

**ALEXANDRIA CITY COURT  
ALEXANDRIA, LOUISIANA**

**SEPTEMBER 30, 2013**

## TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR’S REPORT .....	1
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
Statement of Net Position .....	5
Statement of Activities .....	6
FUND FINANCIAL STATEMENTS	
Governmental Funds:	
Balance Sheet.....	9
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position .....	10
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds .....	11
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities .....	12
Fiduciary Fund:	
Statement of Fiduciary Net Assets-Fiduciary Fund .....	14
NOTES TO FINANCIAL STATEMENTS .....	15
Required Supplementary Information	
Budgetary Comparison Schedule.....	24
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	
	25
Schedule of Findings and Questioned Costs .....	27
Summary Schedule of Prior Audit Findings .....	29
Management’s Corrective Action Plan .....	30



# OESTRIECHER & COMPANY

(A PROFESSIONAL ACCOUNTING CORPORATION)  
CERTIFIED PUBLIC ACCOUNTANTS

4641 WINDERMERE PLACE  
ALEXANDRIA, LA 71303

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

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

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

## Independent Auditor's Report

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, 2013, 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, 2013, and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

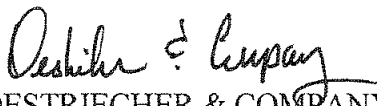
### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 24 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 Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2014, 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.

  
OESTRICHER & COMPANY  
Certified Public Accountants  
Alexandria, Louisiana

March 26, 2014

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**Alexandria City Court  
Statement of Net Position  
September 30, 2013**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b><u>Assets</u></b>			
Cash	\$ 711,253	\$ -	\$ 711,253
Investments, at cost	898,159	-	898,159
Other receivables	1,093	-	1,093
Accrued interest receivable	1,117	-	1,117
Due from Alexandria City Marshal	22,097	-	22,097
Prepaid expenses	3,793	-	3,793
Capital assets, net of accumulated depreciation	123,311	-	123,311
<b>Total assets</b>	<b>\$ 1,760,823</b>	<b>\$ -</b>	<b>\$ 1,760,823</b>
<b><u>Liabilities</u></b>			
<b>Liabilities:</b>			
Accounts payable	\$ 2,133	\$ -	\$ 2,133
Other liabilities	2,161	-	2,161
<b>Total liabilities</b>	<b>4,294</b>	<b>-</b>	<b>4,294</b>
<b><u>Net Position</u></b>			
Net investment in capital assets	123,311	-	123,311
Restricted	1,068,189	-	1,068,189
Unrestricted	565,029	-	565,029
<b>Total net position</b>	<b>\$ 1,756,529</b>	<b>\$ -</b>	<b>\$ 1,756,529</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, 2013**

	<b>Program Revenues</b>			<b>Net (Expense) Revenue and Changes in Net Position</b>		
	<u>Expenses</u>	<u>Operating</u>		<u>Primary Government</u>		<u>Total</u>
		<u>Charges for Services</u>	<u>Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
<b>GOVERNMENTAL ACTIVITIES</b>						
<b>Primary Government</b>						
Governmental activities						
General fund	\$ 281,003	\$ 266,584	\$ -	\$ -	\$ (14,419)	\$ (14,419)
Pretrial Intervention	470,021	367,078	-	-	(102,943)	(102,943)
Probation Fund	134,727	146,858	-	-	12,131	12,131
Maintenance Fund	-	-	-	-	-	-
Building Fund	165,800	96,839	-	-	(68,961)	(68,961)
Total governmental activities	<u>1,051,551</u>	<u>877,359</u>	<u>-</u>	<u>-</u>	<u>(174,192)</u>	<u>(174,192)</u>
Total primary government	<u>\$1,051,551</u>	<u>\$ 877,359</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (174,192)</u>	<u>\$ (174,192)</u>

General revenues:	
Interest and investment earnings	6,313
Miscellaneous	39,938
Total general revenues and transfers	<u>46,251</u>
Change in net position	<u>\$ (127,941)</u>
Net position-beginning of year	<u>1,884,470</u>
Net position-ending of year	<u>\$ 1,756,529</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, 2013**

	<u>General</u>	<u>Pretrial Intervention</u>	<u>Probation</u>	<u>Maintenance</u>	<u>Building</u>	<u>Total Governmental Funds</u>
<b><u>Assets</u></b>						
Cash	\$ 99,463	\$ 390,591	\$ 138,728	\$ 35,711	\$ 46,760	\$ 711,253
Investments, at cost	443,942	-	318,189	-	136,028	898,159
Accrued interest receivable	987	-	104	-	26	1,117
Other receivables	1,093	-	-	-	-	1,093
Prepaid expenses	-	-	3,793	-	-	3,793
Due from Alexandria City Marshal	22,097	-	-	-	-	22,097
Due from other funds	19,904	-	28,760	-	-	48,664
<b>Total assets</b>	<b><u>\$ 587,486</u></b>	<b><u>\$ 390,591</u></b>	<b><u>\$ 489,574</u></b>	<b><u>\$ 35,711</u></b>	<b><u>\$ 182,814</u></b>	<b><u>\$ 1,686,176</u></b>
<b><u>Liabilities and fund balance</u></b>						
<b>Liabilities:</b>						
Accounts payable	\$ 392	\$ -	\$ -	\$ -	\$ 1,741	\$ 2,133
Due to general fund	-	14,952	-	-	-	14,952
Due to other funds	27,761	3,420	-	-	-	31,181
Other liabilities	2,161	-	-	-	-	2,161
<b>Total liabilities</b>	<b><u>30,314</u></b>	<b><u>18,372</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>1,741</u></b>	<b><u>50,427</u></b>
<b>Fund balance:</b>						
Committed	-	372,219	489,574	35,711	181,073	1,078,577
Unassigned	557,172	-	-	-	-	557,172
<b>Total fund balances</b>	<b><u>557,172</u></b>	<b><u>372,219</u></b>	<b><u>489,574</u></b>	<b><u>35,711</u></b>	<b><u>181,073</u></b>	<b><u>1,635,749</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 587,486</u></b>	<b><u>\$ 390,591</u></b>	<b><u>\$ 489,574</u></b>	<b><u>\$ 35,711</u></b>	<b><u>\$ 182,814</u></b>	<b><u>\$ 1,686,176</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, 2013**

---

Total fund balance-total governmental funds	\$ 1,635,749
Amounts reported for <i>governmental activities</i> in the statement of net position are different because:	
Capital assets of \$762,202 net of accumulated depreciation of (\$638,889), are not financial resources and, therefore, are not reported in the funds.	\$ 123,311
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 \$2,531 are not included in governmental activities in the statement of net position.	<u>(2,531)</u>
	<u>120,780</u>
Net position of governmental activities	<u><u>\$ 1,756,529</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, 2013**

	<b>General Fund</b>	<b>Pretrial Intervention</b>	<b>Probation</b>	<b>Maintenance Fund</b>	<b>Building Fund</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>						
Court costs	\$ 266,584	\$ 367,078	\$ 146,858	\$ -	\$ 96,839	\$ 877,359
Other revenue	39,938	-	-	-	-	39,938
Interest	2,425	-	3,647	53	188	6,313
<b>Total revenues</b>	<u>308,947</u>	<u>367,078</u>	<u>150,505</u>	<u>53</u>	<u>97,027</u>	<u>923,610</u>
<b>Expenditures:</b>						
<b>Current:</b>						
General Fund	282,149	-	-	-	-	282,149
Pretrial Intervention	-	470,021	-	-	-	470,021
Probation	-	-	129,964	-	-	129,964
Building	-	-	-	-	104,139	104,139
Capital outlay	-	-	-	-	19,071	19,071
<b>Total expenditures</b>	<u>282,149</u>	<u>470,021</u>	<u>129,964</u>	<u>-</u>	<u>123,210</u>	<u>1,005,344</u>
<b>Excess (deficiency) of revenues over expenditures</b>	26,798	(102,943)	20,541	53	(26,183)	(81,734)
<b>Other financing sources (uses)</b>						
Transfers (to) from other funds	-	(60,000)	60,000	-	-	-
<b>Fund balances, beginning</b>	<u>530,374</u>	<u>535,162</u>	<u>409,033</u>	<u>35,658</u>	<u>207,256</u>	<u>1,717,483</u>
<b>Fund balances, ending</b>	<u>\$ 557,172</u>	<u>\$ 372,219</u>	<u>\$ 489,574</u>	<u>\$ 35,711</u>	<u>\$ 181,073</u>	<u>\$ 1,635,749</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, 2013**

---

Net changes in fund balances-total governmental funds	\$ (81,734)
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
Changes in internal service fund balances	1,733
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	19,071
Depreciation expense	<u>(67,011)</u>
Change in net position of governmental activities	<u>\$ (127,941)</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, 2013

	<u>Agency Funds</u>
<b><u>Assets</u></b>	
Cash	\$ 1,157,485
Investments, at cost	62,553
Other assets	<u>3,840</u>
<b>Total assets</b>	<b><u>\$ 1,223,878</u></b>
<b><u>Liabilities</u></b>	
Advance court costs	\$ 1,203,649
Forfeited bonds	13,610
Restitutions	4,088
Due to General Fund	<u>2,531</u>
<b>Total liabilities</b>	<b><u>\$ 1,223,878</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, 2013**

**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, 2013**

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 essentially an autonomous unit. 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.

**Pretrial Intervention Fund –** Fees are collected and used to pay for operating expenses of the Pretrial Intervention Program, which was established to help first time offenders avoid trial and pay the debt for their offense by agreeing to comply with probationary terms and paying a fee.

**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

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

**September 30, 2013**

driver improvement classes. The funds collected are used to pay for maintenance and upkeep on the building.

*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 adopted the provisions of GASB 54 related to the classification of governmental fund balances as September 30, 2013. The governmental fund balances are classified as follows:

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

**September 30, 2013**

*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.

**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, 2013**

**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, 2013, cash deposits totaled \$711,253, all of which is classified as unrestricted. 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, 2013, the Alexandria City Court had certificates of deposit totaling \$898,159. 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, 2013**

**4. INTERFUND RECEIVABLES AND PAYABLES:**

A summary of the interfund receivables and payables by fund at September 30, 2013 is presented below:

	<u>Interfund Payables</u>	<u>Interfund Receivables</u>
Advanced Court Costs Fund	\$ 1,112	\$ 0
Bond Forfeiture Fund	0	686
Garnishments Fund	3,840	0
Restitution Fund	0	1,735
General Fund	27,761	19,904
Pretrial Intervention Fund	18,372	0
Probation Fund	<u>0</u>	<u>28,760</u>
	<u>\$ 51,085</u>	<u>\$ 51,085</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, 2013**

Capital asset activity for the year ended September 30, 2013 was as follows:

	Balance <u>9/30/12</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>9/30/13</u>
Furniture and fixtures	\$ 160,808	\$ -0-	\$ -0-	\$ 160,808
Office equipment	431,830	19,071	-0-	450,901
Vehicles	64,278	-0-	-0-	64,278
Building improvements	<u>86,215</u>	<u>-0-</u>	<u>-0-</u>	<u>86,215</u>
Totals	743,131	19,071	-0-	762,202
Accumulated Depreciation	<u>(571,880)</u>	<u>(67,011)</u>	<u>-0-</u>	<u>(638,891)</u>
Capital assets, net	<u>\$ 171,251</u>			<u>\$ 123,311</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, 2013, 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. RETIREMENT COMMITMENTS:**

The Alexandria City Court contributed \$4,618 this year to the Parochial Employees' Retirement System of Louisiana on behalf of qualifying individuals employed by the Court. There were twenty-two employees of the Court of which one qualified and participated. The Court's covered payroll was \$27,570 and the total payroll for all employees was \$372,084.

The Parochial Employees' Retirement System of Louisiana required the Court to fund 16.75% for the fiscal year ended September 30, 2013. No actuarial data was available on the aforementioned retirement plan.



## **REQUIRED SUPPLEMENTARY INFORMATION**

**Budgetary Comparison Schedule**  
**All Governmental Fund Types**  
**Alexandria City Court**  
**For the year ended September 30, 2013**

	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	\$ 204,000	\$ 204,000	\$ 266,584	\$ 62,584	\$ 483,888	\$ 483,888	\$ 610,775	\$ 126,887
Other revenue	15,000	15,000	39,938	24,938	-	-	-	-
Interest	9,000	9,000	2,425	(6,575)	3,500	3,500	3,888	388
<b>Total revenues</b>	<b>228,000</b>	<b>228,000</b>	<b>308,947</b>	<b>80,947</b>	<b>487,388</b>	<b>487,388</b>	<b>614,663</b>	<b>127,275</b>
<b>Expenditures:</b>								
Salaries and wages	150,000	150,000	193,486	(43,486)	115,000	115,000	178,599	(63,599)
Payroll taxes	5,000	5,000	8,939	(3,939)	6,500	6,500	12,666	(6,166)
Retirement expense	3,500	3,500	4,618	(1,118)	-	-	-	-
Law books	-	-	-	-	2,000	2,000	2,271	(271)
Computer services	-	-	-	-	20,000	20,000	53,027	(33,027)
Dues and subscriptions	2,000	2,000	1,877	123	-	-	-	-
Capital expenditures	-	-	-	-	59,500	59,500	19,071	40,429
Uniforms	7,500	7,500	28	7,472	-	-	-	-
Equipment lease	-	-	49	(49)	5,500	5,500	129	5,371
Bank charges	-	-	1,380	(1,380)	600	600	1,253	(653)
Miscellaneous	-	-	4,821	(4,821)	-	-	3,729	(3,729)
Office supplies	-	-	2,737	(2,737)	15,300	15,300	28,920	(13,620)
Postage	12,000	12,000	17,084	(5,084)	300	300	292	8
Transfer to City of Alexandria	-	-	-	-	-	-	258,664	(258,664)
Repairs & maintenance	2,500	2,500	-	2,500	5,500	5,500	16,984	(11,484)
Legal & professional	13,500	13,500	11,848	1,652	4,800	4,800	128,458	(123,658)
Janitorial	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-
Insurance	18,000	18,000	19,142	(1,142)	12,000	12,000	6,719	5,281
Vehicle maintenance & expense	-	-	121	(121)	4,000	4,000	2,040	1,960
Storage	-	-	-	-	-	-	6,484	(6,484)
Seminars	17,500	17,500	16,019	1,481	2,000	2,000	3,463	(1,463)
Telephone	-	-	-	-	500	500	426	74
<b>Total expenditures</b>	<b>231,500</b>	<b>231,500</b>	<b>282,149</b>	<b>(50,649)</b>	<b>253,500</b>	<b>253,500</b>	<b>723,195</b>	<b>(469,695)</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(3,500)</b>	<b>(3,500)</b>	<b>26,798</b>	<b>131,596</b>	<b>233,888</b>	<b>233,888</b>	<b>(108,532)</b>	<b>(342,420)</b>
<b>Other financing sources (uses)</b>								
Transfers	-	-	-	-	-	-	-	-
<b>Fund balances, beginning</b>	<b>530,374</b>	<b>530,374</b>	<b>530,374</b>	<b>-</b>	<b>1,187,109</b>	<b>1,187,109</b>	<b>1,187,109</b>	<b>-</b>
<b>Fund balances, ending</b>	<b>\$ 526,874</b>	<b>\$ 526,874</b>	<b>\$ 557,172</b>	<b>\$ (30,298)</b>	<b>\$ 1,420,997</b>	<b>\$ 1,420,997</b>	<b>\$ 1,078,577</b>	<b>\$ 342,420</b>



# OESTRIECHER & COMPANY

(A PROFESSIONAL ACCOUNTING CORPORATION)

## CERTIFIED PUBLIC ACCOUNTANTS

4641 WINDERMERE PLACE  
ALEXANDRIA, LA 71303

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

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

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

### **Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

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, 2013, and the related notes to the financial statements, and have issued our report thereon dated March 26, 2014. 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 2013-1 and 2013-2.

### 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.



OESTRICHER & COMPANY  
Certified Public Accountants  
Alexandria, Louisiana

March 26, 2014

**ALEXANDRIA CITY COURT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the year ended September 30, 2013**

***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 2013-1**

**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 2013-2**

**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

***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, 2013**

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

**Finding No. 2012-1-**The Alexandria City Court does not have adequate segregation of duties within the administrative office.

**Corrective action taken-** Condition is not resolved. See Finding 2013-1.

**Finding No. 2012-2-**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 2013-2.

***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 26, 2014

## MANAGEMENT'S CORRECTIVE ACTION PLAN

Alexandria City Court respectfully submits the following corrective action plan for the year ended September 30, 2013.

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, 2012 through September 30, 2013.

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. 2013-1:

*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. 2013-2

*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.