

**ALEXANDRIA CITY COURT
ALEXANDRIA, LOUISIANA**

SEPTEMBER 30, 2018

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Independent Auditor's Report

To the Honorable Judge Richard Starling, Jr.
Alexandria City Court
City of Alexandria, Louisiana

We have audited the accompanying financial statements of the governmental activities and each major fund of the Alexandria City Court, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Alexandria City Court'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.

Opinions

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 Court as of September 30, 2018, 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 26 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 require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Alexandria City Court'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 11, 2019 on our consideration of the Alexandria City Court'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 Court's internal control over financial reporting and compliance.

Oestriecher & Company, CPAs

OESTRIECHER & COMPANY
Certified Public Accountants
Alexandria, Louisiana

March 11, 2019

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**Alexandria City Court
Statement of Net Position
September 30, 2018**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Cash	\$ 92,459	\$ -	\$ 92,459
Investments, at cost	1,186,156	-	1,186,156
Accrued interest receivable	4,392	-	4,392
Due from Alexandria City Marshal	20,646	-	20,646
Capital assets, net of accumulated depreciation	40,647	-	40,647
Total assets	1,344,300	-	1,344,300
 <u>Liabilities</u>			
Current liabilities			
Accounts payable	\$ 2,650	\$ -	\$ 2,650
Due to other funds	6,348	-	6,348
Other liabilities	1,157	-	1,157
Total current liabilities	10,155	-	10,155
 <u>Net Position</u>			
Net investment in capital assets	40,647	-	40,647
Restricted	625,750	-	625,750
Unrestricted	667,748	-	667,748
Total net position	\$ 1,334,145	\$ -	\$ 1,334,145

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

**Alexandria City Court
Statement of Activities
For the year ended September 30, 2018**

	<u>Program Revenues</u>				<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Government</u>		
					<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
GOVERNMENTAL ACTIVITIES							
Primary Government							
Governmental activities							
General government	\$ 231,888	\$ 336,810	\$ -	\$ -	\$ 104,922	\$ -	\$ 104,922
Probation activities	128,071	72,216	-	-	(55,855)	-	(55,855)
Courtroom	83,739	101,890	-	-	18,151	-	18,151
Total governmental activities	<u>443,698</u>	<u>510,916</u>	<u>-</u>	<u>-</u>	<u>67,218</u>	<u>-</u>	<u>67,218</u>
Total primary government	<u>\$ 443,698</u>	<u>\$ 510,916</u>	<u>\$ -</u>	<u>\$ -</u>	<u>67,218</u>	<u>\$ -</u>	<u>\$ 67,218</u>
General revenues:							
					8,529		
					17,000		
					-		
					<u>25,529</u>		
					<u>92,747</u>		
					<u>1,241,398</u>		
					<u>\$ 1,334,145</u>		

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

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

Balance Sheet
Governmental Funds
Alexandria City Court
September 30, 2018

<u>Assets</u>	<u>General</u>	<u>Probation</u>	<u>Maintenance</u>	<u>Building</u>	<u>Total Governmental Funds</u>
Cash	\$ 12,170	\$ 26,622	\$ 35,539	\$ 18,128	\$ 92,459
Investments, at cost	621,156	410,000	-	155,000	1,186,156
Accrued interest receivable	443	3,923	-	26	4,392
Due from Alexandria City Marshal	20,646	-	-	-	20,646
Due from other funds	36,414	-	-	14,053	50,467
Total assets	\$ 690,829	\$ 440,545	\$ 35,539	\$ 187,207	\$ 1,354,120
 <u>Liabilities and fund balance</u>					
Liabilities:					
Accounts payable	\$ 79	\$ -	\$ -	\$ 2,571	\$ 2,650
Due to other funds	21,845	34,970	-	-	56,815
Other liabilities	1,157	-	-	-	1,157
Total liabilities	23,081	34,970	-	2,571	60,622
Fund balance:					
Restricted	-	405,575	35,539	184,636	625,750
Unassigned	667,748	-	-	-	667,748
Total fund balances	667,748	405,575	35,539	184,636	1,293,498
Total liabilities and fund balances	\$ 690,829	\$ 440,545	\$ 35,539	\$ 187,207	\$ 1,354,120

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, 2018**

Total fund balance-total governmental funds	\$ 1,293,498
Amounts reported for <i>governmental activities</i> in the statement of net position are different because:	
Capital assets of \$829,387 net of accumulated depreciation of (\$788,740), are not financial resources and, therefore, are not reported in the funds.	<u>40,647</u>
Net position of governmental activities	<u>\$ 1,334,145</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 Court
For the year ended September 30, 2018**

	General Fund	Probation	Maintenance Fund	Building Fund	Total Governmental Funds
Revenues:					
Court costs	\$ 256,124	\$ 61,066	\$ -	\$ 101,890	\$ 419,080
Cooperative agreement income	17,000	-	-	-	17,000
Other revenue	80,696	11,150	-	-	91,846
Interest	7,851	464	18	196	8,529
Total revenues	<u>361,671</u>	<u>72,680</u>	<u>18</u>	<u>102,086</u>	<u>536,455</u>
Expenditures:					
Current:					
General Fund	228,704	-	-	-	228,704
Probation	-	125,768	-	-	125,768
Maintenance	-	-	64	-	64
Building	-	-	-	64,117	64,117
Capital outlay	-	-	-	12,873	12,873
Total expenditures	<u>228,704</u>	<u>125,768</u>	<u>64</u>	<u>76,990</u>	<u>431,526</u>
Excess (deficiency) of revenues over expenditures	132,967	(53,088)	(46)	25,096	104,929
Other financing sources (uses)					
Transfers (to) from other funds	-	-	-	-	-
Fund balances, beginning of year	<u>534,781</u>	<u>458,663</u>	<u>35,585</u>	<u>159,540</u>	<u>1,188,569</u>
Fund balances, end of year	<u>\$ 667,748</u>	<u>\$ 405,575</u>	<u>\$ 35,539</u>	<u>\$ 184,636</u>	<u>\$ 1,293,498</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, 2018**

Net changes in fund balances-total governmental funds	\$ 104,929
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	12,873
Depreciation expense	(21,861)
Changes in internal service fund balances	<u>(3,194)</u>
Change in net position of governmental activities	<u>\$ 92,747</u>

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

FIDUCIARY FUND

**Statement of Fiduciary Net Assets-Fiduciary Fund
Alexandria City Court
September 30, 2018**

	<u>Agency Funds</u>
<u>Assets</u>	
Cash	\$ 1,217,943
Investments, at cost	824,708
Due from General Fund	<u>7,792</u>
Total assets	<u><u>\$ 2,050,443</u></u>
<u>Liabilities</u>	
Advanced court costs	\$ 2,047,822
Bond forfeitures	1,177
Due to General Fund	<u>1,444</u>
Total liabilities	<u><u>\$ 2,050,443</u></u>

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

NOTES TO FINANCIAL STATEMENTS

Alexandria City Court
Notes to Financial Statements

September 30, 2018

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

These financial statements are presented in conformity with generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant accounting policies affecting their presentation.

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 Court as a whole excluding fiduciary activities. Individual funds are not displayed but the statements distinguish governmental activities from business-type activities.

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.

The Alexandria City Court has implemented GASB 63 which requires the presentation of a Statement of Net Position instead of a Statement of Net Assets in the government wide financial statements.

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

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 criteria 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 criteria involves considering whether the activity benefits the government and/or its citizens, or whether the

Alexandria City Court
Notes to Financial Statements

September 30, 2018

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

The Alexandria City Court is a potential component unit of the City of Alexandria, Louisiana. However, the Alexandria City Court is a separate reportable entity from the City of Alexandria because it is an autonomous unit and is a separate political division of the Judicial Division of the State of Louisiana. The City Judge, an elected official, has the ability to exercise accountability for fiscal matters. The Alexandria City Court is financially independent from the City of Alexandria, Louisiana.

Governmental Funds –

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

Special Revenue Funds – Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Probation Fund – Fees are collected and used to pay for operating expenses of the Probation Program, which was established to aid the Alexandria City Court in monitoring and compliance with probationary terms of those individuals who have been placed on probation by the judge.

Building Fund – Fees are collected from each suit that comes through the court. These fees are used at the Judge's discretion to pay for building and equipment upkeep.

Maintenance Fund – Fees were previously collected from the Rapides Parish Driver Improvement Program. The Program used the City Court building to conduct driver improvement classes. The building is no longer used to conduct these classes. The funds still available are used to pay for maintenance and upkeep on the building.

**Alexandria City Court
Notes to Financial Statements**

September 30, 2018

Fiduciary Funds –

Agency Funds - Agency funds are used to account for assets held by Alexandria City Court as an agent for other governmental departments, other organizations and other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Advance Court Costs Fund - Advance court costs are deposits made by plaintiffs who file civil suits. These deposits are recorded as a liability. The court acts only as a collection agent for fees in civil matters. As the suits are processed, the various fees earned are paid out on a monthly basis. Thus, the activity in this account is not reflected in the statement of revenues collected and expenditures paid. After a case is dismissed, any excess deposit is refunded to the plaintiff.

Garnishments Fund - The Court acts as a collection agent for garnishments when they are assessed in a civil suit. Ordinarily, the balance in this account represents amounts that have been received by the Court but have not yet been distributed to the person or agency to which they are due.

Bond Forfeiture Fund - To account for the collection and ultimate disposition of bonds posted by citizens who have been issued citations for traffic violations or arrested for criminal offenses. Bonds posted by violators are held until their cases are heard in Alexandria City Court. At that time, the bonds for persons convicted of violations are distributed to various agencies.

Restitution Fund – The Court collects restitution from persons who have been convicted of crimes. The court acts only a collection agent for restitution funds. The restitution funds are collected and then remitted to the injured party in criminal cases.

Fund Balances

Alexandria City Court 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.

Alexandria City Court
Notes to Financial Statements

September 30, 2018

Unassigned – Unassigned fund balance is the residual classification and includes all amounts that are not restricted or constrained in any other classification of 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). Fiduciary fund financial statements report using 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 Court has four fiduciary funds, agency funds, which are purely custodial and thus do not involve measurement of results of operations.

Cash and cash equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities less than 30 days. Under state law, the city court 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.

Investments

Investments are limited by R.S. 33:2955 and the City Court's investment policy. If the original maturities of investments exceed 30 days, they are classified as investments; however, if the original maturities are 30 days or less, they are classified as cash equivalents. Investments are recorded at cost which approximates market value.

**Alexandria City Court
Notes to Financial Statements**

September 30, 2018

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.

2. CASH AND INVESTMENTS:

As of September 30, 2018, cash deposits totaled \$1,310,402, of which \$1,217,943 is restricted and accounted for in the fiduciary funds. Cash balances are insured to Federal Deposit Insurance Corporation limits. Alexandria City Court had no cash balances that were not adequately secured.

As of September 30, 2018, the Alexandria City Court had certificates of deposit totaling \$2,010,864. The certificates bear interest ranging from 0.10% to 2.65% and have maturities ranging from ninety-one days to sixty months, with penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect on the financial statements. The certificates are reflected as investments, at cost, on the Governmental Funds Balance Sheet and the Statement of Fiduciary Net Assets.

3. COURT COSTS PAYABLE:

These various liabilities represent charges against advance court costs deposited for each case and are based on the processing of the case by the Judge and/or Marshal. As activity occurs in the suit, the advance court costs account is decreased and the related liability account is decreased.

**Alexandria City Court
Notes to Financial Statements**

September 30, 2018

4. INTERFUND RECEIVABLES AND PAYABLES:

A summary of the interfund receivables and payables by fund at September 30, 2018 is presented below:

	<u>Interfund Payables</u>	<u>Interfund Receivables</u>
Advanced Court Costs Fund	\$ 1,349	\$ 0
Bond Forfeiture Fund	0	927
Garnishments Fund	0	6,865
Restitution Fund	95	0
Building Fund	0	14,053
General Fund	21,845	36,414
Probation Fund	<u>34,970</u>	<u>0</u>
	<u>\$ 58,259</u>	<u>\$ 58,259</u>

5. 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.

**Alexandria City Court
Notes to Financial Statements**

September 30, 2018

Capital asset activity for the year ended September 30, 2018 was as follows:

	Balance <u>9/30/17</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>9/30/18</u>
Furniture and fixtures	\$ 160,808	\$ 11,274	\$ -0-	\$ 172,082
Office equipment	505,214	1,599	-0-	506,813
Vehicles	64,277	-0-	-0-	64,277
Building improvements	<u>86,215</u>	<u>-0-</u>	<u>-0-</u>	<u>86,215</u>
Totals	816,514	12,873	-0-	829,387
Accumulated depreciation	<u>(766,879)</u>	<u>(21,861)</u>	<u>-0-</u>	<u>(788,740)</u>
Capital assets, net	<u>\$ 49,635</u>			<u>\$ 40,647</u>

6. **COMPENSATED ABSENCES:**

The Alexandria City Court's obligation for employees' rights to receive compensation for future absences (such as vacation) was not material as of September 30, 2018, and thus, is not recognized in the accompanying financial statements.

7. **ECONOMIC DEPENDENCY:**

All revenues collected for Court Costs are received from the Alexandria City Court's office. These monies are expended in the operation of the office of the Alexandria City Court.

8. **EMPLOYEE BENEFIT PLAN – DEFINED CONTRIBUTION:**

Alexandria City Court adopted a Saving Incentive Match Plan for Employees of Small Employers (SIMPLE) Plan that covers employees that are not covered under a labor negotiated retirement plan. The Plan is a defined contribution plan. The employees may voluntarily contribute a portion of their wages to the SIMPLE Plan on a tax-deferred basis. The Court matches up to 3% of compensation that each participant contributed to the Plan, which are immediately 100% vested. The employer contribution is established by the Plan document and is in accordance with IRS guidelines. The Court's contributions of \$1,331 were funded prior to year-end.

SUPPLEMENTARY INFORMATION

Alexandria City Court
Schedule of Compensation, Benefits, and Other Payments
To Agency Head or Chief Executive Officer
For the year ended September 30, 2018

Agency Head Judge Richard Starling

Salary	\$ 139,358
Retirement	55,887
Health insurance	26,623
Seminars, meals, lodging	<u>4,274</u>
Total	<u>\$ 226,142</u>

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule
All Governmental Fund Types
Alexandria City Court
For the year ended September 30, 2018

	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	\$ 220,000	\$ 260,000	\$ 256,124	\$ (3,876)	\$ 185,000	\$ 163,000	\$ 162,956	\$ (44)
Other revenue	165,000	100,000	97,696	(2,304)	3,000	-	11,150	11,150
Interest	1,000	1,000	7,851	6,851	2,650	650	678	28
Total revenues	<u>386,000</u>	<u>361,000</u>	<u>361,671</u>	<u>671</u>	<u>190,650</u>	<u>163,650</u>	<u>174,784</u>	<u>11,134</u>
Expenditures:								
Salaries and wages	240,000	128,000	128,274	(274)	70,000	88,000	87,927	73
Payroll taxes	15,000	15,000	15,887	(887)	6,000	6,000	6,662	(662)
Retirement expense	4,000	4,000	1,331	2,669	-	-	-	-
Law books	-	-	-	-	2,000	2,000	2,880	(880)
Computer services	-	-	-	-	30,000	30,000	28,163	1,837
Dues and subscriptions	1,500	1,500	819	681	-	-	-	-
Capital expenditures	-	-	-	-	8,500	14,000	12,873	1,127
Uniforms	-	-	-	-	-	-	-	-
Equipment lease	3,000	3,000	-	3,000	-	-	1,007	(1,007)
Bank charges	3,000	3,000	4,798	(1,798)	-	-	979	(979)
Miscellaneous	-	-	4,776	(4,776)	-	-	2,674	(2,674)
Office supplies	500	500	742	(242)	20,300	28,000	28,421	(421)
Postage	15,000	20,000	20,112	(112)	300	200	-	200
Transfer to City of Alexandria	-	-	-	-	-	-	-	-
Repairs & maintenance	2,500	2,500	250	2,250	5,500	5,500	5,350	150
Legal & professional	14,000	14,000	15,719	(1,719)	4,500	4,500	17,826	(13,326)
Janitorial	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-
Insurance	14,000	14,000	19,031	(5,031)	11,500	11,500	5,537	5,963
Vehicle maintenance & expense	-	-	-	-	1,000	1,000	2,523	(1,523)
Storage	-	-	-	-	-	-	-	-
Seminars	15,000	15,000	16,965	(1,965)	-	-	-	-
Telephone	-	-	-	-	-	-	-	-
Total expenditures	<u>327,500</u>	<u>220,500</u>	<u>228,704</u>	<u>(8,204)</u>	<u>159,600</u>	<u>190,700</u>	<u>202,822</u>	<u>(12,122)</u>
Excess (deficiency) of revenues over expenditures	58,500	140,500	132,967	(7,533)	31,050	(27,050)	(28,038)	(988)
Other financing sources (uses)								
Transfers	-	-	-	-	-	-	-	-
Fund balances, beginning	534,782	534,782	534,782	-	653,790	653,790	653,790	-
Fund balances, ended	<u>\$ 593,282</u>	<u>\$ 675,282</u>	<u>\$ 667,749</u>	<u>\$ (7,533)</u>	<u>\$ 684,840</u>	<u>\$ 626,740</u>	<u>\$ 625,752</u>	<u>\$ (988)</u>



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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*

To the Honorable Judge Richard Starling, Jr.
Alexandria City Court
Alexandria, Louisiana

We have audited the financial statements of the governmental activities and each major fund of the Alexandria City Court, as of and for the year ended September 30, 2018, and the related notes to the financial statements, and have issued our report thereon dated March 11, 2019. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Alexandria City Court's internal control over financial reporting as a basis for designing our auditing procedures 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 Court's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Alexandria City Court's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of current and prior year findings, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.



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 current and prior year findings to be material weaknesses listed as items number 2018-001 and 2018-002.

Compliance

As part of obtaining reasonable assurance about whether Alexandria City Court'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Alexandria City Court's response to the findings identified in our audit are described in the accompanying Management's Corrective Action Plan. We did not audit Alexandria City Court's response and, accordingly, we express no opinion on it.

This report is intended solely for the information of management and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Oestriecher & Company, CPAs

OESTRIECHER & COMPANY
Certified Public Accountants
Alexandria, Louisiana

March 11, 2019

**ALEXANDRIA CITY COURT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended September 30, 2018**

Section I-Summary of Auditor's Reports

1. The auditor's report expresses an unqualified opinion on the basic financial statements of Alexandria City Court.
2. Two material weaknesses disclosed during the audit of the basic financial statements are reported in the 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*.
3. No instances of noncompliance material to the basic financial statements of Alexandria City Court were disclosed during the audit.

Section II - Financial Statement Findings

Finding 2018-001 – Segregation of Duties

Statement of Condition – Alexandria City Court 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 – Lack of oversight could lead to improperly recorded transactions.

Cause of condition – There is a small number of personnel employed by Alexandria City Court.

Recommendation – Alexandria City Court should monitor the assignment of duties to insure as much segregation of duties as possible.

Questioned costs – None

Finding 2018-002 – Job Description

Statement of Condition – The job description for bookkeeper does not describe all of the requirements necessary so that Alexandria City Court will hire someone with sufficient training and knowledge that has the ability to prepare financial statements in accordance with GAAP.

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

Effect of Condition – A number of audit adjustments were recorded due to the lack of experience and training by the bookkeeper. The audit firm was also required to assist management in the preparation of financial statements in accordance with GAAP.

Cause of Condition – Job description did not stipulate requirements for hiring personnel with knowledge of GAAP.

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

Questioned Costs – None

Section III – Federal Awards Findings and Questioned Costs

There were no federal awards.

Alexandria City Court
Summary Schedule of Prior Audit Findings
For the year ended September 30, 2017

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

Finding No. 2017-1-The Alexandria City Court does not have adequate segregation of duties within the administrative office.

Corrective action taken- Condition is not resolved. See Finding 2018-001.

Finding No. 2017-2-The Alexandria City Court 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 2018-002.

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 Court
P.O. Box 30
Alexandria, LA 71301**

March 11, 2019

MANAGEMENT'S CORRECTIVE ACTION PLAN

Alexandria City Court respectfully submits the following corrective action plan for the year ended September 30, 2018.

Name and address of contact person: Richard Starling, Jr., Alexandria City Judge, P.O. Box 30, Alexandria, Louisiana 71301.

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

Audit period: October 1, 2017 through September 30, 2018.

The finding from the Schedule of Findings and Questioned Costs are discussed below. The finding is 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 NO. 2018-001:

Recommendation: Alexandria City Court 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 NO. 2018-002

Recommendation: Alexandria City Court 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.



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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Judge Richard Starling, Jr. and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Alexandria City Court (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, 2017 through September 30, 2018. 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

Finding: 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.

Finding: The written policies related to purchasing include information on all required elements.



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

Finding: 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).

Finding: 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.

Finding: 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

Finding: 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)

Finding: 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

Finding: 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.

Finding: 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.

Finding: The written policies related to debt service include information on all required elements.

Board or Finance Committee

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

Finding: Alexandria City Court does not have a board or finance committee. This section is not applicable.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

Finding: Four of the five accounts tested included evidence that a bank reconciliation was prepared within two months of the related statement closing date. One account tested did not include such evidence.

- 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

Finding: Four of the five accounts tested did not include evidence that a member of management who does not handle cash, post ledgers, or issue checks reviewed the bank reconciliation. One account tested included evidence that a member of management reviewed the bank reconciliation.

- 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.

Finding: Three of the accounts tested had no outstanding items for more than twelve months from the statement closing date. Two of the accounts tested had documentation reflecting that management had researched reconciling items that had been outstanding for more than twelve months.

Collections

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

Finding: Alexandria City Court provided a listing of deposit sites for the fiscal period and represented that the listing was complete.

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

Finding: Alexandria City Court provided a listing of collection locations and represented that the listing was complete.

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

Finding: The two employees who collect cash do not possess a cash drawer or register. All collections and change are kept in the bookkeeper's office. When cash is collected it is brought to the bookkeeper immediately.

- 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.

Finding: Employees 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.

Finding: Employees 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.

Finding: Employees responsible for collecting cash are not responsible for reconciling cash collections.

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

Finding: All employees who have access to cash are covered by a bond policy for theft.

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

- a) Observe that receipts are sequentially pre-numbered.

Finding: Three of the five accounts tested did not require sequentially pre-numbered receipts since there was no cash deposited on the dates tested. Instead the deposits tested in these accounts included earned bank interest, vendor reimbursements, checks written from other Alexandria City Court accounts, checks written from the Alexandria City Marshal’s Office, and checks written from the City of Alexandria. One of the three accounts selected for testing was not opened until a later date in the audit period. As a result, there were no items available for testing during the periods selected. One of the five accounts tested included sequentially numbered receipts. However, these receipts were numbered manually and not pre-numbered. Additional testing was done to ensure that the receipts written during the dates tested were in sequential order and no receipt slips were missing from the receipt book.

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

Finding: Collection documentation was successfully traced to the deposit slips.

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

Finding: The deposit slip totals were successfully traced to bank statements.

- 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).

Finding: One of the five accounts tested did not meet this requirement. Of the other accounts tested all deposits were made within either one day or one week if the depository was more than ten miles from the collection location.

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

Finding: The actual deposits per the bank statements were successfully traced to the general ledger.

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

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

Finding: Alexandria City Court provided a listing of all locations that processed payments during the fiscal period and represented that the listing was complete.

- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

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

Finding: The Clerk of Court can initiate purchases up to \$500. Any purchase greater than \$500 must be initiated by both the Clerk of Court and the Judge.

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

Finding: Generally, at least two employees are involved in processing and approving payments to vendors. Payments are approved by either the Clerk of Court or the Judge and are then processed by the bookkeeper. However, the Clerk of Court can both approve and process payments for a few of Alexandria City Court's accounts.

- 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.

Finding: The bookkeeper and the Clerk of Court have the ability to both process payments and add/modify vendor files.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Finding: The bookkeeper mails payments to vendors. The bookkeeper also processes payments.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
- a) Observe that the disbursement matched the related original invoice/billing statement.
Finding: All items tested matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
Finding: All items tested included evidence of segregation of duties tested under #9. All of the disbursements tested were initiated by the Clerk of Court or the Judge, processed by the bookkeeper, and signed by the Clerk of Court. The checks were mailed by the bookkeeper who also processed the payments.

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

11. 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.
- Finding:** Alexandria City Court provided a listing of all active credit cards, bank debit cards, fuel cards, and P-cards for the fiscal period and represented that the listing was complete. This list included one credit card possessed by Judge Richard Starling Jr.
12. 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.)
Finding: The monthly statement and supporting documentation was reviewed and approved in writing by someone other than the authorized card holder.
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
Finding: No finance charges or late fees were assessed on the selected statement.

13. 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).

Finding: Each transaction tested had supporting documentation including an original itemized receipt and written documentation of the business/public purpose. None of the transactions included meal charges.

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.

Finding: Alexandria City Court provided a listing of all employees and elected officials employed during the fiscal period and represented that the listing was complete. Five employees were randomly selected. However, paid salaries could not be traced to authorized salaries/pay rates because this information is kept at the City of Alexandria. The City of Alexandria pays all full-time employees at Alexandria City Court.

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.)

Finding: There was no documentation regarding the selected employees' daily attendance. The only documentation kept by Alexandria City Court is each employee's application for leave. One employee took leave during the selected period.

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

Finding: Documentation for the period selected was one employee's application for leave. There was no written approval from the employee's supervisor on this documentation.

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

Finding: There was no documentation regarding accrued leave records at Alexandria City Court. This information is kept by the City of Alexandria since the city pays all full-time employees at Alexandria City Court.

- 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' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

Finding: 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.

Finding: Management represented that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums were paid and filed by the 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.

Finding: Documentation demonstrated that four of the five employees/officials tested completed an hour of ethics training during the fiscal period. One of the five employees did not complete one hour of required ethics training during the fiscal period. However, documentation demonstrated this employee did obtain the required hour of ethics training during the calendar year. The fiscal year was 10/1/2017 through 9/30/2018. The employee's ethics certificates were dated 3/24/2017 and 10/30/2018.

- 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.

Finding: There was signature verification documentation for all employees/officials that completed the required ethics training. One employee did not complete their ethics training during the fiscal year. As a result, there was no signature verification documentation. See 18a

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 11, 2019