

**COUNTY OF SACRAMENTO
CALIFORNIA**

For the Agenda of:
February 27, 2018
“Communications Received and Filed” Item

To: Board of Supervisors

From: Department of Finance

Subject: Agreed-Upon Procedures Review Of Regional Park’s Agreement With CourseCo, Inc. For Management Services Provided At Mather Golf Course

Supervisory
District(s): All

Contact: Joyce Renison, Assistant Auditor-Controller, 874-7248

DISCUSSION

The Department of Regional Parks (Parks) has contracted with CourseCo, Inc. (CourseCo) for professional golf management services at Mather Golf Course since 1996. CourseCo is responsible for the operation of the pro shop, driving range, restaurant, course maintenance, and capital project management at the facility. The current agreement with CourseCo was authorized by the Board on December 13, 2011, Resolution number 2011-0924. As required by the agreement, financial records pertaining to the operation of Mather Golf Course shall be made available for audit upon request of Parks. Accordingly, Parks contracted the Department of Finance to perform the agreed-upon procedures engagement related to operations at Mather Golf Course for the period January 1, 2016 through December 31, 2016. The agreed-upon procedures report for the period January 1, 2016 through December 31, 2016 is attached (ATT 1) for your information.

During the agreed-upon procedures engagement performed at CourseCo, there was an exception noted that is specific to Parks’ oversight of CourseCo’s management of Mather Golf Course. The attached agreed-upon procedures report (ATT 2) describes the noted exception identified during the agreed-upon procedures review.

Respectfully submitted,

Ben Lamera
Director of Finance

Attachments:

- ATT 1 – Agreed-Upon Procedures Review Of Park’s Agreement With CourseCo, Inc. For Management Services Provided At Mather Golf Course
- ATT 2 - Park’s Finding Noted During the Review of Mather Golf Course’s Professional Golf Services Management Agreement With CourseCo, Inc.

Department of Finance

Ben Lamera
DirectorJoyce Renison
Assistant Auditor-Controller**County of Sacramento***Inter-Office Memorandum*

January 8, 2018

To: Jeffrey R. Leatherman
Director, Regional ParksFrom: Ben Lamera
Director of FinanceBy: Alan A. Matré, C.P.A. 
Chief of AuditsSubject: **AGREED-UPON PROCEDURES – REVIEW OF DEPARTMENT OF REGIONAL PARKS’ (PARKS) AGREEMENT WITH COURSECO, INC. (COURSECO) FOR MANAGEMENT SERVICES PROVIDED AT MATHER GOLF COURSE FOR THE PERIOD FROM JANUARY 1, 2016 TO DECEMBER 31, 2016**

We have performed the procedures enumerated below and on page 2, which were agreed to by you, for the County of Sacramento, Department of Regional Parks (Parks). These agreed-upon procedures were performed solely to evaluate CourseCo, Inc.’s (CourseCo) financial schedules and other operational responsibilities per the management agreement at Mather Golf Course (Mather) for the period of January 1, 2016 to December 31, 2016. Parks’ management is responsible for monitoring and maintaining sufficient internal controls for operations occurring at Mather. The sufficiency of the procedures is solely the responsibility of Parks. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. This report is applicable solely to procedures referred to below and is not intended to pertain to any of Parks’ and CourseCo.’s other operations, procedures, or compliance with laws and regulations.

The procedures and associated findings are as follows:

1. We reviewed CourseCo’s internal control system over the collection and recording of: green fee, pro shop (merchandise), restaurant, and alcohol revenue.

Finding: We did not note any exceptions as a result of our procedures.

2. We reviewed CourseCo's incentive and performance management fee calculation and payments.

Finding: Our prior finding related to the overpayment of incentive fees attributed to the incorrect computation of The Consumer Price Index (CPI) deflator was not resolved. See Attachment I, *Management Fee Schedule*. Also see Attachment II, *Comments and Recommendations*.

3. We reviewed if CourseCo obtained proper authorization for expense reimbursements from Parks for Mather operations.

Finding: We did not note any exceptions as a result of our procedures.

4. We reviewed CourseCo's submission of required revenues and compliance with major operational requirements of the Mather golf course agreement.

Finding: We noted several concerns as a result of our procedures. Our prior finding for missing capital asset tags was not resolved, and there are obsolete capital assets on the Mather G.C. inventory listing. In addition, we noted unauthorized imprest cash amounts and cashiering overages and shortages that are not tracked in COMPASS. See Attachment II, *Comments and Recommendations*.

5. We reviewed CourseCo's management of pro shop and restaurant inventories.

Finding: We did not note any exceptions as a result of our procedures.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not perform an audit or examination, the objective of which would be the expression of an opinion or conclusion, respectively, on CourseCo's fiscal processes or results of our procedures referred above. 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.

CourseCo's and Parks' responses to the findings identified during our engagement are described in Attachment II, *Comments and Recommendations*. We did not perform procedures to validate CourseCo's and Parks' responses to the findings and, accordingly, we do not express opinions on the responses to the findings.

Jeffrey R. Leatherman, Regional Parks Director

January 8, 2018

Page 3 of 3

This report is intended solely for the information and use of the Sacramento County Board of Supervisors, Sacramento County Audit Committee, Sacramento County Executive, and Parks' management. It is not intended to be, and should not be, used by anyone other than these specified parties. However, this restriction is not intended to limit distribution of this report, which is a matter of public record.

Attachments

Attachment I: *Management Fee Schedule*

Attachment II: *Comments and Recommendations*

cc: Members, Board of Supervisors
Nancy Newton, Assistant County Executive
David Villanueva, Deputy County Executive
Robert Leonard, Deputy County Executive
Britt Ferguson, Chief Fiscal Officer, County Executive Office
Greg Blik, Golf Division Manager, Department of Regional Parks

DEPARTMENT OF REGIONAL PARKS
 COURSECO, INC.
 MATHER GOLF COURSE
 MANAGEMENT FEE SCHEDULE
 FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2016

Management Fees

Fixed Management Fee:¹

<u>Invoice Month</u>	<u>Invoice Amount</u>
January 2016	\$ 6,494.60
February 2016	6,494.60
March 2016	6,494.60
April 2016	6,494.60
May 2016	6,494.60
June 2016	6,494.60
July 2016	6,494.60
August 2016	6,494.60
September 2016	6,494.60
October 2016	6,494.60
November 2016	6,494.60
<u>December 2016</u>	<u>6,494.60</u>
Total Fixed Fee	<u>\$ 77,935.20</u>

Performance Management Fee:²

<u>Revenue Category</u>	<u>Actual Receipts</u>
Green Fees	\$ 1,172,128
Cart Rental	373,296
Driving Range	230,173
Lessons	68,759
Café Sales	231,731
Club Rental/Repairs	3,403
Pro Shop Merchandise	468,258
Other Income	11,225
Total Golf Course Revenues	<u>\$ 2,558,973</u>
Performance Fee Threshold	<u>\$ 2,350,000</u>
Amount Above Threshold	<u>\$ 208,973</u>

Performance Management Fee @ 6% \$ 12,538

Notes to Management Fee Schedule:

- ¹ The Fixed Management Fee per the agreement was \$72,000 in 2012 (year 1) with a 2% annual increase in each of the years 2013 through 2016. Payments are made in twelve (12) equal monthly installments.
- ² The Performance Management Fee is 6% of the total gross revenues exceeding \$2,350,000 (excluding alcohol sales).

DEPARTMENT OF REGIONAL PARKS
COURSECO, INC.
MATHER GOLF COURSE
COMMENTS AND RECOMMENDATIONS
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2016

PRIOR FINDINGS For the Period July 1, 2009 through June 30, 2010 – Report Dated June 13, 2011

EQUIPMENT FINDING

1. Comment

In our examination of fixed assets, we noted a piece of equipment on the fixed asset account listing was missing (Jacobson mower asset #47939). Also, other assets present at Mather Golf Course (Mather) were lacking or had illegible County inventory identification tags.

For the engagement period July 1, 2006 through June 30, 2007, we were unable to obtain a complete and accurate fixed asset listing from the Department of Regional Parks (Parks) and CourseCo, Inc. (CourseCo). Parks acquired three (3) new mowers for operations at Mather, but the mowers did not appear on Parks' fixed asset schedule nor did they appear in the fixed asset listing in the signed operational agreement. Also, we noticed fixed asset inventory tags missing on three (3) pieces of selected equipment. Fixed assets placed into service were not properly tagged or the tags wore off. Therefore, we were unable to obtain a complete asset listing nor were we able to agree the selected asset sample to inventory tags.

During our review engagement for the period July 1, 2009 through June 30, 2010, we were unable to identify property tags for six (6) of the seven (7) items selected for testing, and two (2) equipment items could not be located. During our walk-through of the golf course corporation yard, we also noted a fixed asset item that was purchased through County of Sacramento (County) surplus but was forfeited by the buyer and non-operational equipment located on golf course grounds that are on the Parks' fixed asset listing.

Prior Recommendation

We recommend CourseCo update the fixed asset account listing and ensure County identification tags are affixed to equipment.

Current Status of Prior Year Finding

Five (5) of six (6) capital assets selected for testing did not have inventory tags affixed to them. Capital assets should be properly affixed with inventory tags that identifies and agrees the capital asset item to COMPASS.

Current Recommendation

We reiterate our prior recommendations and suggest capital assets located at Mather be affixed with inventory tags.

CourseCo's Response

We are currently working with the County representative to ensure that the correct tags are provided, placed on the equipment when purchased, and information is passed on to the County for recording into COMPASS.

DEPARTMENT OF REGIONAL PARKS
COURSECO, INC.
MATHER GOLF COURSE
COMMENTS AND RECOMMENDATIONS
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2016

PRIOR FINDINGS For the Period July 1, 2009 through June 30, 2010 – Report Dated June 13, 2011
(Continued)

Parks' Response

CourseCo was instructed at the time of the previous review (2011) to install a permanent tag to each piece of equipment since the County tags (stickers) do not handle the outdoor environment well. Each tag should correspond to an inventory listing for the property that will cross reference to the County Inventory number listed in COMPASS. CourseCo began installing new tags but have not finished. Parks Staff will ensure CourseCo completes this task soon.

INTERNAL CONTROL FINDINGS

2. Time Cards

We noted seven (7) time cards missing for the month of August 2006 and six (6) time cards missing for December 2006. We also noted that CourseCo did not require one of its employees to complete a time card. Time cards should be required and maintained by all hourly staff employed by CourseCo. As a result, we were unable to confirm hours worked for selected employees to payroll and reimbursement records. CourseCo did not maintain all time cards and paid one of its employees for eight (8) hours of work per week without requiring a time card.

During the engagement period of July 1, 2009 through June 30, 2010, we noted two (2) missing time cards.

Prior Recommendation

We reiterate our previous recommendation that CourseCo maintain and require all hourly staff to complete time cards.

Prior CourseCo, Inc. Response

We implemented a new time tracking system in January 2010 to capture all employees' time punches. This is an electronic system that is connected to our payroll system. If there is no time card, then an employee should not receive pay. We will iterate the company policy with the golf course staff and hold those accountable for inconsistencies.

Current Status of Prior Year Finding

This finding appears to have been resolved.

DEPARTMENT OF REGIONAL PARKS
COURSECO, INC.
MATHER GOLF COURSE
COMMENTS AND RECOMMENDATIONS
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2016

PRIOR FINDINGS For the Period July 1, 2009 through June 30, 2010 – Report Dated June 13, 2011
(Continued)

3. Fixed Assets and Incentive/Performance Fees

CourseCo and Parks do not have the necessary controls in place to track fixed assets and calculate incentive/performance fees. We were unable to agree selected fixed assets to the provided inventory schedule. Also, the incentive/performance fee invoice was incorrectly calculated and paid. This is due in part to Parks' reliance on CourseCo to compute the threshold incentive/performance totals rather than calculating the amount themselves per *EXHIBIT H* of the golf course agreement.

For the period of July 1, 2009 through June 30, 2010, Parks did not implemented internal controls in order to track fixed assets and review calculation errors on submitted incentive/performance fee invoices.

Prior Recommendation

We recommend the Parks and CourseCo implement internal controls that allow both agencies to manage fixed assets and to accurately calculate incentive/performance fees.

Prior CourseCo, Inc. Response

We will immediately work on a fixed asset listing in conjunction with the County. We will need to obtain a copy of the listing that the County currently has and either access to equipment tags or coordinate a walk-through with the appropriate County Representative to add tags and go over the adjustments to the listing.

Current Status of Prior Year Finding

This finding appears to have been resolved.

DEPARTMENT OF REGIONAL PARKS
COURSECO, INC.
MATHER GOLF COURSE
COMMENTS AND RECOMMENDATIONS
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2016

PRIOR FINDINGS For the Period July 1, 2009 through June 30, 2010 – Report Dated June 13, 2011
(Continued)

OPERATIONAL FINDINGS

4. Incentive/Performance Fee Payment Finding

CourseCo over-claimed \$2,267 in incentive/performance fees. CourseCo claimed \$52,747 for incentive/performance fees for the period of July 1, 2006, through June 30, 2007. Supporting documentation provided by CourseCo indicates that incentive/performance fees should be \$50,480. CourseCo's financial schedules did not agree to the incentive/performance fee invoice submitted to Parks for payment.

For the period July 1, 2009 through June 30, 2010, we noted the adjustment for the overpayment of incentive/performance fees paid in the amount of \$2,267 corrected on the July 2007 to June 2008 CourseCo invoice dated September 30, 2008. However, incentive/performance fees were overpaid by Parks in the amount of \$1,034. The Consumer Price Index (CPI) threshold amount used to determine fees to be paid was computed incorrectly. The CPI threshold amount was higher than what was originally reported which resulted in a lower incentive/performance fee.

Prior Recommendation

We recommend Parks recoup the overpaid amount of \$1,034, and review the CPI threshold calculations for the invoices submitted for fiscal years ended June 30, 2008 and 2009. Any overpayment of incentive/performance fees for fiscal years 2008 and 2009 should be remitted to Parks by CourseCo. We also recommend Parks' staff comply with *EXHIBIT H* of the agreement and compute the threshold amounts used by CourseCo to calculate the annual incentive/performance fee.

Prior CourseCo, Inc. Response

We believe that there is a conflict in the interpretation of the contract with regards to the calculation of the Performance Management Fee that still needs to be addressed before any action is taken with regards to the "overpayment" stated. If the auditors' recommended calculation is deemed the applicable format, then we would find it appropriate to recalculate all three years in question, FYE 2008, FYE 2009, and FYE 2010, to determine the correct amount due to the County or CourseCo.

Current Status of Prior Report Finding

We reiterate our previous recommendation and recommend Parks and CourseCo resolve this finding.

CourseCo's Response

We are currently working with the County representatives to determine the next course of action.

DEPARTMENT OF REGIONAL PARKS
COURSECO, INC.
MATHER GOLF COURSE
COMMENTS AND RECOMMENDATIONS
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2016

PRIOR FINDINGS For the Period July 1, 2009 through June 30, 2010 – Report Dated June 13, 2011
(Continued)

Parks' Response

At the time of the previous review (2011) the Deputy Director that was responsible for the Golf Division. In looking back at email correspondence with that individual at that time we found this statement from their draft response to the Department of Finance. *“Regional Parks staff discussed the discrepancy in the methodology for calculating the Incentive/Performance Fee Payments, specifically which annual CPI to use for the basis of the calculation. In the body of the agreement it states that CPI would be calculated ‘for the year ending December 31 of the prior calendar year.’ Regional Parks staff agrees with the methodology used by CourseCo in calculating their Incentive/Performance Fee”*. Apparently their responses to the 2011 review were never officially recorded. Current Parks Staff uphold this prior decision and agree with the methodology used by CourseCo in calculating Performance/Incentive Fees at that time.

5. Background Checks

We noted staff working at the golf course was not being fingerprinted as required by section 3.16 (Compliance with AB 1663 and AB 2986) of the operational agreement. The Mather manager and staff must sign a "Free from Felony/Misdemeanor Conviction Declaration" and be fingerprinted for a criminal background check if they will have direct contact with any minors. The required background check is not being performed.

Prior Recommendation

We recommend staff employed by CourseCo with contact with minors comply with AB 1663 (Education Code Section 10911.5) and AB 2986 (Public Resources Code Section 5164). We also recommend Parks' management ensure compliance with the operational agreement.

Prior CourseCo, Inc. Response

We will immediately contact our Park and Recreations Representative to obtain the “Free from Felony/Misdemeanor Conviction Declaration” form so that we can add this to our employee files and our new hire packets. Please note; our standard application for employment asks the following two questions: “Have you ever been convicted of a marijuana-related, felony or misdemeanor within the past two (2) years?” and “Have you ever been convicted of any other felony or misdemeanor within the past seven (7) years?” If yes is answered to either question, the applicant is asked to explain.

We have been in contact with our Parks and Recreation Representative who will help assist us on the best way to comply with the fingerprinting and criminal background checks for all employees with direct contact with minors and who that truly applies to.

DEPARTMENT OF REGIONAL PARKS
COURSECO, INC.
MATHER GOLF COURSE
COMMENTS AND RECOMMENDATIONS
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2016

PRIOR FINDINGS For the Period July 1, 2009 through June 30, 2010 – Report Dated June 13, 2011
(Continued)

Current Status of Prior Report Finding

CourseCo appears to be performing employment background checks and complying with AB 1663 and AB 2986.

6. Capital Improvement Project Funds

The operational agreement signed by Parks and CourseCo for the period of March 2007 to September 2011 requires CourseCo to spend \$130,000 for capital improvement projects at Mather within the first two years of the operational agreement. Only \$128,014.86 has been spent thus far. CourseCo and Parks changed the planned course improvements which resulted in delays to spending the improvement funds.

Prior Recommendation

We recommend all capital improvement project funds be spent as required by the golf course operational agreement.

Prior CourseCo, Inc. Response

The County and CourseCo have given much thought and consideration to the capital improvement projects at the course. Along with changes to the initial capital improvement budget, we have been able to save on projects by using in house labor and the group purchasing power. With these savings, we have been under our initial budget projections and have been continuously working on other smaller projects to meet our obligation of \$130,000. We just recently finished the golf shop renovation and still have approximately \$1,600 left to allocate to the course. The General Manager and County Parks and Recreation Representative are discussing what other projects would be the best way to allocate these funds. Our plan is to have this finished by the end of May 2011.

Current Status of Prior Report Finding

This finding appears to have been resolved.

DEPARTMENT OF REGIONAL PARKS
COURSECO, INC.
MATHER GOLF COURSE
COMMENTS AND RECOMMENDATIONS
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2016

CURRENT YEAR FINDINGS

OPERATIONAL FINDINGS

1. Cashiering Overages and Shortages

Cashiering overages and shortages occurring at Mather are not recorded on the County's financial system (aka COMPASS). Testing of ten (10) revenue days identified overages and shortages for each day selected for testing, but the overages and shortages were not recognized on COMPASS. CourseCo prepares deposit permit transmittals net of any overages and shortages. Cashiering overages and shortages should be properly reflected and tracked on COMPASS.

Recommendation

We recommend cashiering overages and shortages occurring at Mather be reflected on COMPASS.

CourseCo's Response

Since the form provided to the golf course from the County does not currently provide a specific line item to report the over and shortages, we will assist the County's Finance Department on the report format to reflect the overages and shortages separately for their entry into COMPASS.

Parks' Response

The cashiering overages and shortages fluctuate daily less than \$10 and from month to month but by year end the amount is usually nominal. Parks Staff believes the daily amount is immaterial for internal staff to record on a daily basis. Such recording would cost more in staff time and the Parks Department has limited resources. The monthly financial statement provided by CourseCo reflects overages and shortages. Revenues are adjusted by CourseCo in Deposit Permits recorded in COMPASS.

2. Unauthorized Imprest Cash

Imprest cash located at Mather does not agree to authorized amounts noted on COMPASS. CourseCo is maintaining an additional \$271.88 in unauthorized imprest cash that should be reflected on COMPASS or deposited with the County Treasury. The source of the additional \$271.88 is unknown. The \$271.88 amount is used by the pro shop as a petty cash fund for supporting golf operations.

Recommendation

We recommend all imprest cash located at Mather be accurately reflected on COMPASS. Additionally, Parks and CourseCo should reconcile the authorized imprest cash amount to COMPASS on a regular basis.

DEPARTMENT OF REGIONAL PARKS
COURSECO, INC.
MATHER GOLF COURSE
COMMENTS AND RECOMMENDATIONS
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2016

CURRENT YEAR FINDINGS
(Continued)

CourseCo's Response

We will work with the County to determine the next steps to bring the accounts in line with what the golf course and COMPASS reflects.

Parks' Response

Parks Staff will work with CourseCo Staff to make sure the correct amount of "cash on hand" at the property is being accounted for in COMPASS.

3. Obsolete Capital Assets

Two (2) capital assets (#47920 and #47964) located at Mather are obsolete. Only capital assets currently used to support Mather operations should be included on COMPASS. Obsolete capital assets should be surplus and removed from COMPASS. The capital asset listing for Mather is not accurate with the inclusion of obsolete assets. Parks and CourseCo are not identifying obsolete assets for removal when performing a physical inventory.

Recommendation

We recommend obsolete capital assets be identified, surplus, and removed from COMPASS.

CourseCo's Response

We have been working with the County representative for moving the obsolete capital assets to Surplus for the past 10 months. There have been multiple delays on accomplishing this task due to surplus paperwork requirements and staffing shortages at the golf course. We will continue to work on getting these and other items to surplus over the next few months.

Parks' Response

The two assets noted in the review (#47920 and 47964) are listed on an EMR from December 6, 2016, and are approved to be sent to Surplus along with ten other assets from Mather Golf Course. We have been in the process of moving obsolete equipment for quite some time. In this case CourseCo Staff has not been able to deliver any of the equipment listed on the EMR due to staffing issues in 2017. I am confident that all twelve pieces listed on the EMR will be delivered to Surplus this winter.

Department of Finance

Ben Lamera
Director

Auditor-Controller Division

Joyce Renison
Assistant Auditor-Controller**County of Sacramento***Inter-Office Memorandum*

January 8, 2018

To: Jeffrey R. Leatherman
Director, Regional ParksFrom: Ben Lamera
Director of FinanceBy: Alan A. Matré, C.P.A.
Chief of Audits

Handwritten signature of Alan A. Matré, Chief of Audits.

Subject: **DEPARTMENT OF REGIONAL PARKS FINDING NOTED DURING THE REVIEW OF MATHER GOLF COURSE'S PROFESSIONAL GOLF SERVICES MANAGEMENT AGREEMENT WITH COURSECO, INC. FOR THE PERIOD JANUARY 1, 2016 TO DECEMBER 31, 2016**

We were engaged by the Department of Regional Parks (Parks) to assist with evaluating CourseCo, Inc's. (CourseCo) operations at Mather Golf Course (4103 Zinfandel Drive, Mather, California 95655) as it pertains to the Professional Golf Services Management Agreement between Parks and CourseCo for the period of January 1, 2016 to December 31, 2016. During our review of Mather Golf Course's (Mather) operations, we noted a finding that is specific to Parks with respect to the management of Mather and the oversight of the Professional Golf Services Management agreement with CourseCo that Parks should be made aware of. Park's management is also responsible for ensuring Parks is complying with County of Sacramento policies and procedures. The sufficiency of the procedures is solely the responsibility of Parks. Consequently, we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose. This report is applicable solely to the procedure referred to below and is not intended to pertain to any of Parks' other operations, procedures, or compliance with laws and regulations.

The procedure and associated finding are as follows:

1. Inventoriable goods such as golf clubs, clothing, and food supplies located at Mather's pro shop and café were reviewed.

Finding: Pro shop and café inventoriable goods located at Mather as of December 31, 2016 are not recorded on COMPASS. See Attachment I, *Comment and Recommendation*.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not perform an audit or examination, the objective of which would be the expression of an opinion or conclusion, respectively, on Parks' fiscal processes or results of our procedures referred above. 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.

Parks' response to the finding identified during our engagement is described in Attachment I, *Comment and Recommendation*. We did not perform procedures to validate Parks' response to the finding and, accordingly, we do not express an opinion on the response to the finding.

This report is intended solely for the information and use of the Sacramento County Board of Supervisors, Sacramento County Audit Committee, Sacramento County Executive, and Parks' management. It is not intended to be, and should not be, used by anyone other than these specified parties. However, this restriction is not intended to limit distribution of this report, which is a matter of public record.

Attachment

Attachment I: *Comment and Recommendation*

cc: Members, Board of Supervisors
Nancy Newton, Assistant County Executive
David Villanueva, Chief Deputy County Executive
Robert Leonard, Deputy County Executive
Britt Ferguson, Chief Fiscal Officer, County Executive Office
Greg Blik, Golf Division Manager, Department of Regional Parks

DEPARTMENT OF REGIONAL PARKS
COURSECO, INC.
MATHER GOLF COURSE
COMMENT AND RECOMMENDATION
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2016

CURRENT FINDING

MATHER GOLF COURSE PRO SHOP AND CAFÉ INVENTORIES

Comment

Pro shop and café inventories owned by the County are not recorded on COMPASS. County owned inventories should be properly recorded and tracked on COMPASS. There is \$234,285.09 in pro shop and \$4,055.04 in café inventories as of December 31, 2016 not accounted for on COMPASS.

Recommendation

We recommend pro shop and café inventories be properly recorded and tracked on COMPASS.

Parks' Response

The Department of Regional Parks diligently collaborated with the County of Sacramento Department of Finance Auditor-Controller's office to record inventoried goods and related costs in COMPASS. Pro shop and café inventories as of December 31, 2016 were recorded and posted in COMPASS on 06/02/2017 with document Number 109163507.