

**ALEXANDRIA CITY COURT  
ALEXANDRIA, LOUISIANA**

**SEPTEMBER 30, 2016**

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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, 2016, 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. 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, 2016, 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 25, 2017, 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 25, 2017

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**Alexandria City Court  
Statement of Net Position  
September 30, 2016**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b><u>Assets</u></b>			
Cash	\$ 133,902	\$ -	\$ 133,902
Investments, at cost	980,752	-	980,752
Accrued interest receivable	3,396	-	3,396
Due from City of Alexandria	8,500	-	8,500
Due from Alexandria City Marshal	11,453	-	11,453
Capital assets, net of accumulated depreciation	66,303	-	66,303
<b>Total assets</b>	<b>1,204,306</b>	<b>-</b>	<b>1,204,306</b>
 <b><u>Liabilities</u></b>			
<b>Current liabilities</b>			
Accounts payable	\$ 9,246	\$ -	\$ 9,246
Other liabilities	4,811	-	4,811
<b>Total current liabilities</b>	<b>14,057</b>	<b>-</b>	<b>14,057</b>
 <b><u>Net Position</u></b>			
Net investment in capital assets	66,303	-	66,303
Restricted	694,825	-	694,825
Unrestricted	429,121	-	429,121
<b>Total net position</b>	<b>\$ 1,190,249</b>	<b>\$ -</b>	<b>\$ 1,190,249</b>

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, 2016**

	<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>
<b>GOVERNMENTAL ACTIVITIES</b>							
<b>Primary Government</b>							
Governmental activities							
General fund	\$ 334,069	\$ 181,811	\$ -	\$ -	\$ (152,258)	\$ -	\$ (152,258)
Probation Fund	165,622	89,510	-	-	(76,112)	-	(76,112)
Maintenance Fund	64	-	-	-	(64)	-	(64)
Building Fund	133,651	88,760	-	-	(44,891)	-	(44,891)
Total governmental activities	<u>633,406</u>	<u>360,081</u>	<u>-</u>	<u>-</u>	<u>(273,325)</u>	<u>-</u>	<u>(273,325)</u>
Total primary government	<u>\$ 633,406</u>	<u>\$ 360,081</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(273,325)</u>	<u>\$ -</u>	<u>\$ (273,325)</u>

General revenues:

Interest and investment earnings	3,856
Cooperative agreement income	102,000
Miscellaneous	73,111
Total general revenues and transfers	<u>178,967</u>
<b>Change in net position</b>	<u>(94,358)</u>
<b>Net position-beginning of year</b>	<u>1,284,607</u>
<b>Net position-end of year</b>	<u>\$ 1,190,249</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, 2016**

	<u>General</u>	<u>Probation</u>	<u>Maintenance</u>	<u>Building</u>	<u>Total Governmental Funds</u>
<b><u>Assets</u></b>					
Cash	\$ 15,425	\$ 50,624	\$ 35,631	\$ 32,222	\$ 133,902
Investments, at cost	396,117	448,207	-	136,428	980,752
Accrued interest receivable	923	2,447	-	26	3,396
Due from Alexandria City Marshal	11,453	-	-	-	11,453
Due from City of Alexandria	8,500	-	-	-	8,500
Due from other funds	1,460	-	-	-	1,460
<b>Total assets</b>	<b><u>\$ 433,878</u></b>	<b><u>\$ 501,278</u></b>	<b><u>\$ 35,631</u></b>	<b><u>\$ 168,676</u></b>	<b><u>\$ 1,139,463</u></b>
<b><u>Liabilities and fund balance</u></b>					
<b>Liabilities:</b>					
Accounts payable	\$ 575	\$ -	\$ -	\$ 8,671	\$ 9,246
Due to other funds	1,724	2,089	-	-	3,813
Other liabilities	4,811	-	-	-	4,811
<b>Total liabilities</b>	<b><u>7,110</u></b>	<b><u>2,089</u></b>	<b><u>-</u></b>	<b><u>8,671</u></b>	<b><u>17,870</u></b>
<b>Fund balance:</b>					
Committed	-	499,189	35,631	160,005	694,825
Unassigned	426,768	-	-	-	426,768
<b>Total fund balances</b>	<b><u>426,768</u></b>	<b><u>499,189</u></b>	<b><u>35,631</u></b>	<b><u>160,005</u></b>	<b><u>1,121,593</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 433,878</u></b>	<b><u>\$ 501,278</u></b>	<b><u>\$ 35,631</u></b>	<b><u>\$ 168,676</u></b>	<b><u>\$ 1,139,463</u></b>

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, 2016**

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Total fund balance-total governmental funds		\$ 1,121,593
Amounts reported for <i>governmental activities</i> in the statement of net position are different because:		
Capital assets of \$813,035 net of accumulated depreciation of (\$746,732), are not financial resources and, therefore, are not reported in the funds.	\$ 66,303	
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 \$2,353 are not included in governmental activities in the statement of net position.	<u>2,353</u>	<u>68,656</u>
Net position of governmental activities		<u><u>\$ 1,190,249</u></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, 2016**

	<u>General Fund</u>	<u>Probation</u>	<u>Maintenance Fund</u>	<u>Building Fund</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>					
Court costs	\$ 181,811	\$ 89,510	\$ -	\$ 88,760	\$ 360,081
Cooperative agreement income	102,000	-	-	-	102,000
Other revenue	63,437	9,674	-	-	73,111
Interest	1,107	2,585	18	146	3,856
<b>Total revenues</b>	<u>348,355</u>	<u>101,769</u>	<u>18</u>	<u>88,906</u>	<u>539,048</u>
<b>Expenditures:</b>					
<b>Current:</b>					
General Fund	335,353	-	-	-	335,353
Pretrial Intervention	-	-	-	-	-
Probation	-	163,319	-	-	163,319
Maintenance	-	-	64	-	64
Building	-	-	-	112,089	112,089
Capital outlay	-	-	-	34,362	34,362
<b>Total expenditures</b>	<u>335,353</u>	<u>163,319</u>	<u>64</u>	<u>146,451</u>	<u>645,187</u>
<b>Excess (deficiency) of revenues over expenditures</b>	13,002	(61,550)	(46)	(57,545)	(106,139)
<b>Other financing sources (uses)</b>					
Transfers (to) from other funds	-	-	-	-	-
<b>Fund balances, beginning of year</b>	<u>413,766</u>	<u>560,739</u>	<u>35,677</u>	<u>217,550</u>	<u>1,227,732</u>
<b>Fund balances, end of year</b>	<u>\$ 426,768</u>	<u>\$ 499,189</u>	<u>\$ 35,631</u>	<u>\$ 160,005</u>	<u>\$ 1,121,593</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 Balance  
to the Statement of Activities  
For the year ended September 30, 2016**

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Net changes in fund balances-total governmental funds	\$ (106,139)
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	34,362
Depreciation expense	(24,065)
Changes in internal service fund balances	<u>1,484</u>
Change in net position of governmental activities	<u>\$ (94,358)</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, 2016**

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	<b><u>Agency Funds</u></b>
<b><u>Assets</u></b>	
Cash	\$ 1,628,852
Investments, at cost	95,909
Due from General Fund	<u>2,353</u>
<b>Total assets</b>	<b><u><u>\$ 1,727,114</u></u></b>
<b><u>Liabilities</u></b>	
Advanced court costs	\$ 1,701,799
Forfeited bonds	<u>25,315</u>
<b>Total liabilities</b>	<b><u><u>\$ 1,727,114</u></u></b>

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, 2016**

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 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 criterion 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

**Alexandria City Court**  
**Notes to Financial Statements**

**September 30, 2016**

whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion 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 are collected from the Rapides Parish Driver Improvement Program. The Program uses the City Court building to conduct driver improvement classes. The funds collected are used to pay for maintenance and upkeep on the building.

**Alexandria City Court**  
**Notes to Financial Statements**

**September 30, 2016**

*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:

*Committed* – amounts that can be used only for specific purposes as defined by law. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the City of Alexandria or changes in Louisiana state law.

*Unassigned* – all other spendable amounts.

**Alexandria City Court**  
**Notes to Financial Statements**

**September 30, 2016**

**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, 2016**

**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, 2016, cash deposits totaled \$1,762,754, of which \$1,628,852 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, 2016, the Alexandria City Court had certificates of deposit totaling \$1,076,661. The certificates bear interest ranging from 0.05% to 2.23% 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, 2016**

**4. INTERFUND RECEIVABLES AND PAYABLES:**

A summary of the interfund receivables and payables by fund at September 30, 2016 is presented below:

	<u>Interfund Payables</u>	<u>Interfund Receivables</u>
Advanced Court Costs Fund	\$ 102	\$ 0
Bond Forfeiture Fund	0	856
Garnishments Fund	1,358	0
Restitution Fund	0	2,957
General Fund	1,724	1,460
Probation Fund	<u>2,089</u>	<u>0</u>
	<u>\$ 5,273</u>	<u>\$ 5,273</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, 2016**

Capital asset activity for the year ended September 30, 2016 was as follows:

	Balance <u>9/30/15</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>9/30/16</u>
Furniture and fixtures	\$ 160,808	\$ -0-	\$ -0-	\$ 160,808
Office equipment	467,373	34,362	-0-	501,735
Vehicles	64,277	-0-	-0-	64,277
Building improvements	<u>86,215</u>	<u>-0-</u>	<u>-0-</u>	<u>86,215</u>
Totals	778,673	34,362	-0-	813,035
Accumulated Depreciation	<u>(722,667)</u>	<u>(24,065)</u>	<u>-0-</u>	<u>(746,732)</u>
Capital assets, net	<u>\$ 56,006</u>			<u>\$ 66,303</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, 2016, 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.



**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, 2016**

**Agency Head**      Judge Richard Starling

Salary	\$ 147,886
Retirement	59,379
Health insurance	22,404
Seminars, meals, lodging	<u>3,722</u>
Total	<u>\$ 233,391</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

**Budgetary Comparison Schedule**  
**All Governmental Fund Types**  
**Alexandria City Court**  
**For the year ended September 30, 2016**

	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)
<b>Revenues:</b>								
Court costs	\$ 200,000	\$ 200,000	\$ 181,811	\$ (18,189)	\$ 215,000	\$ 215,000	\$ 89,510	\$ (125,490)
Other revenue	124,000	124,000	165,437	41,437	3,000	3,000	98,434	95,434
Interest	2,500	2,500	1,107	(1,393)	4,300	4,300	2,749	(1,551)
<b>Total revenues</b>	<u>326,500</u>	<u>326,500</u>	<u>348,355</u>	<u>21,855</u>	<u>222,300</u>	<u>222,300</u>	<u>190,693</u>	<u>(31,607)</u>
<b>Expenditures:</b>								
Salaries and wages	242,500	242,500	247,405	(4,905)	110,000	110,000	127,607	(17,607)
Payroll taxes	15,000	15,000	14,596	404	8,300	8,300	9,762	(1,462)
Retirement expense	2,500	2,500	4,735	(2,235)	-	-	-	-
Law books	-	-	-	-	5,000	5,000	1,799	3,201
Computer services	-	-	-	-	25,000	25,000	50,089	(25,089)
Dues and subscriptions	1,500	1,500	2,215	(715)	-	-	-	-
Capital expenditures	-	-	-	-	12,500	12,500	39,298	(26,798)
Uniforms	-	-	-	-	-	-	-	-
Equipment lease	-	-	-	-	2,000	2,000	-	2,000
Bank charges	-	-	2,927	(2,927)	600	600	830	(230)
Miscellaneous	-	-	4,326	(4,326)	-	-	3,500	(3,500)
Office supplies	14,000	14,000	412	13,588	15,300	15,300	28,340	(13,040)
Postage	15,000	15,000	15,599	(599)	300	300	96	204
Transfer to City of Alexandria	-	-	-	-	-	-	-	-
Repairs & maintenance	4,000	4,000	-	4,000	7,500	7,500	23,114	(15,614)
Legal & professional	10,000	10,000	13,835	(3,835)	3,000	3,000	15,040	(12,040)
Janitorial	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-
Insurance	-	-	14,423	(14,423)	9,000	9,000	8,315	685
Vehicle maintenance & expense	-	-	-	-	6,000	6,000	1,504	4,496
Storage	17,500	17,500	-	17,500	-	-	-	-
Seminars	-	-	14,880	(14,880)	2,000	2,000	-	2,000
Telephone	-	-	-	-	500	500	540	(40)
<b>Total expenditures</b>	<u>322,000</u>	<u>322,000</u>	<u>335,353</u>	<u>(13,353)</u>	<u>207,000</u>	<u>207,000</u>	<u>309,834</u>	<u>(102,834)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	4,500	4,500	13,002	8,502	15,300	15,300	(119,141)	(134,441)
<b>Other financing sources (uses)</b>								
Transfers	-	-	-	-	-	-	-	-
<b>Fund balances, beginning</b>	413,766	413,766	413,766	-	813,966	813,966	813,966	-
<b>Fund balances, ending</b>	<u>\$ 418,266</u>	<u>\$ 418,266</u>	<u>\$ 426,768</u>	<u>\$ (8,502)</u>	<u>\$ 829,266</u>	<u>\$ 829,266</u>	<u>\$ 694,825</u>	<u>\$ 134,441</u>



# OESTRIECHER & COMPANY

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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, 2016, and the related notes to the financial statements, and have issued our report thereon dated March 25, 2017. 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 2016-1 and 2016-2.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency listed as item number 2016-3.

### 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*

OESTRIECHER & COMPANY  
Certified Public Accountants  
Alexandria, Louisiana

March 25, 2017

**ALEXANDRIA CITY COURT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the year ended September 30, 2016**

*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 2016-1 – 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 that could lead to improperly recorded transactions.

**Cause of condition** –The 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 2016-2 – Job Description**

**Statement of Condition** – 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

**Finding 2016-3 – Deposit of Receipts**

**Statement of Condition** – The Alexandria City Court did not deposit the receipt of an Advanced Court Cost into the Advanced Court Costs fund. Instead, a CD was purchased with those funds.

**Criteria** – All Advanced Court Costs receipts should initially be deposited in the Advanced Court Costs fund.

**Effect of Condition** – CD investments and Advanced Court Costs payable were understated.

**Cause of Condition** – Lack of training for personnel.

**Recommendation** – Alexandria City Court should deposit all receipts into the Advanced Court Costs checking account.

**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, 2016**

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

**Finding No. 2015-1-**The Alexandria City Court does not have adequate segregation of duties within the administrative office.

**Corrective action taken-** Condition is not resolved. See Finding 2016-1.

**Finding No. 2015-2-**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 2016-2.

*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 25, 2017**

## **MANAGEMENT'S CORRECTIVE ACTION PLAN**

Alexandria City Court respectfully submits the following corrective action plan for the year ended September 30, 2016.

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: Oestriecher and Company, CPAs, 4641 Windermere Place, Alexandria, Louisiana 71303-3548

Audit period: October 1, 2015 through September 30, 2016.

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. 2016-1:**

*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. 2016-2**

*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.

**FINDING NO. 2016-3**

*Recommendation:* Alexandria City Court should deposit all receipts into the Advanced Court Costs checking account.

*Action Taken:* Management will deposit insurance checks into the Advanced Court Costs checking account.