOLF COURSE COMMISSION

Statement of Cash Flows
Business Type Activity - Enterprise Fund
For the Year Ended September 30, 2023

Increase (Decrease) in Cash and Cash Equivalents

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from customers	\$ 718,833
Cash paid to suppliers	(782,406)
Cash paid to employees	<u>(190,385)</u>

NET CASH USED BY OPERATING ACTIVITIES (253,958)

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Payment on capital lease	<u>(21,735)</u>
--------------------------	-----------------

NET CASH USED BY CAPITAL AND RELATED ACTIVITIES (21,735)

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Grants received from St. Mary Parish Council	250,000
Increase in due to St. Mary Parish Council	<u>75,192</u>

NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES 325,192

CASH FLOWS FROM INVESTING ACTIVITY

Non-Employer pension contribution	<u>1,900</u>
-----------------------------------	--------------

Net increase in cash and cash equivalents 51,399

Cash and cash equivalents at beginning of period	<u>56,383</u>
--	---------------

Cash and cash equivalents at end of period \$ 107,782

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

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

INCOME (LOSS) FROM OPERATIONS	\$ (277,628)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	84,619
Decrease (increase) in receivables	14,567
Decrease (increase) in inventory	(14,925)
Decrease (increase) in deferred outflows of resources	(77,143)
Decrease (increase) in lease receivable	(450)
Increase (decrease) in accounts payable and accrued expenses	6,244
Increase (decrease) in sales tax payable	(63,881)
Increase (decrease) in deferred inflows of resources	(99,493)
Increase (decrease) in net pension liability	<u>174,132</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>\$ (253,958)</u>

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

ATCHAFALAYA GOLF COURSE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2023

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 Governmental 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.

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.

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

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 inflows 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 1st through September 30th. Fees paid prior to September 30th for the next year are recognized as deferred inflows of resources as of September 30, 2023.

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.

D. Deferred Outflows and Inflows of Resources

As required by certain GASB standards the Commission is reporting certain financial statement items as deferred inflows and deferred outflows of resources. The Commission has evaluated its transactions with the requirements of the GASB pronouncements, related to deferred items, and determined that it has certain items in the current year that meet the requirements of these statements.

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

Deferred Outflows of Resources

Related to pension (Note 5) \$ 101,437

Deferred Inflows of Resources

Related to pension (Note 5) \$9,985

Related to unearned revenues 36,045

Related to operating lease 32,650

\$78,680

Unearned revenues reported by the Commission are for amounts received but not yet earned from unredeemed gift cards, GPS advertising, and deposits on future tournaments.

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 maturities of less than three months.

H. Accounts Receivable

Accounts receivable are not due from individuals and consists primarily 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.

I. Inventory

Golf merchandise inventory at September 30, 2023, of \$44,438 is valued at the lower of cost or market.

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

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	5 years
Golf course maintenance equipment	5-10 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, 2023 unrecorded compensated absences are immaterial.

L. Net Pension Liability (Asset)

In prior years, the Commission implemented GASB statements that establish accounting and financial reporting by state and local governments for pensions. These pronouncement requires the Commission to calculate and recognize a net pension liability (asset), certain deferred outflows and inflows of resources, and pension expense. The Commission is a member of the Parochial Employees' Retirement System of Louisiana – Plan A (PERS-A), a cost sharing multiple employer public employee retirement system. For purposes of measuring its net pension liability (asset), deferred outflows and inflows of resources, and pension expense, the Commission uses the same basis as PERS-A.

See Note 5 for further details about this pension plan.

M. 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.

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

- 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.”

N. 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 2023, the carrying amount of the Commission's cash is \$107,782 and the bank balance is \$113,701 which is fully covered by federal depository insurance.

NOTE 3 - FIXED ASSETS

Capital asset activity for the year ended September 30, 2023 is as follows:

	Balance <u>9/30/22</u>	Additions	Deletions	Balance <u>9/30/23</u>
Assets not being depreciated:				
Improvements	\$2,470			\$2,470
Other capital assets:				
Building Improvements	30,999			30,999
Small equipment	13,687			13,687
Golf carts	427,418	\$304,656	\$(427,418)	304,656
Course Maintenance Equipment	<u>591,172</u>	-----	-----	<u>591,172</u>
Total capital assets	1,065,746		427,418	942,984
Less depreciation	<u>(1,022,474)</u>	<u>(84,619)</u>	-----	<u>(679,675)</u>
Total capital assets, net	<u>\$ 43,272</u>	<u>\$(220,037)</u>	-----	<u>\$263,309</u>

Depreciation expense for the year ended September 30, 2023 was approximately \$85,000 (including amortization of approximately \$80,000).

Substantially all golf carts and course maintenance equipment are pledged to secure long-term lease agreements.

NOTE 4 - CAPITAL LEASES

In prior years, the Commission entered into two long-term leasing arrangements for the acquisition of golf course equipment and beverage cart totaling \$436,000. In the current year, the Commission entered into a new long-term leasing arrangement for the acquisition of golf carts totaling \$304,000.

The capital lease liabilities at September 30, 2023 are as follows:

Lease liabilities	
Capital leases at September 30, 2023	\$284,978
Less current portion	<u>(72,732)</u>
Long term	<u>\$212,246</u>

Future lease payments under these leasing arrangements are as follows:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$72,732	\$8,775	\$81,507
2025	60,040	5,165	65,205
2026	61,739	3,466	65,205
2027	63,487	1,718	65,205
2028	<u>26,980</u>	<u>189</u>	<u>27,169</u>
Total	<u>\$284,978</u>	<u>\$19,313</u>	<u>\$304,291</u>

These leases include provisions for additional incremental payments in the event that the equipment is used more than certain amounts. These additional payments have not been included in the lease liability.

NOTE 5 - OPERATING LEASES AND GASB

In a prior year, the Commission implemented GASB Statement No. 87 – *Leases*. The Commission has one significant lease covered by the provision of GASB No. 87. The Commission leases a portion of its Clubhouse to an entity that utilizes that portion of the building for operation of a restaurant. The terms of the leases expires on the 15th day of July 2026. This agreement may be terminated earlier only by cause. The compensation to the Commission provided by the lease is equal to a minimum of \$1,000 per month or a percentage of revenues generated, whichever is greater. The lessee also agrees to be responsible to pay for 50% of “Clubhouse” expenses including utilities and similar costs.

Under GASB No. 87, the Commission has recognized \$10,920 in minimum rent income and \$1,080 in interest income for this lease. Rental income was also recognizing for the amount earned as a percentage of sales in the approximate amount of \$46,200.

Minimum future rental on their noncancellable leases for the next:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$11,229	\$ 771	\$12,000
2025	11,548	452	12,000
2026	<u>9,873</u>	<u>127</u>	<u>10,000</u>
	<u>\$32,650</u>	<u>\$1,350</u>	<u>\$34,000</u>

NOTE 6 – PENSION PLAN

Plan Description

Atchafalaya Golf Course Commission contributes to the Parochial Employees' Retirement System of Louisiana Plan A (PERS-A), a cost sharing multiple-employer public employee retirement system administered by a Board of Trustees. The System was established and provided for by the Louisiana Revised Statutes (LRS).

Benefits Provided

PERS-A provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. All permanent employees who work at least 28 hours a week may become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate.

Retirement Benefits

Members can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:

1. Any age with thirty (30) or more years of creditable service.
2. Age 55 with twenty-five (25) years of creditable service.
3. Age 60 with a minimum of ten (10) years of creditable service.
4. Age 65 with a minimum of seven (7) years of creditable service.

NOTE 6 – PENSION PLAN (continued)

For employees hired after January 1, 2007:

1. Age 55 with 30 years of service.
2. Age 62 with 10 years of service.
3. Age 67 with 7 years of service.

The monthly retirement allowance consists of an amount equal to three percent of the member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

Survivor Benefits

Upon the death of any member with five or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children, as outlined in the statutes. Any member who is eligible for normal retirement at time of death, the surviving spouse shall receive benefits, as outlined in the statutes.

A surviving spouse who is not eligible for Social Security survivorship or retirement benefits, and married not less than twelve months immediately preceding death of the member, shall be paid benefits beginning at age 50.

Deferred Retirement Option Plan.

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the Retirement System. DROP is an option for members who are eligible for normal retirement. In lieu of terminating employment and accepting a service retirement, members who are eligible to retire may elect to participate in DROP in which they are enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the DROP account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account.

Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

For individuals who become eligible to participate in DROP on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in the Plan will be placed in liquid asset money market investments at the discretion of the Board of Trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of this Plan must agree that the benefits payable to the participant are not the obligations of the state or PERS-A, and that any returns and other rights of the Plan are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

NOTE 6 – PENSION PLAN (continued)

Disability Benefits.

Members shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007, and have at least five years of creditable service or if hired after January 1, 2007, have seven years of creditable service, and are not eligible for normal retirement and have been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of an amount equal to three percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen years, or three percent multiplied by years of service assuming continued service to age sixty for those members who are enrolled prior to January 1, 2007 and to age sixty-two for those members who are enrolled January 1, 2007 and later.

Cost of Living Increases.

The Board is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age sixty-five equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older (RS 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

Contributions

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2022, the actuarially determined contribution rate was 7.10% of member's compensation. However, the actual rate for the fiscal year ending December 31, 2022 was 11.50%. Contributions to the Pension Plan from the Commission were \$14,009 for the year ended September 30, 2023.

According to state statute, the System also receives $\frac{1}{4}$ of 1% of ad valorem taxes collected within the respective parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

NOTE 6 – PENSION PLAN (continued)

Pension Liabilities (Assets), Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Relate to Pensions

At September 30, 2023, the Commission reported a liability (asset) of \$78,478 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2022, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The Commission's proportion of the net pension liability (asset) was based on a projection of the Commission's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At December 31, 2022, the Commission's proportion was 0.020390%, which was an increase of 0.000083% from its proportion measured as of December 31, 2021. For the year ended September 30, 2023, the Commission recognized pension expense of (\$32,502). The Commission recognized revenue of \$1,900 as its proportionate share of non-employer contributions for the year ended September 30, 2023. At September 30, 2023, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,902	\$ 8,646
Change of assumptions	2,505	-
Net difference between projected and actual investment earnings on pension plan investments	82,848	
Change in proportion and differences between the Commission's contributions and proportionate share of contributions	669	1,339
Commission's contributions subsequent to the measurement date	12,514	-
	<u>\$ 101,438</u>	<u>\$ 9,985</u>

Deferred outflows related to contributions after the measurement date will be reversed in full in the fiscal year ended September 30, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31:	
2024	\$1,727
2025	13,394
2026	26,676
2027	37,142

NOTE 6 – PENSION PLAN (continued)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2022, are as follows:

Valuation Date	December 31, 2022
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.40% (Net of investment expense including inflation)
Expected Remaining Service lives	4 years
Projected Salary Increases	4.75% (2.45% Merit/2.30% Inflation)
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees.
Mortality	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2013 through December 31, 2017. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. As a result of this study, mortality for employees was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. In addition, mortality for annuitants and beneficiaries was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females each with full generational projection using the MP 2018 scale. For Disabled annuitants mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale.

NOTE 6 – PENSION PLAN (continued)

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the Capital Asset Pricing Model, (CAPM) (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.10% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.70% for the year ended December 31, 2022.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Fixed Income	33%	1.17%
Equity	51%	3.58%
Alternatives	14%	0.73%
Real Assets	2%	0.12%
Totals	100%	5.60%
Inflation		2.10%
Expected Arithmetic Nominal Return		7.70%

Discount Rate

The discount rate used to measure the total pension liability was 6.40%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 6 – PENSION PLAN (continued)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the participating employers calculated using the discount rate of 6.40%, as well as what the employers' net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower 5.40% or one percentage point higher 7.40% than the current rate:

	1% Decrease (5.40%)	Current Discount Rate (6.40%)	1% Increase (7.40%)
Commission's Proportionate Share of Net Pension Liability (Asset)	\$194,080	\$78,478	\$(18,439)

The Parochial Employees' Retirement System of Louisiana issued a stand-alone audit report on its financial statements for the year ended December 31, 2022. Access to the audit report can be found on the System's website: www.persla.org or on the Office of Louisiana Legislative Auditor's official website: www.lla.state.la.us.

NOTE 7 - RELATED PARTY AND ECONOMIC DEPENDENCE

The Course, its clubhouse, and certain maintenance equipment are owned by the St. Mary Parish 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.

Through the years the Council has provided payroll and payroll related services for the Commission. In addition, the Council provides an operating grant of \$250,000 annually to the Commission. When its revenues were sufficient to do so, the Commission reimbursed the Council for some of these expenses. Amounts provided to the Commission by the Council in excess of the annual operating grant which were not reimbursed by the Commission were recorded as a due to affiliate by the Commission. Due to a downturn in the golf industry and the local economy, the Commission has not had sufficient revenue to reimburse the Council for the full amounts advanced.

At September 30, 2023 the Commission owed the Council \$528,620 for salary and benefit reimbursements incurred through that time that had been repaid or discharged. The Council has agreed to defer repayment of amounts owed by the Commission until December 2023 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 8 - 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 9 – SUBSEQUENT EVENTS

The Commission's management evaluated whether any events and transactions occurred subsequent to September 30, 2023 through May 9, 2024, the date the Commission's financial statements are available to be issued, and determined that no events occurred that would require disclosure in the Commission's financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

ATCHAFALAYA GOLF COURSE COMMISSION

SCHEDULE OF THE COMMISSION'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Parochial Employees Retirement System of Louisiana (Plan A)
as of December 31, 2022 (The Plan Measurement Date)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Commission's proportion of the net pension liability (asset)	0.020390%	0.020307%	0.029607%	0.033001%	0.032792%	0.031885%	0.033935%	0.034240%	0.033060%
Amount of Commission's proportionate share of the net pension liability (asset)	\$ 78,478	\$ (95,654)	\$ (51,913)	\$ 1,554	\$ 145,545	\$ (21,876)	\$ 69,890	\$ 90,117	\$ 9,038
Commission's covered employee payroll	\$ 108,647	\$ 117,990	\$ 170,807	\$ 189,979	\$ 177,922	\$ 173,741	\$ 170,897	\$ 206,928	\$ 234,563
Commission's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	72.23%	-81.07%	-30.39%	0.82%	81.80%	-12.59%	40.90%	43.55%	3.85%
Plan fiduciary net position as a percentage of the total pension liability	91.74%	110.46%	104.00%	99.89%	88.86%	101.98%	94.15%	92.23%	90.15%

This schedule is intended to show information for 10 years.
Additional years will be displayed as they become available.

Unaudited

ATCHAFALAYA GOLF COURSE COMMISSION

SCHEDULE OF COMMISSION CONTRIBUTIONS
 Parochial Employees Retirement System of Louisiana (Plan A)
 For the Year Ended September 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 14,009	\$ 16,219	\$ 20,496	\$ 23,349	\$ 20,968	\$ 21,681	\$ 23,205	\$ 27,505	\$ 28,839
Contributions in relation to the contractually require contribution	<u>14,009</u>	<u>16,219</u>	<u>20,496</u>	<u>23,349</u>	<u>20,968</u>	<u>21,681</u>	<u>23,205</u>	<u>27,505</u>	<u>28,839</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commission's covered-employee payroll	\$ 113,404	\$ 137,959	\$ 167,316	\$ 190,607	\$ 182,327	\$ 184,210	\$ 183,689	\$ 206,312	\$ 193,651
Contributions as a percentage of covered-employee payroll	12.35%	11.76%	12.25%	12.25%	11.50%	11.77%	12.63%	13.33%	14.89%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Unaudited

ATCHAFALAYA GOLF COURSE COMMISSION

NOTES TO THE SCHEDULE OF CONTRIBUTIONS

Changes of benefit terms - There were no changes of benefit terms.

Change of assumptions-

Plan Year ended December 31,	Discount Rate	Investment Rate of Return	Inflation Rate	Projected Salary Increase
2015	7.25%	7.25%	3.00%	5.75%
2016	7.00%	7.00%	2.50%	5.25%
2017	7.00%	7.00%	2.50%	5.25%
2018	6.75%	6.75%	2.50%	5.25%
2019	6.50%	6.50%	2.40%	4.75%
2020	6.40%	6.40%	2.40%	4.75%
2021	6.40%	6.40%	2.30%	4.75%
2022	6.40%	6.40%	2.30%	4.75%

Unaudited

SUPPLEMENTARY INFORMATION

ATCHAFALAYA GOLF COURSE COMMISSION
 Detail Schedule of Operating Expenses
 For the Year Ended September 30, 2023

Golf operation

Advertising	\$ 1,498
Range Balls	7,125
Salary/wages/benefits	219,333
Pension	<u>3,575</u>

Total \$ 231,531

Cart cost

Depreciation	\$ 60,931
Repairs & Maintenance	4,330
Insurance	4,894
Supplies	2,000
Cart/GPS Lease	<u>38,538</u>

Total \$ 110,693

Maintenance operation

Depreciation	\$ 23,688
Chemical/Pesticides	59,771
Fertilizer	42,031
Fuel & Lubricants	20,970
Irrigation & Drainage	32,196
Equipment Repair & Maint.	23,975
Sand & Top	6,098
Salary/Wages/Benefits	84,262
Insurance	3,951
Supplies	18,381
Pension	28,927
Contract Labor	214,787
Uniforms	9,745
Seed & Sod	<u>2,200</u>

Total \$ 570,982

General and administration

Credit Card Fees	\$ 16,561
Drug Screen Testing	1,635
Office Supplies	907
Computer Maint.	963
Building Repair & Maint.	10,469
Telephone	7,517
Supplies	10,436
Cable Services	1,369
Utilities	27,837
Dues and Subscriptions	3,538
Mileage/Travel	1,828
Professional Fees	23,944
Salary/Wages/Benefits	28,420
Mobile Phones	2,385
Miscellaneous	5,798
Postage / Freight	471
Security	410
Uniforms	<u>1,343</u>

Total \$ 145,831

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, 2023

Director of Golf: Jacob Dubois

Purpose	Amount
Salary	\$ 63,155
Benefits-Insurance	9,690
Benefits-retirement	<u>7,245</u>
Total	<u>\$ 80,090</u>

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 Commission
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, 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated May 9, 2024.

Report on 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) as a basis for designing 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.

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. 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. However, we identified one deficiency in internal control that we consider to be a material weakness. The deficiency is described in the accompanying schedule of findings as item 2023-001.

Report on Compliance and Other Matters

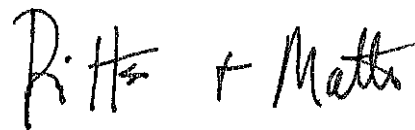
As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 one instance of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying Schedule of Findings as 2023-002.

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. 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
May 9, 2024

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

Schedule of Findings
For the Year Ended September 30, 2023

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 was one deficiency in internal control over financial reporting noted during the audit of the financial statements. This condition is reported as a material weakness.

Compliance and Other Matters

There was one instance of noncompliance or other matter noted during the audit of the financial statements that is required to be reported.

3. Federal Awards

This section is not applicable for the year ended September 30, 2023.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

Material Weaknesses

ITEM 2023-001 - LACK OF 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: Preferably, 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.

Instance of Non-Compliance

ITEM NO. 2023-002 - FAILURE TO FILE AUDIT REPORT ON TIME

Auditor's Comments

Condition: The Commission's audit was completed and furnished to the Louisiana Legislative Auditor within the required time frame of the approved extension request. However, because the extension is a nonemergency extension, a late filing finding is required to be reported.

Criteria: Audit reports should be filed with the Office of the Legislative Auditor no later than six months after the entity's fiscal year end.

Effect: Failure to complete and furnish the audit on time violated state statute. In addition, management should be presented with timely audited financial information so that they can better manage the Commission's operation.

Cause: Submission of the report beyond the due date, although extended on a non-emergency basis requires a finding.

Recommendations: The Commission should submit its audited financial statement within the required time frame.

Management's Response: We will take necessary steps to ensure that future financial statements are accurate and submitted within the prescribed time period.

C. FINDINGS AND QUESTIONED COSTS - FEDERAL AWARD PROGRAMS

This section is not applicable for the year ended September 30, 2023.

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 2022-001 Lack of Segregation of Duties

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

Corrective Action: This has not been corrected.

Instance of Non-Compliance

Item No. 2022-002 FAILURE TO FILE AUDIT REPORT ON TIME

Condition: The Commission's audit was not completed and furnished to Louisiana Legislative Auditor within the required time frame.

Corrective Action: This has not been corrected.

INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

Not applicable to prior year.



May 9, 2024

Mr. Michael J. "Mike" Waguespack, CPA
Legislative Auditor
State of Louisiana
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Mr. Waguespack:

The Atchafalaya Golf Course Commission respectfully submits the following corrective action plan for our period ended September 30, 2023.

CORRECTIVE ACTION:

Person Responsible: Jacob Dubois
Atchafalaya Golf Course Commission
P.O. Box 1109
Patterson, LA 70392

Time for Completion: September 30, 2024

Material Weaknesses:

RE: Item No. 2023-001 Lack of 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.



Item of Non-Compliance:

RE: Item No. 2023-002 Failure to File Audit Report on Time

Auditors' Comment: The Commission's annual audit report was submitted beyond the six month due date for the report as required by state law.

Corrective Action: We will take necessary steps to ensure that financial statements are accurate and submitted within the prescribed time period.

Atchafalaya Golf Course

Jacob Dubois
Director of Golf

985-395-GOLF(4653)

400 Cotten Road, Patterson, La 70392 · MAILING: P.O. Box 1109, Patterson, La 70392 · (985)399-4444FAX

38
www.atchafalayagolf.com

ATCHAFALAYA GOLF COURSE COMMISSION

STATE OF LOUISIANA

SCHEDULE OF PROCEDURES PERFORMED AND
ASSOCIATED FINDINGS BASED UPON THE
STATEWIDE AGREED-UPON PROCEDURES

FOR THE YEAR ENDED

September 30, 2023

WITH

AGREED UPON PROCEDURES REPORT

BY

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TABLE OF CONTENTS

	Page <u>No.</u>
Independent Certified Public Accountants' Report on Applying Agreed Upon Procedures	1-2
Schedule of Procedures Performed and Associated Findings Based upon the Statewide Agreed-Upon Procedures	
Guide to Presentation Format	3
Written Policies and Procedures	4-7
Board or Finance Committee	8-9
Bank Reconciliations	10
Collections (excluding electronic funds transfers)	11-13
Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)	14-16
Credit Card/Debit Card/Fuel Cards/Purchase Cards (Cards)	17
Travel and Travel-Related Expense Reimbursement (excluding card transactions)	18
Contracts	19
Payroll and Personnel	20
Ethics	21
Debt Service	22
Fraud Notice	23
Information Technology Disaster Recovery/ Business Continuity	24
Prevention of Sexual Harassment	25



INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners
Atchafalaya Golf Course Commission
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated in the attached Schedule of Procedures Performed and Associated Findings Based Upon the Statewide Agreed-Upon Procedures (Schedule), on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor (LLA)'s Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period October 1, 2022 through September 30, 2023. The Atchafalaya Golf Course Commission's (Commission) management is responsible for those C/C areas identified in the SAUPs presented in the attached Schedule.

The Commission has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period October 1, 2022 through September 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are included in the attached Schedule.

We were engaged by the Commission to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

Handwritten signature in black ink, appearing to read "P. H. & M. Melts".

CERTIFIED PUBLIC ACCOUNTANTS

Morgan City, Louisiana
May 9, 2024

ATCHAFALAYA GOLF COURSE COMMISSION
STATE OF LOUISIANA
Schedule of Procedures Performed and Associated Findings Based upon the
Statewide Agreed-Upon Procedures
For the Year Ended September 30, 2023

Guide to Presentation Format

This report contains these items presented in this order:

Statewide Agreed-Upon Procedures (AUPS) prescribed by the Louisiana Legislative Auditor (LLA),
Procedures performed by the Independent Certified Public Accountant,
Findings based upon the procedures performed, and
Management’s Comments relative to the findings, if applicable.

In order to facilitate understanding this report - the procedures and findings are presented in the following format:

<u>Order of Presentation</u>	<u>Presentation Format</u>
Area or function	Centered all CAPITALS IN BOLD TYPE
Statewide Agreed-Upon Procedures Prescribed (AUPS) by Louisiana Legislative Auditor (LLA)	Regular type highlighted with numbers or letters (if there are multiple parts)
Actual procedures performed by Independent Certified Public Accountant	Denoted as Procedure Performed: (in bold type) followed by procedure in regular type
Finding based upon procedure performed	Denoted as Findings: (in bold type) followed by findings in regular type
Management’s response to findings	Denoted as Management’s Response: (in bold type) followed by <i>managements response in italics</i>

WRITTEN POLICIES AND PROCEDURES

1) Written Policies and Procedures

- A) Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

Budgeting

- i) Budgeting, including preparing, adopting, monitoring, and amending the budget.

Procedure Performed: Obtained from management and inspected the Commission's written policies and procedures for budgeting.

Findings: Found the Commission has written policies and procedures that include the specified functions listed above, with the exception of monitoring, and amending the budget.

Purchasing

- ii) Purchasing, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.

Procedure Performed: Obtained from management and inspected the Commission's written policies and procedures for purchasing

Findings: Found the Commission has written policies and procedures that include the specified functions listed above, with the exception of how vendors are added to the vendor list, the preparation and approval process of purchase requisitions and purchase orders, controls to ensure compliance with the Public Bid Law, and documentation required to be maintained for all bids and price quotes.

Disbursements

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

Procedure Performed: Obtained from management and inspected the Commission's written policies and procedures for disbursements.

Findings: Found the Commission has written policies and procedures that include the specified functions above.

Receipts/Collections

- iv) Receipts/collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

WRITTEN POLICIES AND PROCEDURES (CONTINUED)

Procedure Performed: Obtained from management and inspected the Commission's written policies and procedures for receipts/collections.

Findings: Found the Commission has written policies and procedures that include the specified functions above.

Payroll/Personnel

- v) Payroll/Personnel, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

Procedure Performed: Inquired of management and obtained management's written representation that the Commission does not have written policies and procedures for payroll/personnel.

Findings: Found the Commission does not have written policies and procedures regarding payroll/personnel.

Contracting

- vi) Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

Procedure Performed: Obtained from management and inspected the Commission's written policies and procedures for contracting.

Findings: Found the Commission has written policies and procedures that include the specified functions above, with the exception types of services requiring written contracts, standard terms and conditions, legal review, and monitoring process.

Travel and Expense Reimbursement

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

Procedure Performed: Obtained from management and inspected the Commission's written policies and procedures for travel and expense reimbursement.

Findings: Found the Commission has written policies and procedures that include the specified functions above, with the exception of allowable expenses, dollar thresholds by category of expense, and required approvers.

WRITTEN POLICIES AND PROCEDURES (CONTINUED)

Credit Cards

- viii) Credit Cards (and debit cards, fuel cards, purchase cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

Procedure Performed: Inquired of management and obtained management's written representation that the Commission does not have written policies and procedures for credit cards

Findings: Found the Commission does not have written policies and procedures regarding credit cards.

Ethics

- ix) Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

Procedure Performed: Inquired of management and obtained management's written representation that the Commission does not have written policies and procedures for ethics.

Findings: Found the Commission does not have written policies and procedures regarding ethics.

Debt Service

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

Procedure Performed: Inquired of management and obtained management's written representation that the Commission does not have written policies and procedures for debt service.

Findings: Found the Commission does not have written policies and procedures regarding debt service.

WRITTEN POLICIES AND PROCEDURES (CONTINUED)

Information Technology Disaster Recovery/Business Continuity

- xi) Information Technology Disaster Recovery/Business Continuity, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Procedure Performed: We performed the procedures.

Findings: Discussed the findings with management.

Prevention of Sexual Harassment

- xii) Prevention of Sexual Harassment, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Procedure Performed: Inquired of management and obtained management's written representation that the Commission does not have written policies and procedures for prevention of sexual harassment.

Findings: Found the Commission does not have written policies and procedures regarding prevention of sexual harassment.

Management's response:

The Commission has policies and procedures in all areas above with the exception of Credit Cards and IT Disaster Recovery/Business Continuity. However, the only procedures in writing are as follows:

Budgeting, as it relates to preparing and adopting the budget.

Purchasing, as it relates to how purchases are initiated.

Disbursements

Receipts/Collections

Contracting, as it relates to the approval process

Travel and Expense Reimbursement, as it relates to documentation requirements

Atchafalaya Golf Course Commission is owned by the St. Mary Parish Council; therefore, Payroll/Personnel, Ethics, and Prevention of Sexual Harassment are handled by St. Mary Parish Council and are viewed during testing of the Council's SAUPs.

Due to the small size of our Commission, the simple scope of our business operations and our limited number of personnel, we do not believe it is cost effective to have written procedures in all areas. However, we plan to put our policies and procedures related to IT Disaster Recovery/Business Continuity into writing.

BOARD OR FINANCE COMMITTEE

2. Board or Finance Committee

A) Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and

- i) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Procedure Performed: Obtained and inspected the Commission's board minutes for the fiscal period, as well as the board's bylaws in effect during the fiscal period.

Findings: Found that the Commission met with a quorum for eleven of the twelve monthly board meetings required by the Commission's bylaws.

- ii) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

Procedure Performed: Obtained and read the Commission's board minutes for the fiscal period.

Findings: Observed the minutes referenced monthly budget-to-actual comparisons on proprietary funds.

- iii) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

The Commission is an Enterprise Fund; therefore, this step is not applicable.

BOARD OR FINANCE COMMITTEE

- iv) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Procedure Performed: Obtained and read the Commission's board minutes for the current fiscal period and corrective action plan for the prior audit period.

Findings: Found management's opinion on their segregation of duties finding is that the cost of taking corrective action exceeds the benefits of correcting the finding.

Management's response:

One of our monthly board meetings was cancelled due to the lack of a quorum. However, in the future, we will meet with a quorum for all monthly board meetings required by our bylaws.

BANK RECONCILIATIONS

3. Bank Reconciliations

- A) Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
- i) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - ii) Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - iii) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Procedures Performed: Obtained the listing of bank accounts from management and received management's representation that the listing is complete. The listing contained two bank accounts, one of which is a money market account that is not a part of the Commission's daily business operations. Therefore, we excluded the account for the purposes of the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures. For the remaining bank account, we randomly selected one month from the fiscal period and obtained and inspected the corresponding bank statement and bank reconciliation.

Findings:

- i) Observed there is evidence that each bank reconciliation was not prepared within 2 months of the related statement closing date.
- ii) Observed there is no evidence that a member of management/board member who does not handle cash, posts ledgers, or issues checks has reviewed each bank reconciliation.
- iii) Observed there were no reconciling items that have been outstanding for more than 12 months from the statement closing date.

Management' response:

In the future, we will prepare our bank reconciliations within 2 months of the related statement closing date, and we will include evidence that a member of management/board member who does not handle cash, posts ledgers, or issues checks has reviewed each bank reconciliation.

COLLECTIONS (EXCLUDING ELECTRONIC FUNDS TRANSFERS)

4. Collections (Excluding Electronic Funds Transfers)

- A) Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Procedure Performed: Obtained the listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete.

Findings: The Commission has only one deposit site.

- B) For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- i) Employees responsible for cash collections do not share cash drawers/registers.
- ii) Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
- iii) Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
- iv) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

Procedure Performed: Obtained the listing of collection locations for the Commission's one deposit site and management's representation that the listing is complete. Inquired of employees about the employees' job duties.

COLLECTIONS (EXCLUDING ELECTRONIC FUNDS TRANSFERS) (CONTINUED)

Findings: The Commission has only one collection location.

- i) Found that all employees who are responsible for collections do not share cash drawers/registers.
- ii) Found that one employee who is responsible for collecting cash is also responsible for preparing/making bank deposits. However, another employee is responsible for reconciling collection documentation to the deposit.
- iii) Found that all employees responsible for collecting cash are not responsible for posting collection entries to the general ledger or subsidiary ledger.
- iv) Found that the employees responsible for reconciling cash collections to the general ledger are not responsible for collecting cash.

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

Procedure Performed: Inquired of management and obtained management's representation that employees who have access to cash are not covered by a bond or insurance policy for theft.

Findings: Found that employees who have access to cash are not covered by a bond or insurance policy for theft.

- D) Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- i) Observe that receipts are sequentially pre-numbered.
- ii) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- iii) Trace the deposit slip total to the actual deposit per the bank statement.
- iv) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- v) Trace the actual deposit per the bank statement to the general ledger.

COLLECTIONS (EXCLUDING ELECTRONIC FUNDS TRANSFERS) (CONTINUED)

Procedure Performed: Randomly selected two deposit dates for the bank account selected in Bank Reconciliations procedure #3A (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected a deposit if multiple deposits were made on the same day). Obtained supporting documentation for each of the selected deposits, traced collection documentation to deposit slips, traced deposit slips to bank statements, and traced deposits per the bank statements to the general ledger. Observed dates on collection documentation and compared to dates of deposit per the bank statements.

Findings:

- i) Found the Commission does not use sequentially pre-numbered cash receipts.
- ii) Found that collection documentation agrees to the deposit slips.
- iii) Found that the deposit slips agree to the bank statements.
- iv) Observed that all deposits were made within one business day of receipt at the collection location.
- v) Found that all the actual deposits per the bank statements were recorded in the general ledger.

Management's response:

In the future, we will obtain a bond or insurance policy for theft covering all employees who have access to cash.

Although we do not have sequentially prenumbered cash receipts for our POS system deposits, the system prints detail receipts for each cash drawer which includes the date, the time, the employee responsible for collecting cash, and the amount that was collected per shift.

NON-PAYROLL DISBURSEMENTS – (EXCLUDING CARD PURCHASES, TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES)

5. Non-Payroll Disbursements (Excluding Card Purchases, Travel Reimbursements, and Petty Cash Purchases)

- A) Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Procedure Performed: Obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete.

Findings: The Commission has one location that processes payments.

- B) For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- i) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
- ii) At least two employees are involved in processing and approving payments to vendors;
- iii) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
- iv) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
- v) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

[Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

NON-PAYROLL DISBURSEMENTS – (EXCLUDING CARD PURCHASES, TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES)

Procedure Performed: Obtained a listing of employees involved with non-payroll purchasing and payment functions. We inquired of employees about their job duties.

Findings:

- i) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - ii) At least two employees are involved in processing and approving payments to vendors.
 - iii) The employee responsible for processing payments is not prohibited from adding/modifying vendor files. However, another employee is responsible for periodically reviewing changes to vendor files.
 - iv) The employee responsible for signing checks does not mail the checks. The employee responsible for mailing the checks is also responsible for processing payments.
 - v) The employee responsible for signing checks approves the electronic disbursement of funds.
- C) For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
- i) Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
 - ii) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

Procedure Performed: Obtained the Commission's non-payroll disbursements transaction population (excluding cards and travel reimbursements) and management's representation that the population was complete. Randomly selected 5 disbursements from the listing and obtained supporting documentation for each disbursement.

NON-PAYROLL DISBURSEMENTS -- (EXCLUDING CARD PURCHASES, TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES)

Findings:

- i) Found that 4 of the 5 selected disbursements matched the related original itemized invoice and supporting documentation indicated that deliverables included on the invoice were received by the Commission.
 - ii) Found that 4 of the 5 disbursements had documentation which included evidence that the Commission is following its policies as it relates to the segregation of duties tested under 5B(i) and 5B(ii). All 5 disbursements documentation included evidence of policies tested under 5B(iv). Policies tested under 5B(iii) and 5B(v) are not applicable because the vendor files were not added or modified for the selected disbursements, and none were electronically disbursed.
- D) Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Procedure Performed: Using the Commission's main operating account for the month selected in Bank Reconciliations procedure #3A, we selected all 4 of the Commission's non-payroll-related electronic disbursements that occurred and obtained supporting documentation for each disbursement.

Findings:

- a) Found there was no evidence disbursements were approved by only those persons authorized to disburse funds per the Commission's policy.
- b) Found there was no evidence disbursements were approved by the required number of authorized signers per the Commission's policy

Management's response:

Checks will no longer be mailed by the same employee who processes payments.

In the future, we will have supporting documentation for all non-payroll disbursements and will include evidence that only those authorized to sign checks are approving the electronic disbursement of funds.

CREDIT CARDS/DEBIT CARDS/ FUEL CARDS/PURCHASE CARDS (CARDS)

6. Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A) Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Procedure Performed: We inquired of management and obtained management's representation that the Commission does not have any credit cards, bank debit cards, fuel cards, or purchase cards (cards).

Findings: Found that the Commission does not have any credit cards, bank debit cards, fuel cards, or purchase cards (cards).

- B) Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and:

- i) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder (those instances requiring such approval may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
- ii) Observe that finance charges and late fees were not assessed on the selected statements.

- C) Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Procedures #6B and #6C are not applicable (See #6A above).

Management's response:

No comment.

TRAVEL AND TRAVEL-RELATED EXPENSE REIMBURSEMENTS (EXCLUDING CARD TRANSACTIONS)

7. Travel and Travel-Related Expense Reimbursements (excluding card transactions)

- A) Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- i) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - ii) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - iii) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
 - iv) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Procedure Performed: Obtained a general ledger for the Mileage/Travel account which included all travel and travel-related expense reimbursements during the fiscal period. Obtained management's representation that the general ledger is complete. Randomly selected 5 reimbursements and obtained the Commission's related expense reimbursement forms, Mileage Expense Report, as well as supporting documentation for each of the 5 reimbursements selected.

Findings: The only travel and travel-related expenses the Commission incurred during the fiscal period were mileage reimbursements to employees for use of their personal automobiles.

- i) Observed all five reimbursements included payment of mileage reimbursements at the Commission's rate, which is less than State of Louisiana and GSA rates.
- ii) Found no reimbursements used actual costs during the fiscal period.
- iii) Observed that all five reimbursements were supported by documentation of the business purpose.
- iv) Observed that 1 of the 5 reimbursements were reviewed and approved, in writing, by someone other than the person receiving the reimbursement.

Management's response:

In the future, we will have all reimbursements reviewed and approved, in writing, by someone other than the person receiving the reimbursement.

CONTRACTS

8. Contracts

- A) Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- i) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
 - ii) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
 - iii) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
 - iv) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Procedure Performed: Obtained a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period and management's representation that the listing is complete. The listing contained 1 contract. Selected the contract and randomly selected one payment from the fiscal period. Obtained the contract and the corresponding invoice.

Findings:

- i) Observed that the contract is not subject to the Louisiana Public Bid Law or Procurement Code.
- ii) Observed that the contract was approved by the Commission's board, as required by their policy.
- iii) Observed the contract provided for an amendment, and the amendment was made in compliance with the contract terms.
- iv) Observed that the supporting invoice for the contract agrees to the contract terms and conditions.

Management's response:

No comment.

PAYROLL AND PERSONNEL

9. Payroll and Personnel

- A) Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B) Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and:
 - i) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii) Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv) Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- C) Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- D) Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Procedure Performed: Inquired of management and obtained management's written representation that payroll and personnel processing is handled by the St. Mary Parish Council, who owns the Commission.

Findings: These steps are not applicable to the Commission; they will be viewed during St. Mary Parish Council's SAUPs.

Management's response:

No comment.

ETHICS

10. Ethics

- A) Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain ethics documentation from management, and:
- i) Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - ii) Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B) Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Procedure Performed: Inquired of management and obtained management's written representation that ethics is handled by the St. Mary Parish Council, who owns the Commission.

Findings: These steps are not applicable to the Commission; they will be viewed during St. Mary Parish Council's SAUPs.

Management's response:

No comment.

DEBT SERVICE

11. Debt Service

- A) Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

Procedure Performed: Inquired of management and obtained management's representation that there were no bonds/notes and other debt instruments issued during the fiscal period.

Findings: Found that no bond/notes and other debt instruments were issued during the fiscal period.

- B) Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Procedure Performed: Inquired of management and obtained management's representation that there were no bonds/notes outstanding at the end of the fiscal period.

Findings: Found that no bonds/notes were outstanding at the end of the fiscal period.

Management's response:

No comment.

FRAUD NOTICE

12. Fraud Notice

- A) Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

Procedure Performed: Inquired of management and obtained management's representation that the Commission did not have any misappropriation of public funds and assets during the fiscal period.

Findings: Found the Commission did not have any misappropriation of public funds and assets during the fiscal period.

- B) Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Procedure Performed: Observed the Commission posted on its premises and website, the notice required by R.S. 24:523.1.

Findings: Found the Commission posted on its premises and website, the notice required by R.S. 24:523.1.

Management's response:

No comment.

INFORMATION TECHNOLOGY DISASTER RECOVERY/BUSINESS CONTINUITY

13. Information Technology Disaster Recovery/ Business Continuity

A) Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**

- i) Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government’s local server or network, and (c) was encrypted.
- ii) Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- iii) Obtain a listing of the entity’s computers currently in use and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

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

Procedure Performed: We performed the procedures.

Findings: Verbally discussed the results with management.

PREVENTION OF SEXUAL HARRASSMENT

14. Prevention of Sexual Harassment

- A) Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B) Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
- C) Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
 - i) Number and percentage of public servants in the agency who have completed the training requirements;
 - ii) Number of sexual harassment complaints received by the agency;
 - iii) Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v) Amount of time it took to resolve each complaint

Procedure Performed: Inquired of management and obtained management's written representation that prevention of sexual harassment is handled by the St. Mary Parish Council, who owns the Commission.

Findings: These steps are not applicable to the Commission; they will be viewed during St. Mary Parish Council's SAUPs.

Management's response:

No comment.