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, 2019

CONTENTS

PITTS & MATTE
a corporation of
certified public accountants

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the major fund of Atchafalaya Golf Course Commission, a component unit of St. Mary Parish, as of and for the year ended September 30, 2019, and the related notes to these financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

p. o. box 2363 — morgan city, louisiana 70381-2363 — (985) 384-7545

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the major fund of Atchafalaya Golf Course Commission, as of September 30, 2019 and the respective changes in financial position and cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the Schedule of The Commission's Proportionate Share of Pension Liability (Asset) and the Schedule of Commission Contributions on pages 20-21 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 evidence to express an opinion or provide any assurance.

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated April 23, 2020, on our consideration of the Atchafalaya Golf Course Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contract, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of Atchafalaya Golf Course Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Atchafalaya Golf Course Commission's internal control over financial reporting and compliance.

Potts & Mutter

CERTIFIED PUBLIC ACCOUNTANTS

Morgan City, Louisiana
April 23, 2020

ATCHAFALAYA GOLF COURSE COMMISSION
Statement of Net Position (Deficit)
Enterprise Fund
September 30, 2019

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
CURRENT ASSETS	
Cash and cash equivalents	$ 9,898
Accounts receivable	300
Other receivables	14,029
Inventory	74,773
Total current assets	99,000
NONCURRENT ASSETS	
Property, plant and equipment at cost (net of accumulated depreciation of $829,203)	236,543
Total assets	335,543
DEFERRED OUTFLOWS OF RESOURCES	122,411
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 457,954
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	
CURRENT LIABILITIES	
Accounts payable and accrued expenses	$ 166,161
Lease obligation payable	110,889
Total current liabilities	277,050
LONG-TERM LIABILITIES	
Lease obligation payable after one year	45,697
Due to Affiliate	1,743,763
Net Pension Liability	145,545
Total Long-Term Liabilities	1,935,005
Total liabilities	2,212,055
DEFERRED INFLOWS OF RESOURCES	100,628
Total liabilities and deferred inflows of resources	2,312,683
NET POSITION (DEFICIT)	
Net investment in capital assets	79,957
Unrestricted	(1,934,686)
Total net position (deficit)	(1,854,729)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 457,954

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

ATCHAFALAYA GOLF COURSE COMMISSION

Statement of Revenues, Expenses and Net Position (Deficit)
Enterprise Fund
For the Year Ended September 30, 2019

OPERATING REVENUES		
Golf		$ 484,259
Golf equipment and accessories sales	110,778	
Less cost of goods sold	(95,454)	15,324
Food and beverage facility rental		48,031
Advertising packages revenue		123,473
Rentals		11,850
TOTAL OPERATING REVENUES		682,937
OPERATING EXPENSES		
Golf operations		275,364
Maintenance operations		654,217
Cart cost		105,886
General and administration		182,950
TOTAL OPERATING EXPENSES		1,218,417
INCOME (LOSS) FROM OPERATIONS		(535,480)
NON-OPERATING REVENUE (EXPENSES)		
Grants from St. Mary Parish Council		250,000
Interest expense		(5,538)
Nonemployer pension contributions		2,506
TOTAL NON-OPERATING REVENUE NET		246,968
DECREASE IN NET POSITION		(288,512)
NET POSITION (DEFICIT) - BEGINNING OF PERIOD		(1,566,217)
NET POSITION (DEFICIT) - END OF PERIOD		$ (1,854,729)

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

ATCHAFALAYA GOLF COURSE COMMISSION

Statement of Cash Flows - Enterprise Fund
For the Year Ended September 30, 2019

Increase (Decrease) in Cash and Cash Equivalents

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	$ 612,907
Cash paid to suppliers and employees	(911,927)
NET CASH USED BY OPERATING ACTIVITIES	(299,020)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Payment on capital lease	(91,952)
NET CASH USED BY CAPITAL AND RELATED ACTIVITIES	(91,952)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Grants received from St. Mary Parish Council	250,000
Increase in due to St. Mary Parish Council	128,830
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	378,830
CASH FLOWS FROM INVESTING ACTIVITY	
Non-Employer pension contribution	2,506
Net decrease in cash and cash equivalents	(9,636)
Cash and cash equivalents at beginning of period	19,534
Cash and cash equivalents at end of period	$ 9,898

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES:	
INCOME (LOSS) FROM OPERATIONS	$ (535,480)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	156,642
Decrease in other receivable	9,673
Decrease in inventory	13,117
Decrease in net pension asset	21,876
Increase in accounts payable and accrued expenses	36,593
Decrease in deferred inflows of resources	(67,283)
Increase in deferred outflows of resources	(79,703)
Increase in net pension liability	145,545
NET CASH USED BY OPERATING ACTIVITIES	$ (299,020)

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

ATCHAFALAYA GOLF COURSE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2019

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES

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

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

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

A. Reporting Entity

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

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

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

These financial statements include only the operations of the Commission.

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 in-flows of resources when received and recognized as revenue ratability over the advertising year.

Fees paid for annual play and cart rental packages cover the period October 1st through September 30th. Fees paid prior to September 30th for the next year are recognized as deferred in-flows of resources as of September 30, 2019.

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)	$122,411
Deferred Inflows of Resources	
Related to pension (Note 5)	$ 9,484
Related to unearned revenues	91,144
	$100,628

Unearned revenues reported by the Commission are for amounts received but not yet earned from unredeemed gift cards, GPS advertising, certain fees for annual play, 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 maturates of less than three months.

H. Accounts Receivable

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

I. Inventory

Golf merchandise inventory at September 30, 2019, of $74,773 is valued at the lower of cost of 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, 2019 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 2019, the carrying amount of the Commission's cash is $9,898 and the bank balance is $26,578 which is fully covered by federal depository insurance.

NOTE 3 - FIXED ASSETS

Capital asset activity for the year ended September 30, 2019 is as follows:

	Balance 9/30/18	Additions	Deletions	Balance 9/30/19
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			427,418
Course Maintenance Equipment	591,172			591,172
Total capital assets	1,065,746			1,065,746
Less depreciation	(672,561)	$(156,642)		(829,203)
Total capital assets, net	$393,185	$(156,642)	--	$236,543

Depreciation expense for the year ended September 30, 2019 was approximately $157,000 (including amortization of $140,000).

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

NOTE 4 - CAPITAL LEASE

In 2016, the Commission entered into a lease purchase agreement to acquire various pieces of golf course maintenance equipment. In 2015, the Commission entered into a lease purchase agreement to acquire 66 new golf carts and 1 new beverage cart. These lease agreements qualify as capital leases for accounting purposes and therefore the obligations have been recorded at the present value of the future minimum lease payments as of the lease inceptions.

At September 30, 2019, the equipment acquired under these leases is reported at $186,304 ($862,951 cost less $676,647 of accumulated depreciation).

The ending balance for the equipment lease obligations as of September 30, 2018 was $243,000. Payments of $86,414 during the year reduced the balance to $156,586 at September 30, 2019.

The future lease payments under these leasing arrangements as of September 30, 2019 are as follows:

Year Ended	Principal	Interest	Total
2020	$110,889	$8,255	$119,144
2021	45,697	530	46,227
Total	$156,586	$8,785	$165,371

NOTE 5 – 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.

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.

NOTE 5 – PENSION PLAN (continued)

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.

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.

NOTE 5 – PENSION PLAN (continued)

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, 2018, the actuarially determined contribution rate was 9.99% of member's compensation. However, the actual rate for the fiscal year ending December 31, 2018 was 11.50%. Contributions to the Pension Plan from the Commission were $20,968 for the year ended September 30, 2019.

According to state statute, the System also receives ¼ 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.

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

At September 30, 2019, the Commission reported a liability (asset) of $(145,545) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2018, 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, 2018, the Commission s proportion was 0.032792%, which was an increase of 0.000907% from its proportion measured as of December 31, 2017. For the year ended September 30, 2019, the Commission recognized pension expense of $56,276. The Commission recognized revenue of $2,506 as its proportionate share of non-employer contributions for the year ended September 30, 2019. At September 30, 2019, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTE 5 – PENSION PLAN (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 8,867
Change of assumptions	36,391	-
Net difference between projected and actual investment earnings on pension plan investments	69,673	
Change in proportion and differences between the Commission's contributions and proportionate share of contributions	331	617
Commission's contributions subsequent to the measurement date	16,016	-
	$ 122,411	$ 9,484

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:	
2019	$ 33,178
2020	18,015
2021	14,940
2022	30,778

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2018, are as follows:

Valuation Date	December 31, 2018
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.50% (Net of investment expense)
Expected Remaining Service lives	4 years
Projected Salary Increases	4.75% (2.35% Merit/2.40% 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 multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by130% for males and 125% for females using MP2018 scale for disabled annuitants.

NOTE 5 – PENSION PLAN (continued)

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.

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 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.43% for the year ended December 31, 2018.

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, 2018 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed Income	35%	1.22%
Equity	52%	3.45%
Alternatives	11%	0.65%
Real Assets	2%	0.11%
Totals	100%	5.43%
Inflation		2.0%
Expected Arithmetic Nominal Return		7.43%

Discount Rate

The discount rate used to measure the total pension liability was 6.50%. 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.

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 6.50%, 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 5.50% or one percentage point higher 7.50% than the current rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Commission's Proportionate Share of Net Pension Liability (Asset)	$ 309,098	$145,545	$8,828

The Parochial Employees' Retirement System of Louisiana issued a stand-alone audit report on its financial statements for the year ended December 31, 2018. 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 6 - RELATED PARTY AND ECONOMIC DEPENDENCE

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

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

The staff at the Course are employees of the Council. Initially the Commission agreed to reimburse the Council for the salaries and other costs of the Course's staff. At September 30, 2019 the Commission owed the Council $1,743,770 for salary and benefit reimbursements incurred through that time. The Council has agreed to defer repayment of amounts owed by the Commission until December 2020 at which time the Council may again defer repayment.

In December 2019, the Council approved reducing the amount owed by the Commission to the Council by approximately $1,700,000. The effects of this transaction will be reported in the Commission's financial statements for the year ended September 30, 2020.

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

NOTE 7 - RISK MANAGEMENT

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

NOTE 8 – CONTINGENCY

As a result of the COVID-19 pandemic, the Commission and the Council are diligently monitoring the course's operations to insure public safety and the requirements for social distancing. Accordingly, the Course is operating but has curtailed certain activities (tournaments, restaurant operations, and clubhouse rentals) and modified others (primarily use of carts). It is not known if these modifications to operations will significantly affect the Course's revenues or expenses.

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, 2018 (The Plan Measurement Date)

	2018	2017	2016	2015	2014
Commission's proportion of the net pension liability (asset)	0.032792%	0.031885%	0.033935%	0.034240%	0.033060%
Amount of Commission's proportionate share of the net pension liability (asset)	$ 145,545	$ (21,876)	$ 69,890	$ 90,117	$ 9,038
Commission's covered-employee payroll	$ 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	81.80%	(12.80)%	40.90%	43.55%	3.85%
Plan fiduciary net position as a percentage of the total pension liability	88.86%	101.98%	94.15%	92.23%	99.15%

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, 2019

	2019	2018	2017	2016	2015
Contractually required contribution	$ 20,968	$ 21,681	$ 23,205	$ 27,505	$ 28,839
Contributions in relation to the contractually require contribution	20,968	21,681	23,205	27,505	28,839
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Commission's covered-employee payroll	$ 182,327	$ 184,210	$ 183,689	$ 206,312	$ 193,651
Contributions as a percentage of covered-employee payroll	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

SUPPLEMENTARY INFORMATION

ATCHAFALAYA GOLF COURSE COMMISSION
Detail Schedule of Operating Expenses
For the Year Ended September 30, 2019

Golf operation

Advertising	$	4,260
Range Balls		7,380
Salary/wages/benefits		231,838
Pension		31,886
Total	$	275,364

Cart cost

Repairs & Maintenance	$	14,463
Insurance		5,839
Depreciation		85,584
Total	$	105,886

Maintenance operation

Depreciation	$	71,058
Dues & Subscriptions		1,233
Chemical/Pesticides		96,766
Fertilizer		22,827
Fuel & Lubricants		21,703
Irrigation & Drainage		17,736
Equipment Repair & Maint.		46,426
Sand & Top		9,077
Salary/Wages/Benefits		114,040
Outside Services		5,488
Insurance		4,393
Telephone		1,248
Supplies		29,250
Uniforms		7,618
Pension		24,390
Contract Labor		180,964
Total	$	654,217

General and administration

Credit Card Fees	$	11,975
Drug Screen Testing		957
Office Supplies		3,293
Equipment Rental		2,497
Building Repair & Maint.		41,950
Telephone		5,736
Supplies		28,363
Cable Services		1,384
Utilities		22,655
Dues and Subscriptions		4,053
Mileage/Travel		3,912
Professional Fees		22,489
Salary/Wages/Benefits		26,194
Computer/Maintenance		511
Uniforms		889
Miscellaneous		6,092
Total	$	182,950

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, 2019

Director of Golf: Edward F. Selser, Jr., PGA

Purpose	**Amount**
Salary	$ 73,500
Benefits-Insurance	12,556
Benefits-retirement	9,852
Reimbursements/Travel	2,313
Professional Dues	559
Total	$ 98,780

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

INTERNAL CONTROL OVER FINANCIAL REPORTING AND COMPLIANCE AND OTHER MATTERS SECTION

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners
Atchafalaya Golf Course
Patterson, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the business-type activities and the major fund of the Atchafalaya Golf Course Commission (Commission), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated April 23, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

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.

p. o. box 2363 — morgan city, louisiana 70381-2363 — (985) 384-7545

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, we identified two deficiencies in internal control that we consider to be material weaknesses. The deficiencies are described in the accompanying schedule of findings as items 2019-001 and 2019-002.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Atchafalaya Golf Course Commission's Response to Findings

Atchafalaya Golf Course Commission's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Commission's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is considered a public record and may be distributed by the Louisiana Legislative Auditor.

Pitts & Matte

CERTIFIED PUBLIC ACCOUNTANTS

Morgan City, Louisiana
April 23, 2020

ST. MARY PARISH
ATCHAFALAYA GOLF COURSE COMMISSION

Schedule of Findings
For the Year Ended September 30, 2019

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unmodified opinion on the financial statements of the Atchafalaya Golf Course Commission.

2. Independent Auditors' Report on Internal Control Over Financial Reporting and Compliance and Other Matters

   Internal Control

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

   Compliance and Other Matters

   There were no instances of noncompliance or other matters noted during the audit of the financial statements that are required to be reported.

3. Federal Awards

   This section is not applicable for the year ended September 30, 2019.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

Material Weaknesses

ITEM 2019-001 - SEGREGATION OF DUTIES

Auditors' Comments

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

Criteria: 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.

ITEM 2019-002 ACCURACY AND TIMELINESS OF ACCOUNTING PROCEDURES AND INFORMATION

Auditor's Comments

Condition: Underlying detail journals (cash, revenue, disbursement, and payroll) are prepared in a timely manner and properly reconciled during the year. However during the year, postings from detail journals to the general ledger were not posted and reconciled on a timely basis, were not always accurate, and differences were not properly adjusted. Bank accounts were not reconciled to the general ledger and adjusted on a timely basis during the year. Bank accounts were reconciled and adjusted at year end.

Subsequent to year end, general ledger was updated and reconciled to the underlying records and any needed adjustments were made.

Criteria: A good internal control system requires the general ledger to be maintained on a monthly basis and reconciled on a timely basis and any differences properly adjusted.

Effect: Failure to properly reconcile and adjust the general ledger on a timely basis during the year, can result in errors or irregularities not being discovered. In addition, reliance upon untimely or erroneous financial information may result in delayed or possibly incorrect decisions by management.

Cause: Lack of accounting and bookkeeping knowledge in house.

Recommendation: We recommend the Commission enhance its current level of bookkeeping and accounting expertise on an ongoing basis during the year.

Management's Comments: We will consider various methods to increase our bookkeeping and accounting capabilities and implement the method most appropriate for the Commission.

C. FINDINGS AND QUESTIONED COSTS - FEDERAL AWARD PROGRAMS

This section is not applicable for the year ended September 30, 2019.

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 2018-001 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.

Item 2018-002 Timeliness of Accounting Procedure and Information

Condition: Underlying detail journals (cash, revenue, disbursement, and payroll) are prepared in a timely manner and properly reconciled. However, postings from detail journals to the general ledger were not posted and reconciled on a timely basis, were not always accurate, and differences were not properly adjusted. Bank accounts were not reconciled to the general ledger and adjusted on a timely basis during the year.

Corrective Action: This has not been corrected.

INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

Not applicable to prior year.

THE Atchafalaya AT IDLEWILD

April 23, 2020

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

Dear Mr. Purpera:

The Atchafalaya Golf Course Commission respectfully submits the following corrective action plan for our period ended September 30, 2019.

CORRECTIVE ACTION:

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

Time for Completion: September 30, 2020

Material Weaknesses:

RE: Item No. 2019-001 Segregation of Duties

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

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

RE: Item No. 2019-002 Accuracy and Timeliness of Accounting Procedures and Information

Auditors' Comment: Postings from detail journals to the general ledger were not done on a timely basis, were not always accurate, and differences were not properly adjusted.

Corrective Action: We will consider various methods to increase our bookkeeping and accounting capabilities and implement the method most appropriate for the Commission.

Atchafalaya Golf Course

Ed Selser

Ed Selser
Director of Golf

ATCHAFALAYA GOLF COURSE COMMISSION

PARISH OF ST. MARY, STATE OF LOUISIANA

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

FOR THE YEAR ENDED
September 30, 2019
WITH
AGREED UPON PROCEDURES REPORT
BY
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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PITTS & MATTE

a corporation of
certified public accountants

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), which were agreed to by Atchafalaya Golf Course Commission and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period October 1, 2018 through September 30, 2019. The Commission's management is responsible for those C/C areas identified in the SAUPs presented in the attached Schedule. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described in the attached Schedule either for the purpose for which this report has been requested or for any other purpose.

This agreed-upon procedures engagement was conducted 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, 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.

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.

Pitts & Matte
CERTIFIED PUBLIC ACCOUNTANTS

Morgan City, Louisiana
April 23, 2020

p. o. box 2363 — morgan city, louisiana 70381-2363 — (985) 384-7545

ATCHAFALAYA GOLF COURSE COMMISSION
PARISH OF ST. MARY, STATE OF LOUISIANA
Schedule of Procedures Performed and Associated Findings Based upon the Statewide Agreed-Upon Procedures
For the Year Ended September 30, 2019

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:

Order of Presentation	**Presentation Format**
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 *managements response in italics*

The Commission is not subject to all possible Louisiana Legislative Auditor - State Wide Agreed-Upon Procedures. The numbers of the procedures in this report coincide with the numbers assigned to the specified procedures on the Louisiana Legislative Auditor's website. Therefore, because of certain excluded procedures, the procedure numbers used in this report are not in consecutive order.

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

Budgeting

a) Budgeting, including preparing, adopting, monitoring, and amending the budget

Procedure Performed: Inquired of management and obtained management's written confirmation that they do not have written policies and procedures for budgeting, however the entity follows state budget law which includes all required functions.

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

Purchasing

b) 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: Inquired of management and obtained management's written confirmation that they do not have written policies and procedures for purchasing.

Findings: Found that the Commission does not have written policies and procedure regarding purchasing.

Disbursements

c) Disbursements, including processing, reviewing, and approving

Procedure Performed: Inquired of management and obtained management's written confirmation that they do not have written policies and procedures for disbursements.

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

Receipts/Collections

d) 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).

Procedure Performed: Inquired of management and obtained management's written confirmation that they do not have written policies and procedures for receipts and collections.

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

Payroll/Personnel

e) Payroll/Personnel, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

Procedure Performed: Obtained from management and inspected the Commission's "Personnel Policy Manual" and read the written policies and procedures for payroll and personnel.

Findings: Found the Commission has written policies that includes the specified functions listed above.

Contracting

f) 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: Inquired of management and obtained management's written confirmation that they do not have written policies and procedures for contracts.

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

Credit Cards

g) Credit Cards (and debit cards, fuel cards, P-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 confirmation that they do not have written policies and procedures for credit cards.

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

Travel and expense reimbursement

h) 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 "Personnel Policy Manual" and read written policies and procedures for travel and expense reimbursement.

Findings: Found the Commission has written policies and procedures regarding travel and expense reimbursement related to the allowable expenses, documentation requirements, and required approvers.

Found the Commission does not have written policies and procedures regarding travel and expense reimbursement related to the dollar thresholds by category of expenses with the exception of mileage.

Ethics

i) Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

Procedure Performed: Inquired of management and obtained management's written confirmation that they do not have written policies and procedures for ethics.

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

Debt Service

j) 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 confirmation that they do not have written policies and procedures for debt service.

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

Disaster Recovery/Business Continuity

k) 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: Inquired of management and obtained management's written confirmation that they do not have written policies and procedures for disaster recovery/business continuity.

Findings: Found the Commission does not have written policies and procedures regarding disaster recovery/business continuity.

Management's response:

The Commission has policies and procedures in all areas above with the exception of Credit Cards and Disaster Recovery/Business Continuity. However, the procedures are only in writing for payroll/personnel which includes travel and expenses reimbursement.

We plan to put our policies and procedures related to Receipts/Collections and Disaster recovery/Business Continuity in writing.

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.

2. Obtain a listing of client 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 selected each account, and observe that:
   a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
   b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledger, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
   c) Management has documentation reflecting that it has research 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 written representation that the list is complete. Selected 2 bank accounts out of a total of 2 accounts and requested bank reconciliations and bank statements for both accounts for the one month randomly selected. Obtained and inspected bank statements for both accounts and the bank reconciliation prepared for the month selected for only 1 account, the Operating account.

Findings:

No bank reconciliations were prepared during the year for the Money Market account. There were no transactions in the Money Market account for the fiscal period other than an account service charge.

a) Observed there is no evidence that the bank reconciliation was prepared within 2 months of the related statement closing date.
b) Observed there is no evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation.
c) Observed that there were no items outstanding for more than 12 months

Management' response:
In the future we will prepare our bank reconciliations within two months of the related closing date and have them reviewed by the Director of Golf.

Bank reconciliations for the money market account will be prepared for months in which significant transactions occur.

4. 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 from management a listing of deposits sites for the fiscal period where deposits for cash/checks/money orders are prepared and management's representation that the listing is complete.

Findings: Found the Commission has only one deposit site.

5. 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 (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, 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:
   a) Employees that are responsible for cash collections do not share cash drawers/registers.
   b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
   c) Each employee responsible for collecting cash is not 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.
   d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

Procedure Performed: Obtained from management a listing of collection locations relating to the one deposit site and management's representation that the listing is complete. The Commission has only one collection location. For that collection location we inquired of employees about their job duties.

Findings:

a) Found that all employees who are responsible for cash collections at the collection location do not share cash drawers/registers.

b) Found that one employee who is responsible for collections is also responsible for making bank deposits. However, the Assistant Supervisor is responsible for reconciling collection documentation to the deposit.

c) Found that all employees responsible for collecting cash are not responsible for posting collection entries to the general ledger or subsidiary ledger. The Assistant Supervisor is responsible for posting collection entries to the general ledger.

d) Found that the Commission uses the End of Shift Reports and daily Variance Report to reconcile cash collections daily. Bank Statements and deposit slips are compared to the Variance Report and to the general ledger monthly. All of this is done by the Assistant Supervisor who is not responsible for cash collections.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Procedure Performed: Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

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

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (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). *Alternately, 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:

a) Observe that receipts are sequentially pre-numbered.
b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
c) Trace the deposit slip total to the actual deposit per the bank statement.
d) 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).
e) Trace the actual deposit per the bank statement to the general ledger.

Procedure Performed: Randomly selected two deposit dates for the District's two bank accounts (main operating account and money market account) and obtained supporting documentation (general ledger, deposit slips, copies of checks received [which denotes the date received], and bank statements) for each and performed the following procedures;

a) Observed the Commission has sequentially pre-numbered receipts.
b) Traced electronically sequentially pre-numbered receipt, End of Shift Report, invoices, and daily Variance Report to the deposit slip.
c) Traced the deposit slip total to the actual deposit per the bank statement.

d) Observed that the deposits were made within one business day of receipt.
e) Trace the actual deposit per the bank statement to the general ledger.

Findings: Found that the District's money market account had no deposits during the year.

a) Found the Commission does have sequentially pre-numbered receipts.
b) Collections documentation (electronically sequentially pre-numbered receipt, End of Shift Report, invoices, and daily Variance Report) agrees to the deposit slips.
c) Deposit slip total agrees to the deposit amount on the bank statement.
d) Found one deposit was not made within one business day of receipt. The other deposit was made within one day of receipt.
e) The actual deposit per bank statements agrees with the collection recorded in the general ledger.

Management's response:
We will put our policies and procedures in this area in writing.

We will obtain a fidelity bond or insurance policy for theft for individuals handling cash collections.

We will make all deposits within one business day of receipt at the collection location.

8. 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: We obtained a listing of locations that process payments from management and management's representation that the listing is complete.

Findings: Found the Commission has one location that process payments.

9. For each location selected under #8 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, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

b) At least two employees are involved in processing and approving payments to vendors.

c) 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.

d) 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.

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

Findings:

a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making purchase.

b) At least two employees are involved in processing and approving payments to vendors.

c) The employee involved in processing payments is prohibited from adding or modifying vendor's files. No employee is responsible for periodically reviewing changes to vendor files.

d) The employee responsible for signing checks does not mail the check. The Director of Golf gives signed checks to the Assistant Supervisor to mail. The Assistant Supervisor is also responsible for processing payment.

10. For each location selected under #8 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:

a) Observe that the disbursement matched the related original invoice/billing statement.

b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

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

Findings:
a) Found that disbursements matched the related original invoice.
b) Found that disbursement documentation included evidence that the Commission is following its policies as it relates to the segregation of duties tested under #9 a - c above. However, duties are not segregated as it relates to procedures listed under #9 d above.

Management's response:
Checks will no longer be mailed by the same employee who processes payments.

14. 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, 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:

   a. If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov)

   b) If reimbursed using actual cost, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

   c) 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 policy (procedures #1h).

   d) 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 Mileage/Travel account that included all travel and related expense reimbursements during the fiscal period. Obtained management's written representation that the general ledger is complete. Randomly selected 5 reimbursements, obtained the Mileage Expense Report for each selected reimbursement.

Findings:
The only travel and travel related expense the Commission incurred during the year was reimbursement for mileage to employees for use of their personal automobiles.

a) Not applicable as the Commission does not use per diem, except to reimburse mileage on personally-owned vehicles at a rate of $0.48 per mile which is less than the U.S. General Service Administration rate ($0.545 per mile)

b) Not applicable to the Commission as there were no reimbursements reimbursed using actual cost

c) Observed that all five reimbursements were supported by documentation (Mileage Expense Report) of the business purpose.

d) Observed that three out of five reimbursements were reviewed and approved by a person not receiving reimbursement and the other two reimbursements were not approved.

Management's response:
We will ensure all travel and expense reimbursements are reviewed and approved in writing by someone other than the person receiving reimbursement.