

**ALEXANDRIA CITY COURT  
ALEXANDRIA, LOUISIANA**

**SEPTEMBER 30, 2010**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 4/13/11

## TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT.....	1
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
Statement of Net Assets.....	4
Statement of Activities .....	5
FUND FINANCIAL STATEMENTS	
Governmental Funds:	
Balance Sheet.....	8
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets .....	9
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds .....	10
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities.....	11
Fiduciary Fund:	
Statement of Fiduciary Net Assets-Fiduciary Fund .....	13
NOTES TO FINANCIAL STATEMENTS .....	14
Required Supplementary Information	
Budgetary Comparison Schedule.....	22
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> .....	23
Schedule of Findings and Questioned Costs.....	25
Summary Schedule of Prior Audit Findings .....	28
Management's Corrective Action Plan .....	29



# 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. De SELLE, CPA  
HEATHER D. RUTHERFORD, 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, each major fund, and the aggregate remaining fund information of the Alexandria City Court as of and for the year ended September 30, 2010, which collectively comprise the Alexandria City Court's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of Alexandria City Court's management. 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Alexandria City Court, at September 30, 2010, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.



The CPA. Never Underestimate The Value.™

1

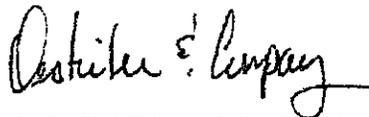
Emile P. Oestriecher, III, CPA  
Registered Representative

Securities offered through H.D. Vest Investment Securities, Inc. Member: NASD/SIPC  
633 North State Highway 161, Fourth Floor, Irving, Texas 75038 • (972) 870-6000

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2011, on our consideration of the Alexandria City Court's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The required supplementary information on page 22 are not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Alexandria City Court has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of, the basic financial statements.



OESTRICHER & COMPANY  
Certified Public Accountants

March 4, 2011

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

Alexandria City Court  
Statement of Net Assets  
September 30, 2010

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b><u>Assets</u></b>			
Cash	\$ 1,045,209	\$ -	\$ 1,045,209
Investments, at cost	745,244	-	745,244
Other receivables	20,887		
Accrued interest receivable	413	-	413
Due from Alexandria City Marshal	20,921	-	20,921
Prepaid expenses	1,931	-	1,931
Capital assets, net of accumulated depreciation	134,009	-	134,009
<b>Total assets</b>	<b>\$ 1,968,614</b>	<b>\$ -</b>	<b>\$ 1,968,614</b>
<b><u>Liabilities</u></b>			
<b>Liabilities:</b>			
Accounts payable	\$ 21,926	\$ -	\$ 21,926
Other liabilities	9,158	-	9,158
<b>Total liabilities</b>	<b>31,084</b>	<b>-</b>	<b>31,084</b>
<b><u>Net Assets</u></b>			
Invested in capital assets, net of related debt	134,009	-	134,009
Unrestricted	1,803,521	-	1,803,521
<b>Total net assets</b>	<b>\$ 1,937,530</b>	<b>\$ -</b>	<b>\$ 1,937,530</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, 2010

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Operating		Governmental Activities	Primary Government	
		Charges for Services	Grants and Contributions		Capital Grants and Contributions	Business-Type Activities
<b>GOVERNMENTAL ACTIVITIES</b>						
<b>Primary Government</b>						
Governmental activities						
General fund	\$ 235,866	\$ -	\$ -	\$ (19,326)	\$ -	\$ (19,326)
Pretrial Intervention	87,545	-	-	129,325	-	129,325
Probation Fund	141,600	-	-	(38,980)	-	(38,980)
Maintenance Fund	-	4,030	-	4,030	-	4,030
Building Fund	42,572	-	-	57,723	-	57,723
Total governmental activities	<u>507,583</u>	<u>-</u>	<u>-</u>	<u>132,772</u>	<u>-</u>	<u>132,772</u>
Total primary government	\$ 507,583	\$ -	\$ -	\$ 132,772	\$ -	\$ 132,772

General revenues:	
Interest and investment earnings	9,012
Miscellaneous	22,460
Total general revenues and transfers	<u>31,472</u>
Change in net assets	\$ 164,244
Net assets-beginning of year	<u>1,773,286</u>
Net assets-ending of year	<u>\$ 1,937,530</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, 2010**

	<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	\$ 203,043	\$ 561,253	\$ 86,288	\$ 28,474	\$ 166,151	\$ 1,045,209
Investments, at cost	385,351	-	224,579	-	135,314	745,244
Accrued interest receivable	413	-	-	-	-	413
Other receivables	-	-	20,887	-	-	20,887
Prepaid expenses	-	-	1,931	-	-	1,931
Due from Alexandria City Marshal	20,921	-	-	-	-	20,921
Due from other funds	22,857	-	26,981	-	-	49,838
<b>Total assets</b>	<b><u>\$ 632,585</u></b>	<b><u>\$ 561,253</u></b>	<b><u>\$ 360,666</u></b>	<b><u>\$ 28,474</u></b>	<b><u>\$ 301,465</u></b>	<b><u>\$ 1,884,443</u></b>
<b><u>Liabilities and fund balance</u></b>						
<b>Liabilities:</b>						
Accounts payable	\$ 259	\$ -	\$ -	\$ -	\$ 21,667	\$ 21,926
Due to general fund	-	15,503	-	-	-	15,503
Due to other funds	24,636	3,420	-	-	-	28,056
Other liabilities	9,158	-	-	-	-	9,158
<b>Total liabilities</b>	<b><u>34,053</u></b>	<b><u>18,923</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>21,667</u></b>	<b><u>74,643</u></b>
<b>Fund balance:</b>						
Unreserved:						
Undesignated	598,532	542,330	360,666	28,474	279,798	1,809,800
<b>Total fund balances</b>	<b><u>598,532</u></b>	<b><u>542,330</u></b>	<b><u>360,666</u></b>	<b><u>28,474</u></b>	<b><u>279,798</u></b>	<b><u>1,809,800</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 632,585</u></b>	<b><u>\$ 561,253</u></b>	<b><u>\$ 360,666</u></b>	<b><u>\$ 28,474</u></b>	<b><u>\$ 301,465</u></b>	<b><u>\$ 1,884,443</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 Assets  
September 30, 2010**

---

Total fund balance-total governmental funds	\$ 1,809,800
Amounts reported for <i>governmental activities</i> in the statement of net assets are different because:	
Capital assets of \$602,864 net of accumulated depreciation of (\$468,855), are not financial resources and, therefore, are not reported in the funds.	\$ 134,009
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 \$6,279 are not included in governmental activities in the statement of net assets.	<u>(6,279)</u>
	<u>127,730</u>
Net assets of governmental activities	<u>\$ 1,937,530</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, 2010**

	<u>General Fund</u>	<u>Pretrial Intervention</u>	<u>Probation</u>	<u>Maintenance Fund</u>	<u>Building Fund</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>						
Court costs	\$ 216,540	\$ 216,870	\$ 102,620	\$ 4,030	\$ 100,295	\$ 640,355
Other revenue	22,460	-	-	-	-	22,460
Interest	3,169	258	4,854	66	665	9,012
<b>Total revenues</b>	<u>242,169</u>	<u>217,128</u>	<u>107,474</u>	<u>4,096</u>	<u>100,960</u>	<u>671,827</u>
<b>Expenditures:</b>						
<b>Current:</b>						
General Fund	235,010	-	-	-	-	235,010
Pretrial Intervention	-	87,545	-	-	-	87,545
Probation	-	-	135,688	-	-	135,688
Building	-	-	-	-	28,721	28,721
Capital outlay	430	-	-	-	99,407	99,837
<b>Total expenditures</b>	<u>235,440</u>	<u>87,545</u>	<u>135,688</u>	<u>-</u>	<u>128,128</u>	<u>586,801</u>
<b>Excess of revenues over expenditures</b>	6,729	129,583	(28,214)	4,096	(27,168)	85,026
<b>Other financing sources (uses)</b>						
Transfers (to) from other funds	-	(30,000)	30,000	-	-	-
<b>Fund balances, beginning</b>	591,803	442,747	358,880	24,378	306,966	1,724,774
<b>Fund balances, ending</b>	<u>\$ 598,532</u>	<u>\$ 542,330</u>	<u>\$ 360,666</u>	<u>\$ 28,474</u>	<u>\$ 279,798</u>	<u>\$ 1,809,800</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, 2010**

---

Net changes in fund balances-total governmental funds	\$ 85,026
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
Changes in internal service fund balances	(193)
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	99,837
Depreciation expense	<u>(20,426)</u>
Change in net assets of governmental activities	<u>\$ 164,244</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, 2010**

	<u>Agency Funds</u>
<b><u>Assets</u></b>	
Cash	\$1,144,898
Investments, at cost	16,548
Other assets	<u>3,659</u>
<b>Total assets</b>	<b><u><u>\$1,165,105</u></u></b>
 <b><u>Liabilities</u></b>	
Advance court costs	\$1,147,930
Forfeited bonds	3,242
Restitutions	7,654
Due to General Fund	<u>6,279</u>
<b>Total liabilities</b>	<b><u><u>\$1,165,105</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, 2010**

**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 assets 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.

*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 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

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

**September 30, 2010**

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 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, 2010**

*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.

**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"

**Alexandria City Court  
Notes to Financial Statements**

**September 30, 2010**

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 three 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 of 90 days or less. 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 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are recorded at cost which approximates market value.

**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:**

Cash balances are insured to Federal Depository Insurance Corporation limits of \$250,000. Deposits in excess of these limits are secured by collateral held in the pledging bank's trust department. These securities have a fair market value of \$1,445,204.

At September 30, 2010, the Alexandria City Court had certificates of deposit totaling \$761,792. The certificates bear interest ranging from 0.24% to 2.23% and have maturities ranging from

**Alexandria City Court  
Notes to Financial Statements**

**September 30, 2010**

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.

**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.

**4. INTERFUND RECEIVABLES AND PAYABLES:**

A summary of the interfund receivables and payables by fund at September 30, 2010 is presented below:

	<u>Interfund Payables</u>	<u>Interfund Receivables</u>
Advanced Court Costs Fund	\$ 3,695	\$ 0
Bond Forfeiture Fund	0	414
Garnishments Fund	3,658	0
Restitution Fund	0	660
General Fund	24,636	22,857
Pretrial Intervention Fund	18,923	0
Probation Fund	<u>0</u>	<u>26,981</u>
	<u>\$ 50,912</u>	<u>\$ 50,912</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

**Alexandria City Court  
Notes to Financial Statements**

**September 30, 2010**

location and condition for use. Capital assets are depreciated using the straight-line method over their estimated useful lives.

Capital asset activity for the year ended September 30, 2010 was as follows:

	Balance <u>9/30/09</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>9/30/10</u>
Furniture and fixtures	\$ 140,979	\$ 14,875	\$ -0-	\$ 155,854
Office equipment	256,099	71,976	-0-	328,075
Vehicles	41,250	-0-	-0-	41,250
Building improvements	<u>64,700</u>	<u>12,985</u>	<u>-0-</u>	<u>77,685</u>
Totals	503,028	99,836	-0-	602,864
Accumulated Depreciation	<u>(448,430)</u>	<u>(20,425)</u>	<u>-0-</u>	<u>(468,855)</u>
Capital assets, net	<u>\$ 54,598</u>			<u>\$ 134,009</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, 2010, 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 Marshal'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 \$4,373 this year to the Parochial Employees' Retirement System of Louisiana on behalf of qualifying individuals employed by the Court. There were nineteen employees of the Court of which one qualified and participated. The Court's covered payroll was \$29,400 and the total payroll for all employees was \$316,692.

The Parochial Employees' Retirement System of Louisiana required the Court to fund 12.25% for the 4<sup>th</sup> quarter of 2009 and 15.75% of total salary for the first three quarters of 2010. 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, 2010**

	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	\$ 250,000	\$ 250,000	\$ 216,540	\$ (33,460)	\$ 228,000	\$ 228,000	\$ 206,945	\$ (21,055)
Other revenue	15,000	15,000	22,460	7,460	2,000	2,000	-	(2,000)
Interest	13,000	13,000	3,169	(9,831)	13,050	13,050	5,585	(7,465)
<b>Total revenues</b>	<b>278,000</b>	<b>278,000</b>	<b>242,169</b>	<b>(35,831)</b>	<b>243,050</b>	<b>243,050</b>	<b>212,530</b>	<b>(30,520)</b>
<b>Expenditures:</b>								
Salaries and wages	146,000	146,000	127,169	18,831	86,000	80,000	113,337	(33,337)
Fringe benefits	15,500	15,500	37,410	(21,910)	76,500	76,500	10,716	65,784
Retirement expense	3,500	3,500	-	3,500	-	-	-	-
Law books	-	-	-	-	5,000	5,000	1,525	3,475
Computer services	-	-	-	-	3,000	3,000	8,671	(5,671)
Dues and subscriptions	2,000	2,000	1,067	333	-	-	-	-
Capital expenditures	-	-	430	(430)	10,000	10,000	99,400	(89,400)
Utilities	-	-	-	-	-	-	-	-
Equipment purchases	-	-	-	-	-	-	4,814	(4,814)
Equipment lease	-	-	1,599	(1,599)	7,000	7,000	933	6,067
Bank charges	-	-	3,055	(3,055)	300	300	254	46
Miscellaneous	-	-	14,633	(2,633)	3,000	3,000	7,454	(4,454)
Office supplies	12,000	12,000	16,050	(4,050)	700	700	132	568
Postage	11,500	11,500	-	11,500	-	-	-	-
Transfer to City of Alexandria	-	-	1,418	(1,418)	5,500	5,500	5,372	(72)
Repair & maintenance	2,500	2,500	13,079	(10,579)	3,000	3,000	4,950	(1,950)
Legal & professional	12,000	12,000	-	12,000	-	-	-	-
Janitorial	-	-	-	-	1,000	1,000	-	1,000
Computer purchase	18,000	18,000	-	18,000	3,000	3,000	4,345	(1,345)
Insurance	-	-	-	-	3,500	3,500	-	3,500
Internet service	-	-	-	-	4,000	4,000	1,615	2,385
Vehicle maintenance & repairs	2,500	2,500	-	2,500	-	-	2,464	(2,464)
Seminars	-	-	18,926	(18,926)	3,000	3,000	890	2,110
Storage	-	-	-	-	7,500	7,500	369	7,131
Telephone	-	-	235,440	(235,440)	216,000	216,000	263,810	(47,810)
<b>Total expenditures</b>	<b>225,500</b>	<b>225,500</b>	<b>235,440</b>	<b>(9,940)</b>	<b>216,000</b>	<b>216,000</b>	<b>263,810</b>	<b>(47,810)</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>52,500</b>	<b>52,500</b>	<b>6,729</b>	<b>(55,771)</b>	<b>27,050</b>	<b>27,050</b>	<b>(51,280)</b>	<b>(78,330)</b>
<b>Other financing sources (uses)</b>								
Transfers	-	-	-	-	-	-	30,000	(30,000)
Fund balances, beginning	591,803	591,803	591,803	-	690,224	690,224	690,224	-
<b>Fund balances, ending</b>	<b>\$ 644,303</b>	<b>\$ 644,303</b>	<b>\$ 598,532</b>	<b>\$ 45,771</b>	<b>\$ 717,274</b>	<b>\$ 717,274</b>	<b>\$ 668,938</b>	<b>\$ 48,336</b>

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



# 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. De SELLE, CPA  
HEATHER D. RUTHERFORD, CPA

## 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, each major fund, and the aggregate remaining fund information of Alexandria City Court, as of and for the year ended September 30, 2010, and have issued our report thereon dated March 4, 2011. 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.

23



The CPA. Never Underestimate The Value.™

Emile P. Oestriecher, III, CPA  
Registered Representative

Securities offered through H.D. Vest Investment Securities, Inc. Member: NASD/SIPC  
633 North State Highway 161, Fourth Floor, Irving, Texas 75038 • (972) 870-6000

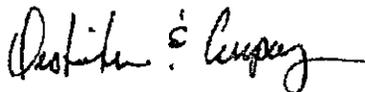
*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination 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 2010-1, 2010-2 and 2010-3.

### 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.



OESTRICHER & COMPANY  
Certified Public Accountants  
March 4, 2011

**ALEXANDRIA CITY COURT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the year ended September 30, 2010**

***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. Three material weaknesses disclosed during the audit of the basic financial statements is 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 2010-1**

**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 2010-2**

**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

**Finding 2010-3**

**Statement of Condition** – Duplicated receipts numbers were noted in the receipt books of the Pre-Trial Intervention Fund during fieldwork.

**Criteria** – Properly numbered receipts need to be maintained to insure that revenues that are recorded are complete and properly stated.

**Effect of Condition** – Revenues may not be complete and properly stated.

**Cause of Condition** – Receipts are being numbered by hand in receipt books and occasionally receipt numbers are being accidentally duplicated.

**Recommendation** – Alexandria City Court should consider purchasing pre-numbered receipt books to insure that receipt numbers will not be duplicated.

**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, 2010**

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

**Finding No. 2009-1-**The Alexandria City Court does not have adequate segregation of duties within the administrative office.

**Corrective action taken-** Condition is not resolved. See Finding 2010-1.

**Finding No. 2009-2-**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 2010-2.

***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 4, 2011**

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

Alexandria City Court respectfully submits the following corrective action plan for the year ended September 30, 2010.

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, 2009 through September 30, 2010.

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. 2010-1:**

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

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

**FINDING NO. 2010-2**

*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. 2010-3**

*Recommendation:* Alexandria City Court should consider purchasing pre-numbered receipt books for the PTI/Probation Funds.

*Action Taken:* Management will insure that the PTI/Probation Funds are furnished with pre-numbered receipt books to prevent duplicated receipts and possible unrecorded revenues in the future.