

**ALEXANDRIA CITY MARSHAL
ALEXANDRIA, LOUISIANA**

September 30, 2019

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor’s Report.....	1
Government-Wide Financial Statements	4
Statement of Net Position	5
Statement of Activities	6
Fund Financial Statements.....	7
Governmental Funds	8
Balance Sheet – Governmental Funds	9
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	10
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	11
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities.....	12
Fiduciary Fund	13
Statement of Fiduciary Net Position	14
Statement of Changes in Fiduciary Net Position.....	15
Notes to Financial Statements.....	16
Required Supplementary Information.....	21
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual	22
Supplementary Information	23
Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer	24
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standard</i>	25
Schedule of Findings and Questioned Costs	27
Summary Schedule of Prior Audit Findings	31
Management’s Corrective Action Plan	32
Independent Accountant’s Report on Applying Agreed-Upon Procedures.....	34



OESTRIECHER & COMPANY

(A PROFESSIONAL ACCOUNTING CORPORATION)
CERTIFIED PUBLIC ACCOUNTANTS

4641 WINDERMERE PLACE
ALEXANDRIA, LA 71303

P.O. BOX 13500 • ALEXANDRIA, LA 71315-3500

PHONE (318) 448-3556 FAX (318) 448-4236
acct@oandcpcpas.com

EMILE P. OESTRIECHER, III, CPA
KURT G. OESTRIECHER, CPA
DALE P. DeSELLE, CPA

Independent Auditor's Report

Alexandria City Marshal
Alexandria, Louisiana

We have audited the accompanying financial statements of the governmental activities and each major fund of the Alexandria City Marshal, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Alexandria City Marshal'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.

Auditor's Responsibility

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

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

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



The CPA. Never Underestimate The Value.™

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of the Alexandria City Marshal as of September 30, 2019, and 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 budgetary comparison information on page 22 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 the management's discussion and analysis that accounting principles generally accepted in the United States required 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 opinions on the financial statements that collectively comprise the Alexandria City Marshal's basic financial statements. The schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer included on page 24 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 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 March 20, 2020, on our consideration of the Alexandria City Marshal's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 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 Alexandria City Marshal's internal control over financial reporting and compliance.

Oestriecker & Company, CPAs

OESTRIECKER & COMPANY
Certified Public Accountants
Alexandria, Louisiana

March 20, 2020

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**Alexandria City Marshal
Statement of Net Position
September 30, 2019**

	Primary Government Governmental Activities
Assets	
Cash	\$ 263,294
Court cost receivable	16,125
Capital assets, net of accumulated depreciation	55,386
Total assets	\$ 334,805
Liabilities	
Accounts payable	\$ 42,625
Payroll taxes payable	32
Total liabilities	42,657
Net position	
Net investment in capital assets	55,386
Restricted	106,459
Unrestricted	130,303
Total net position	\$ 292,148

The notes to the financial statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

Balance Sheet
Governmental Funds
Alexandria City Marshal
September 30, 2019

	<u>General</u>	<u>DWI Fund</u>	<u>Equipment Fund</u>	<u>Driver Improvement</u>	<u>Total Governmental Funds</u>
Assets					
Cash	\$ 157,964	\$ 63,237	\$ 38,568	\$ 3,525	\$ 263,294
Court costs receivable	11,846	127	4,152	-	16,125
Due from other funds	18,898	1,000	-	-	19,898
Total assets	<u>\$ 188,708</u>	<u>\$ 64,364</u>	<u>\$ 42,720</u>	<u>\$ 3,525</u>	<u>\$ 299,317</u>
Liabilities and Fund Balance					
Accounts payable	\$ 42,625	\$ -	\$ -	\$ -	\$ 42,625
Payroll taxes payable	32	-	-	-	32
Due to other funds	-	-	3,150	1,000	4,150
Total liabilities	<u>42,657</u>	<u>-</u>	<u>3,150</u>	<u>1,000</u>	<u>46,807</u>
Fund Balance					
Restricted	-	64,364	39,570	2,525	106,459
Unassigned	146,051	-	-	-	146,051
Total fund balances	<u>146,051</u>	<u>64,364</u>	<u>39,570</u>	<u>2,525</u>	<u>252,510</u>
Total liabilities and fund balances	<u>\$ 188,708</u>	<u>\$ 64,364</u>	<u>\$ 42,720</u>	<u>\$ 3,525</u>	<u>\$ 299,317</u>

The notes to the financial statements are an integral part of this statement.

**Reconciliation of the Balance Sheet
of Governmental Funds to the
Statement of Net Position
September 30, 2019**

Total fund balance-total governmental funds	\$ 252,510
Amounts reported for <i>governmental activities</i> in the statement of net position are different because:	
Capital assets of \$511,746 net of accumulated depreciation of \$456,360, are not financial resources and are not reported in the funds.	\$ 55,386
Internal service funds are used by management to charge the costs of certain activities to individual funds. Assets and liabilities of the internal services funds of \$15,748 are included in governmental activities, but not in the statement of net position.	<u>(15,748)</u>
Total adjustments	<u>39,638</u>
Net position of governmental activities	<u>\$ 292,148</u>

The notes to the financial statements are an integral part of this statement.

**Statement of Revenues, Expenditures, and Changes
in Fund Balances-Governmental Funds
Alexandria City Marshal
For the year ended September 30, 2019**

	<u>General Fund</u>	<u>DWI Fund</u>	<u>Equipment Fund</u>	<u>Driver Improvement</u>	<u>Total Governmental Funds</u>
Revenues:					
Court costs	\$ 177,588	\$ 1,920	\$ 39,570	\$ -	\$ 219,078
Other revenue	40,602	-	-	7,520	48,122
Interest	3,437	-	-	-	3,437
Total revenues	<u>221,627</u>	<u>1,920</u>	<u>39,570</u>	<u>7,520</u>	<u>270,637</u>
Expenditures:					
Current:					
General and administrative	205,822	5,965	-	4,995	216,782
Capital outlay	-	-	-	-	-
Total expenditures	<u>205,822</u>	<u>5,965</u>	<u>-</u>	<u>4,995</u>	<u>216,782</u>
Excess (deficiency) of revenues over expenditures	<u>15,805</u>	<u>(4,045)</u>	<u>39,570</u>	<u>2,525</u>	<u>53,855</u>
Fund balances, beginning of year	<u>130,246</u>	<u>68,409</u>	<u>-</u>	<u>-</u>	<u>198,655</u>
Fund balances, end of year	<u>\$ 146,051</u>	<u>\$ 64,364</u>	<u>\$ 39,570</u>	<u>\$ 2,525</u>	<u>\$ 252,510</u>

The notes to the financial statements are an integral part of this statement.

**Reconciliation of the Statement of
Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities
For the year ended September 30, 2019**

Net changes in fund balances-total governmental funds		\$ 53,855
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital expenditures	\$ -	
Depreciation expense	<u>(21,243)</u>	(21,243)
Changes in internal service funds balances		<u>(7,672)</u>
Change in net position of governmental activities		<u>\$ 24,940</u>

The notes to the financial statements are an integral part of this statement.

FIDUCIARY FUND

Statement of Fiduciary Net Position
Alexandria City Marshal
September 30, 2019

	Custodial Fund
<u>Assets</u>	
Cash and cash equivalents	\$ 96,624
Receivables	
Due from Indigent Defender	14,302
Total assets	\$ 110,926
<u>Liabilities</u>	
Due to general fund	\$ 15,748
Bonds held for future disposition	95,178
Total liabilities	\$ 110,926

The notes to the financial statements are an integral part of this statement.

Statement of Changes in Fiduciary Net Position
Alexandria City Marshal
September 30, 2019

	<u>Custodial Fund</u>
<u>Additions</u>	
Contributions	
Fines collected	\$ 982,299
Total additions	<u>982,299</u>
<u>Deductions</u>	
Fines disbursed	952,098
Bonds refunded	15,437
Total deductions	<u>967,535</u>
Net increase in fiduciary net position	14,764
Net position, beginning	<u>80,414</u>
Net position, ended	<u><u>\$ 95,178</u></u>

The notes to the financial statements are an integral part of this statement.

ALEXANDRIA CITY MARSHAL
Notes to the Financial Statements
September 30, 2019

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

Government-wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the Alexandria City Marshal as a whole, excluding fiduciary activities. Individual funds are not displayed.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity.

Fund Financial Statements

Fund financial statements are provided for governmental and fiduciary funds. Major individual governmental funds are reported in separate columns.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The accounting and reporting practices of the Alexandria City Marshal conform to generally accepted accounting principles as applicable to governmental units. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guidelines set forth in the Louisiana Municipal Audit and Accounting Guide and to the industry audit guide, Audits of State and Local Governmental Units. The following is a summary of certain significant accounting policies and practices:

Reporting Entity - In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth in GAAP. The basic, but not only criterion, for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criteria used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criteria used to evaluate potential component units for inclusion or exclusion from the

ALEXANDRIA CITY MARSHAL
Notes to the Financial Statements
September 30, 2019

reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities.

The Alexandria City Marshal is a potential component unit of the City of Alexandria, Louisiana. However, the Alexandria City Marshal is a separate reportable entity from the City of Alexandria because it is essentially an autonomous unit. The Marshal, an elected official, has the ability to exercise accountability for fiscal matters. The Alexandria City Marshal is financially independent from the City of Alexandria, Louisiana.

Fund Accounting - The accounts of the Alexandria City Marshal are organized on the basis of funds. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Funds are categorized as follows:

Governmental Fund Categories

General Fund - The General Fund is the general operating fund of the Alexandria City Marshal. It is used to account for all financial resources except those required to be accounted for in another fund.

DWI Fund - The DWI Fund is used to account for the proceeds of DWI fines that are set aside to monitor DWI probation activities.

Driver Improvement Fund – Fees are collected from the Rapides Parish Driver Improvement Program. The funds collected are used to pay for expenses related to the Driver Improvement classes.

Equipment Fund – Fees are collected from each suit that goes through Alexandria City Court. These fees are used at the Marshal’s discretion to pay for equipment purchases and upkeep.

Fiduciary Fund Category

The Fiduciary Fund is used to account for assets held by the Alexandria City Marshal as an agent for other governments, other organizations, and other funds. Fiduciary Funds are custodial in nature (assets = liabilities).

ALEXANDRIA CITY MARSHAL
Notes to the Financial Statements
September 30, 2019

Fund Balances

Alexandria City Marshal has adopted the provisions of GASB 54 related to the classification of governmental fund balances. The governmental fund balances are classified as follows:

Restricted – Restricted fund balances are amounts that are constrained for a specific purpose through restrictions of external parties or by constitutional provision or enabling legislation.

Unassigned – Unassigned fund balance is the residual classification and includes all amounts that are not restricted or constrained in any other classification or fund balance.

Basis of Accounting –The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). The fiduciary fund financial statements report uses the same focus and basis of accounting.

Governmental fund financial statements are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Fiduciary fund revenues and expenses or expenditures (as appropriate) should be recognized on the basis consistent with the fund's accounting measurement objective. The Alexandria City Marshal has one fiduciary fund, a custodial fund, which is purely custodial and thus does not involve measurement of results of operations.

The revenue received by the Alexandria City Marshal is generated through court costs allocated to the entity. Court costs are distributed based on schedules developed by the Louisiana Legislature. The office of the Alexandria City Marshal is responsible for collecting bonds and fines for cases in Alexandria City Court, then distributing these amounts when there is a disposition in the case. The amount of distribution that the entity will receive is recognized as of the last day of the month of disposition of the case.

Interfund Receivables and Payables - The Custodial Fund occasionally incurs costs such as check printing charges, cash shortages, and checks dishonored. The General Fund reimburses the Custodial Fund for these costs. Interest revenues earned on the custodial fund are used to offset these charges.

Budgets and Budgetary Accounting – The Alexandria City Marshal adopts a budget on a basis consistent with GAAP for the General Fund. The Alexandria City Marshal is required to present the adopted and final amended budgeted revenues and expenditures for

ALEXANDRIA CITY MARSHAL
Notes to the Financial Statements
September 30, 2019

the General Fund and Special Revenue Fund. The City Marshal establishes the fiscal year as the twelve-month period beginning October 1. The procedures detailed below are followed in establishing the budgetary data reflected in the financial statements.

Management prepares the proposed budget based on an estimate of the revenues expected to be received in the next fiscal year and submits the proposal to the Marshal who reviews and approves it. The budget is then submitted to the City of Alexandria and made available for public inspection.

The Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget (GAAP Basis) and Actual presents a comparison of budgetary data to actual results of operations for which annual budgets have been adopted. These funds utilize the same basis of accounting for both budgetary purposes and actual results.

Cash - Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Under state law, the Alexandria City Marshal may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates. This will affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these amounts.

Capital Assets - The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus.

All government fund type operations are accounted for on a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheets.

All capital assets are stated at historical cost. Historical costs include not only the purchase price and construction costs, but also ancillary charges to place the asset in its intended location and condition for use. Capital assets are depreciated using the straight-line method over their estimated useful lives.

Adoption of GASB 84

The Alexandria City Marshal early adopted the provisions of GASB 84 which require the presentation of both a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position.

ALEXANDRIA CITY MARSHAL
Notes to the Financial Statements
September 30, 2019

2. CASH

As of September 30, 2019, cash and cash equivalents totaled \$263,294, of which \$157,964 is classified as unrestricted. Cash balances are insured to Federal Deposit Insurance Corporation limits. Alexandria City Marshal had no cash balances that were not adequately secured.

3. CAPITAL ASSETS:

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

	October 1, <u>2018</u>	<u>Additions</u>	<u>Retirements</u>	September 30, <u>2019</u>
Equipment	\$ 203,987	\$ -0-	\$ -0-	\$ 203,987
Vehicles	<u>307,759</u>	<u>-0-</u>	<u>-0-</u>	<u>307,759</u>
Total cost	511,746	-0-	-0-	511,746
Accumulated depreciation	<u>(435,117)</u>	<u>(21,243)</u>	<u>-0-</u>	<u>(456,360)</u>
Capital assets, net	<u>\$ 76,629</u>			<u>\$ 55,386</u>

4. COMPENSATED ABSENCES:

The Alexandria City Marshal's obligation for employees' rights to receive compensation for future absences (such as vacation) was not material as of September 30, 2019, and thus, is not recognized in the accompanying financial statements.

5. INTERFUND RECEIVABLES AND PAYABLES:

A summary of the interfund receivables and payables by fund as of September 30, 2019, is presented below:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 18,898	\$ -0-
Equipment Fund	-0-	3,150
Driver Improvement Fund	-0-	1,000
DWI Fund	1,000	-0-
Custodial Fund	<u>-0-</u>	<u>15,748</u>
Totals	<u>\$ 19,898</u>	<u>\$ 19,898</u>

REQUIRED SUPPLEMENTARY INFORMATION

Alexandria City Marshal
Statement of Revenues, Expenditures, and Changes
in Fund Balance-Budget (GAAP Basis) and Actual
For the year ended September 30, 2019

	GENERAL FUND				SPECIAL REVENUE FUNDS			
	Original	Final	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)	Original	Final	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Revenues:								
Court costs	\$ 152,100	\$ 152,100	\$ 177,588	\$ 25,488	\$ 12,700	\$ 12,700	\$ 49,010	\$ 36,310
Other revenue	-	-	40,602	40,602	-	-	-	-
Interest	-	-	3,437	3,437	-	-	-	-
Total revenues	<u>152,100</u>	<u>152,100</u>	<u>221,627</u>	<u>69,527</u>	<u>12,700</u>	<u>12,700</u>	<u>49,010</u>	<u>36,310</u>
Expenditures:								
Salaries and wages	25,000	25,000	56,569	(31,569)	-	-	-	-
Payroll taxes	500	500	364	136	-	-	-	-
Advertising	1,000	1,000	656	344	-	-	-	-
Dues and subscriptions	1,000	1,000	140	860	-	-	-	-
Office equipment	1,000	1,000	-	1,000	-	-	-	-
Office maintenance	1,000	1,000	-	1,000	-	-	-	-
Miscellaneous	-	-	8,223	(8,223)	-	-	10	(10)
Office supplies	18,000	18,000	20,193	(2,193)	900	900	567	333
Janitorial	500	500	-	500	-	-	-	-
Postage	2,500	2,500	1,977	523	-	-	-	-
Cable	900	900	825	75	-	-	-	-
Travel	15,000	15,000	10,313	4,687	1,800	1,800	-	1,800
Seminars	-	-	2,240	(2,240)	-	-	10,383	(10,383)
Equipment maintenance	500	500	210	290	-	-	-	-
Legal and professional	32,000	32,000	33,000	(1,000)	-	-	-	-
Computer software	200	200	-	200	-	-	-	-
Insurance	40,000	40,000	60,896	(20,896)	-	-	-	-
Police Jury	-	-	-	-	-	-	-	-
Vehicle expenses	2,500	2,500	1,350	1,150	-	-	-	-
Bond expense	-	-	-	-	-	-	-	-
Uniforms	4,000	4,000	5,317	(1,317)	-	-	-	-
Telephone	5,000	5,000	3,105	1,895	-	-	-	-
Water	1,500	1,500	444	1,056	-	-	-	-
Capital Expenditures	-	-	-	-	10,000	10,000	-	10,000
Total expenditures	<u>152,100</u>	<u>152,100</u>	<u>205,822</u>	<u>(53,722)</u>	<u>12,700</u>	<u>12,700</u>	<u>10,960</u>	<u>1,740</u>
Excess (deficiency) of revenues over expenditures	-	-	15,805	15,805	-	-	38,050	38,050
Fund balances, beginning	<u>130,246</u>	<u>130,246</u>	<u>130,246</u>	<u>-</u>	<u>68,409</u>	<u>68,409</u>	<u>68,409</u>	<u>-</u>
Fund balances, ending	<u>\$ 130,246</u>	<u>\$ 130,246</u>	<u>\$ 146,051</u>	<u>\$ 15,805</u>	<u>\$ 68,409</u>	<u>\$ 68,409</u>	<u>\$ 106,459</u>	<u>\$ 38,050</u>

The notes to the financial statements are an integral part of this statement

SUPPLEMENTARY INFORMATION

**Alexandria City Marshal
Schedule of Compensation, Benefits, and Other Payments
To Agency Head or Chief Executive Officer
For the year ended September 30, 2019**

Agency Head Marshal Jerome Hopewell

Paid by Rapides Parish Police Jury

Salary	\$ 59,283
Retirement	7,776

Paid by Alexandria City Court

Marshal Commission - Garnishments	83,102
Marshal Commission - Court costs	52,740

Paid by Alexandria City Marshal

Cell Phone	887
Seminars - Travel	245

Paid by State of Louisiana

State Supplemental	8,333
--------------------	-------

\$ 212,366



OESTRIECHER & COMPANY

(A PROFESSIONAL ACCOUNTING CORPORATION)
CERTIFIED PUBLIC ACCOUNTANTS

4641 WINDERMERE PLACE
ALEXANDRIA, LA 71303

P.O. BOX 13500 • ALEXANDRIA, LA 71315-3500

PHONE (318) 448-3556 FAX (318) 448-4236
acct@oandcocpas.com

EMILE P. OESTRIECHER, III, CPA
KURT G. OESTRIECHER, CPA
DALE P. DeSELLE, CPA

Independent Auditor's 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*

Alexandria City Marshal
Alexandria, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of American 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 governmental activities and each major fund of the Alexandria City Marshal, as of and for the year ended September 30, 2019, and the related notes to the financial statements, and have issued our report thereon dated March 20, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Alexandria City Marshal'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Alexandria City Marshal's internal control. Accordingly, we do not express an opinion on the effectiveness of Alexandria City Marshal's internal control.

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a



deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses listed as items number 2019-001 and 2019-002.

Compliance

As part of obtaining reasonable assurance about whether Alexandria City Marshal's financial statements are free of 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 the following instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* listed as item numbers 2019-003, 2019-004, 2019-005, 2019-006, 2019-007, and 2019-008.

Alexandria City Marshal's Response to Findings

Alexandria City Marshal's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Alexandria City Marshal'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

This 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Oestricheer & Company, CPAs

OESTRIECHER & COMPANY
Certified Public Accountants
Alexandria, Louisiana

March 20, 2020

**Alexandria City Marshal
Schedule of Findings and Questioned Costs
For the year ended September 30, 2019**

Section I - Summary of Auditor's Reports

- The Independent Auditor's Report on the financial statements of the Alexandria City Marshal as of September 30, 2019 and for the year then ended reported an unmodified opinion.
- Two deficiencies in internal control were reported as material weaknesses as listed below
- Six acts of noncompliance of the Alexandria City Marshal were disclosed during the audit as listed below.

Section II - Financial Statement Findings

Report on Internal Control and Compliance Material to the Financial Statements

Finding 2019-001 – Job Description

Statement of Condition: The Alexandria City Marshal does not have a person on staff who has the qualifications and training to apply generally accepted accounting principles in recording financial transactions or preparing the financial statements.

Criteria: A reporting entity should be able to prepare financial statements in accordance with GAAP without any outside assistance.

Effect of Condition: The Alexandria City Marshal needed assistance in preparing the annual financial statements.

Cause of Condition: There was no written job description available to ensure hiring of staff that have appropriate training in applying generally accepted accounting principles.

Recommendation: The Alexandria City Marshal should consider the cost/benefit of hiring additional personnel with sufficient knowledge and training.

Questioned costs: None

Finding 2019-002 – Segregation of Duties

Statement of Condition: The Alexandria City Marshal does not have adequate segregation of duties within the administrative office.

Criteria: A system of internal control procedures requires a segregation of duties so that no individual handles a transaction from start to finish.

Effect of Condition: There could be a lack of oversight that could lead to improperly recorded transactions.

Cause of Condition: There is a small number of personnel employed by the Alexandria City Marshal.

Recommendation: The Alexandria City Marshal should monitor the assignment of duties to insure as much segregation of duties as possible.

Questioned costs: None

Finding 2019-003 – Issuing Employee Advances

Statement of Condition: An employee advance was given to an employee.

Criteria: Advances in salary for unearned compensation cannot be paid under Article VII, Section 14 of the Louisiana Constitution.

Effect of Condition: Alexandria City Marshal was not in compliance with Louisiana law.

Cause of Condition: Management was not aware of the restriction.

Recommendation: Alexandria City Marshal cannot give employees advances on payroll.

Questioned costs: \$150

Finding 2019-004 – Gift Purchase

Statement of Condition: Funds were used to purchase flowers for other individuals.

Criteria: Public funds cannot be donated under Article VII, Section 14 of the Louisiana Constitution.

Effect of Condition: Alexandria City Marshal was not in compliance with Louisiana law.

Cause of Condition: Management was not aware of the restriction.

Recommendation: Alexandria City Marshal cannot spend funds as a gift to other individuals.

Questioned costs: \$102

Finding 2019-005 – Custodial Disbursement Paid Twice

Statement of Condition: A custodial fund disbursement was paid twice.

Criteria: A system of internal control procedures should be in place to verify that custodial disbursements are only paid once.

Effect of Condition: Custodial fund disbursements can be overpaid to the corresponding governmental entity.

Cause of Condition: Entity did not have sufficient controls to make sure that a stop payment was completed and approved by the Marshal. Subsequent to year end, the funds were returned to the Alexandria City Marshal.

Recommendation: Alexandria City Marshal should implement written policies to ensure stop payments are processed for the reissuance of checks.

Questioned costs: None

Finding 2019-006 – Budget Violation

Statement of Condition: The budget showed a greater than 5% overage variance in general fund expenditures.

Criteria: Expenditures exceeded the amounts budgeted for the general fund by more than 5%.

Effect of Condition: Alexandria City Marshal was not in compliance with Louisiana budget law.

Cause of Condition: An amendment to the budget was not completed once Alexandria City Marshal realized that expenditures were exceeding 5% of the budget.

Recommendation: The Alexandria City Marshal should implement written policies to ensure Louisiana budget law is followed.

Questioned costs: None

Finding 2019-007 – Budget Violation

Statement of Condition: The budget was not made available for public inspection.

Criteria: Budgets must be made available for public inspection no later than fifteen days prior to the beginning of each fiscal year.

Effect of Condition: Alexandria City Marshal was not in compliance with Louisiana budget law.

Cause of Condition: Management was not aware of the requirement.

Recommendation: The Alexandria City Marshal should implement written policies to ensure Louisiana budget law is followed.

Questioned costs: None

Finding 2019-008 – Budget Violation

Statement of Condition: The budget did not include all information required by law.

Criteria: Budgets must include a signed budget message and a statement including items outlined in the Local Government Budget Act.

Effect of Condition: Alexandria City Marshal was not in compliance with Louisiana budget law.

Cause of Condition: Management was not aware of the requirement.

Recommendation: The Alexandria City Marshal should implement written policies to ensure Louisiana budget law is followed.

Questioned costs: None

Section III - Federal Award Findings and Questioned Costs

There were no federal awards.

**Alexandria City Marshal
Summary Schedule of Prior Audit Findings
For the year ended September 30, 2019**

Section I – Internal Control and Compliance Material to the Financial Statements

Finding No. 2018-001 - The Alexandria City Marshal does not have a person on staff who has the qualifications and training to apply generally accepted accounting principles in recording financial transactions or preparing the financial statements.

Corrective action taken- Condition is not resolved. See Finding 2019-001.

Finding No. 2018-002 - The Alexandria City Marshal does not have adequate segregation of duties within the administrative office.

Corrective action taken- Condition is not resolved. See Finding 2019-002.

Finding No. 2018-003 – Bonds received are not consistently being entered into the court system computer.

Corrective action taken- Condition has been resolved.

Finding No. 2018-004 – Multiple vendor invoices from the prior administration were not available for inspection by the auditor.

Corrective action taken- Condition has been resolved.

Finding No. 2018-005 – Payments to employees for travel, lodging, and meals did not have proper documentation and support.

Corrective action taken- Condition has been resolved.

Section II – Internal Control and Compliance Material to Federal Awards

Not applicable.

Section III – Federal Awards Findings and Questioned Costs

There were no federal awards.

**Alexandria City Marshal
P.O. Box 30
Alexandria, LA 71301**

March 20, 2020

MANAGEMENT'S CORRECTIVE ACTION PLAN

Alexandria City Marshal respectfully submits the following corrective action plan for the year ended September 30, 2019.

Name and address of contact person: Jerome Hopewell, Alexandria City Marshal, 515 Washington Street, Alexandria, Louisiana 71301.

Name and address of independent public accounting firm: Oestriecker and Company, CPAs, 4641 Windermere Place, Alexandria, Louisiana 71303-3548.

Audit period: October 1, 2018 through September 30, 2019.

The findings from the Schedule of Findings and Questioned Costs are discussed below. The findings are numbered consistently with the number assigned in the schedule. The Summary of Audit Results does not include findings and is not addressed.

FINDINGS-FINANCIAL STATEMENT AUDIT

FINDING 2019-001:

Recommendation: Alexandria City Marshal should consider the cost/benefit of hiring additional personnel with sufficient knowledge and training.

Action Taken: While management understands the nature of the finding and the necessity of personnel with qualifications that are higher than our current job descriptions, the benefits of hiring personnel with increased qualifications do not outweigh the costs.

FINDING 2019-002:

Recommendation: Alexandria City Marshal should monitor the assignment of duties to ensure as much segregation of duties as possible.

Action Taken: Employees will be monitored as effectively as possible with the limited staff.

FINDING 2019-003:

Recommendation: Alexandria City Marshal cannot give employees advances on payroll.

Action Taken: The Alexandria City Marshal will no longer allow employee advances.

FINDING 2019-004:

Recommendation: Alexandria City Marshal cannot spend funds as a gift to other individuals.

Action Taken: The Alexandria City Marshal will no longer spend funds on gifts.

FINDING 2019-005:

Recommendation: Alexandria City Marshal should develop and implement written policies to ensure stop payments are processed for the reissuance of checks.

Action Taken: The Alexandria City Marshal will develop and implement policies concerning reissuing checks.

FINDING 2019-006:

Recommendation: The Alexandria City Marshal should develop and implement written policies to ensure Louisiana budget law is followed.

Action Taken: Alexandria City Marshal will develop and implement policies concerning amendments to the budget.

FINDING 2019-007:

Recommendation: The Alexandria City Marshal should develop and implement written policies to ensure Louisiana budget law is followed.

Action Taken: Alexandria City Marshal will develop and implement policies concerning public inspection the budget.

FINDING 2019-008:

Recommendation: The Alexandria City Marshal should develop and implement written policies to ensure Louisiana budget law is followed.

Action Taken: Alexandria City Marshal will develop and implement policies concerning items included in the budget.



OESTRIECHER & COMPANY

(A PROFESSIONAL ACCOUNTING CORPORATION)
CERTIFIED PUBLIC ACCOUNTANTS

4641 WINDERMERE PLACE
ALEXANDRIA, LA 71303

P.O. BOX 13500 • ALEXANDRIA, LA 71315-3500

PHONE (318) 448-3556 FAX (318) 448-4236
acct@oandcocpas.com

EMILE P. OESTRIECHER, III, CPA
KURT G. OESTRIECHER, CPA
DALE P. DeSELLE, CPA

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Jerome Hopewell and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Alexandria City Marshal (Entity) 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 Entity's management is responsible for those C/C areas identified in the SAUPs.

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. 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 below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

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):

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

Results of Procedure: The written policies related to budgeting include information on all required elements.

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.

Results of Procedure: The written policies related to purchasing include information on all required elements.



- c) **Disbursements**, including processing, reviewing, and approving

Results of Procedure: The written policies related to disbursements include information on all required elements.

- 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).

Results of Procedure: The written policies related to receipts/collections include information on all required elements.

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

Results of Procedure: The written policies related to payroll/personnel include information on all required elements.

- 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

Results of Procedure: The written policies related to contracting include information on all required elements.

- 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)

Results of Procedure: The written policies related to credit cards include information on all required elements.

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

Results of Procedure: The written policies related to travel and expense reimbursement include information on all required elements.

- 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.

Results of Procedure: The written policies related to ethics include information on all required elements.

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

Results of Procedure: Alexandria City Marshal does not have any debt. Written policies are not applicable.

- 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.

Results of Procedure: The written policies related to disaster recover/business continuity include information on all required elements.

Bank Reconciliations

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:

Results of Procedure: There were six bank accounts open during the audit period. Five were randomly selected for testing.

- 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);

Results of Procedure: There was documented evidence indicating all bank account July 2019 bank reconciliations, selected for testing, were prepared September 30, 2019.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

Results of Procedure – Exception Noted: There was no evidence that a member of management, who does not handle cash, post ledgers, or issue checks, had reviewed the bank reconciliations. The bank reconciliations were prepared by an outside CPA firm.

Management's Response: The Alexandria City Marshal will request copies of completed bank reconciliations from the CPA firm monthly which will be reviewed by management.

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results of Procedure – Exception Noted: Both the operating and fine accounts had outstanding checks over 12 months without evidence of research. All other accounts did not have any checks over 12 months.

Management’s Response: Alexandria City Marshal will research all checks that have been outstanding for over 12 months.

Collections

3. 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).

Results of Procedure: There is one deposit site. This deposit site was selected for testing.

4. 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.

Results of Procedure: All 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.

Results of Procedure: All employees that are responsible for collecting cash are not responsible for preparing bank deposits.

- 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.

Results of Procedure: All employees that are responsible for collecting cash are not responsible for posting collection entries to the general ledger or subsidiary ledgers.

- 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.

Results of Procedure: All employees that are responsible for collecting cash are not responsible for reconciling cash collections.

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

Results of Procedure: All employees who have access to cash are covered by a bond or insurance policy for theft.

6. 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.

Results of Procedure: There was evidence that a pre-numbered receipt was issued when fines were paid to the agency fund. There were no pre-numbered receipts issued for all other fund deposits tested since the remaining deposits consisted of checks from agency funds and the City of Alexandria.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Results of Procedure: Pre-numbered receipts and system reports were traced to the deposit slip

- c) Trace the deposit slip total to the actual deposit per the bank statement.

Results of Procedure: The deposit slip total was traced to the bank statement for all items tested.

- 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).

Results of Procedure – Exception Noted: Four deposits tested were not made within one business day of receipt at the collection location. The longest known period of time between collection and deposit was twenty business days. Two deposits were unable to be dated. All other deposits tested were made within one business day.

Management’s Response: The Alexandria City Marshal will begin making deposits daily.

- e) Trace the actual deposit per the bank statement to the general ledger.

Results of Procedure: The agency fund’s MMA account did not have any deposits in the months selected for testing. All other funds’ deposits tested were traced from the actual deposit to the general ledger.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

7. 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).

Results of Procedure: Payments are processed at one location. This location was selected for testing.

8. For each location selected under #7 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.

Results of Procedure: Deputy Marshal Rhonda Henagan, initiates, approves, and makes purchases. The Marshal reviews all purchases.

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

Results of Procedure: Deputy Marshal Rhonda Henagan processes and approves payments to vendors. The marshal reviews all purchases.

- 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.

Results of Procedure: Deputy Marshal Rhonda Henagan has the ability to both process payments and add/modify vendor files. The Marshal reviews all new vendors.

- 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.

Results of Procedure – Exception Noted: Deputy Marshal Rhonda Henagan mails payments to vendors. Rhonda also processes payments and signs checks.

Management's Response: The Alexandria City Marshal will begin using an employee other than Deputy Marshal Rhonda Henagan to mail checks.

9. For each location selected under #7 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.

Results of Procedure: Two disbursements did not have an original invoice or billing statement to match with. All other tested disbursements 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 #8, as applicable.

Results of Procedure: None of the five items tested included evidence of segregation of duties tested under #8. All payments were processed and mailed by Rhonda Henagan.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

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

Results of Procedure: Alexandria City Marshal is in possession of two credit cards, one debit card, and two p-cards. All 5 cards were selected for testing.

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

a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]

Results of Procedure – Exception Noted: There was no evidence that any monthly statements were reviewed and approved by someone other than the authorized card holder.

Management's Response: The Alexandria City Marshal will have all credit card statements reviewed by someone other than the cardholder.

b) Observe that finance charges and late fees were not assessed on the selected statements.

Results of Procedure: There were no finance charges or late fees on the selected statements.

12. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Results of Procedure – Exception Noted: 5 out of 19 transactions did not have an original itemized receipt. 7 out of 19 transactions were not supported by any documentation of the business purpose. 10 out of 19 transactions contained an original itemized receipt and written documentation of the business/public purpose for all transactions tested. There were no meal charges on the statements selected for testing.

Management’s Response: The Alexandria City Marshal will develop policies to ensure that all credit card transactions will include an itemized receipt with the noted business purpose.

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

13. 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).

Results of Procedure: Per diem reimbursement rates issued by Alexandria City Marshal agreed with the rates established by the State of Louisiana.

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

Results of Procedure: There were no reimbursements issued using actual costs.

- 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 (procedure #1h).

Results of Procedure: All tested reimbursements were supported by documentation of their business purpose.

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results of Procedure: There was evidence demonstrating tested reimbursements were reviewed or approved.

Payroll and Personnel

14. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Results of Procedure: The City of Alexandria pays all full-time employees of Alexandria City Marshal. Personnel files and salary information are kept at the City of Alexandria.

15. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

Results of Procedure: Daily attendance records were examined for all part-time employees. There were no daily attendance records for full time employees since this information is maintained by the City of Alexandria.

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

Results of Procedure: There was no leave taken by full-time employees during the period selected for testing. Part-time employees are not eligible for leave. Attendance records for part-time employees were approved by each employee's supervisor. There were no attendance records on file for full-time employees since this information is maintained by the City of Alexandria.

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Results of Procedure: Cumulative leave records are maintained by the City of Alexandria.

16. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

Results of Procedure: There were no termination payments issued during the fiscal period.

17. Obtain management’s representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers’ compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Results of Procedure: Management represents that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers’ compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Ethics

18. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above obtain ethics documentation from management, and:

- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

Results of Procedure: Each employee/official, selected for testing, had obtained documentation they completed one hour of ethics training during the fiscal period.

- b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity’s ethics policy during the fiscal period.

Results of Procedure – Exception Noted: There was no documentation to demonstrate that the employees selected for testing read the entity’s ethics policy during the fiscal period. Their document was dated January 13, 2020.

Management’s Response: The Alexandria City Marshal will develop procedures to verify that all employees have read the entity’s ethics policy during the fiscal period.

Other

19. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management’s representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Results of Procedure: Management does not believe there were any misappropriation of public funds or assets.

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

Results of Procedure: The entity has the notice required by R.S. 24:523.1 posted on its premises and website.

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 is distributed by the LLA as a public document.

Oestriecher & Company, CPAs

OESTRIECHER & COMPANY
Certified Public Accountants
Alexandria, Louisiana

March 20, 2020