

**ALEXANDRIA CITY COURT
ALEXANDRIA, LOUISIANA**

SEPTEMBER 30, 2020

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 Balances – Governmental Funds.....	11
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	12
Fiduciary Funds:	
Statement of Fiduciary Net Position.....	14
NOTES TO FINANCIAL STATEMENTS	16
SUPPLEMENTARY INFORMATION	
Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer.....	24
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule.....	26
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>	27
Schedule of Findings and Questioned Costs.....	29
Summary Schedule of Prior Audit Findings.....	32
Management’s Corrective Action Plan.....	33



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, 2020, and the related notes to the financial statements, which collectively comprise the Alexandria City Court's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of the Alexandria City Court as of September 30, 2020, 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 19, 2021 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 19, 2021

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**Alexandria City Court
Statement of Net Position
September 30, 2020**

	Primary Government Governmental Activities
<u>Assets</u>	
Cash	\$ 175,346
Investments, at cost	1,011,757
Accrued interest receivable	2,144
Payroll tax receivable	9,900
Due from Alexandria City Marshal	12,117
Capital assets, net of accumulated depreciation	131,256
Total assets	1,342,520
 <u>Liabilities</u>	
Current liabilities	
Accounts payable	\$ 1,965
Due to other funds	6,521
Other liabilities	1,054
Total current liabilities	9,540
 <u>Net Position</u>	
Net investment in capital assets	131,256
Restricted	431,459
Unrestricted	770,265
Total net position	\$ 1,332,980

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, 2020**

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Government Governmental Activities</u>
GOVERNMENTAL ACTIVITIES					
Primary Government					
Governmental activities					
General government	\$ 185,517	\$ 207,999	\$ -	\$ -	\$ 22,482
Probation activities	106,315	23,147	-	-	(83,168)
Courtroom	92,943	85,790	-	-	(7,153)
Total governmental activities	<u>384,775</u>	<u>316,936</u>	<u>-</u>	<u>-</u>	<u>(67,839)</u>
 Total primary government	<u>\$ 384,775</u>	<u>\$ 316,936</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(67,839)</u>
 General revenues:					
					26,055
					<u>26,055</u>
					<u>(41,784)</u>
					<u>1,374,764</u>
					<u>\$ 1,332,980</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, 2020

	<u>General</u>	<u>Probation</u>	<u>Building</u>	<u>Total Governmental Funds</u>
<u>Assets</u>				
Cash	\$ 79,308	\$ 32,819	\$ 63,219	\$ 175,346
Investments, at cost	611,158	296,247	104,352	1,011,757
Accrued interest receivable	442	1,488	214	2,144
Payroll tax receivable	9,900	-	-	9,900
Due from Alexandria City Marshal	12,117	-	-	12,117
Due from other funds	68,986	-	3,053	72,039
Total assets	<u>\$ 781,911</u>	<u>\$ 330,554</u>	<u>\$ 170,838</u>	<u>\$ 1,283,303</u>
 <u>Liabilities and fund balance</u>				
Liabilities:				
Accounts payable	\$ -	\$ 45	\$ 1,920	\$ 1,965
Due to other funds	10,592	67,968	-	78,560
Other liabilities	1,054	-	-	1,054
Total liabilities	<u>11,646</u>	<u>68,013</u>	<u>1,920</u>	<u>81,579</u>
Fund balance:				
Restricted	-	262,541	168,918	431,459
Unassigned	770,265	-	-	770,265
Total fund balances	<u>770,265</u>	<u>262,541</u>	<u>168,918</u>	<u>1,201,724</u>
Total liabilities and fund balances	<u>\$ 781,911</u>	<u>\$ 330,554</u>	<u>\$ 170,838</u>	<u>\$ 1,283,303</u>

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

**Reconciliation of the Balance Sheet
of Governmental Funds
to the Statement of Net Position
September 30, 2020**

Total fund balance-total governmental funds	\$ 1,201,724
Amounts reported for <i>governmental activities</i> in the statement of net position are different because:	
Capital assets of \$985,820 net of accumulated depreciation of (\$854,564), are not financial resources and, therefore, are not reported in the funds.	<u>131,256</u>
Net position of governmental activities	<u>\$ 1,332,980</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, 2020**

	<u>General</u>	<u>Probation</u>	<u>Building</u>	<u>Total Governmental Funds</u>
Revenues:				
Court costs	\$ 111,519	\$ 23,147	\$ 85,790	\$ 220,456
Other revenue	96,480	-	-	96,480
Interest	16,244	5,061	4,752	26,057
Total revenues	<u>224,243</u>	<u>28,208</u>	<u>90,542</u>	<u>342,993</u>
Expenditures:				
Current:				
General Fund	165,608	-	-	165,608
Probation	-	106,315	-	106,315
Maintenance	-	-	-	-
Building	-	-	75,646	75,646
Capital outlay	65,460	-	29,785	95,245
Total expenditures	<u>231,068</u>	<u>106,315</u>	<u>105,431</u>	<u>442,814</u>
Excess (deficiency) of revenues over expenditures	(6,825)	(78,107)	(14,889)	(99,821)
Other financing sources (uses)				
Transfers (to) from other funds	-	-	-	-
Fund balance, beginning of year	<u>777,090</u>	<u>340,648</u>	<u>183,807</u>	<u>1,301,545</u>
Fund balance, end of year	<u>\$ 770,265</u>	<u>\$ 262,541</u>	<u>\$ 168,918</u>	<u>\$ 1,201,724</u>

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

**Reconciliation of the Statement of
Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities
For the year ended September 30, 2020**

Net changes in fund balances-total governmental funds \$ (99,821)

Amounts reported for *governmental activities* 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	95,245
Depreciation expense	<u>(37,208)</u>

Change in net position of governmental activities \$ (41,784)

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

FIDUCIARY FUND

Statement of Fiduciary Net Position
Alexandria City Court
September 30, 2020

	<u>Total Agency Funds</u>
<u>Assets</u>	
Cash	\$ 730,941
Investments, at cost	1,567,483
Due from general fund	<u>6,521</u>
Total assets	<u>2,304,945</u>
<u>Liabilities</u>	
Bank overdraft	962
Amounts held for others	<u>2,303,983</u>
Total liabilities	<u>\$ 2,304,945</u>

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

NOTES TO FINANCIAL STATEMENTS

Alexandria City Court
Notes to Financial Statements

September 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

Government-wide Financial Statements

The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements report financial information for the Alexandria City Court as a whole excluding fiduciary activities. Individual funds are not displayed but the statements distinguish governmental activities from business-type activities.

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

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

Fund Financial Statements

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

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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

Alexandria City Court
Notes to Financial Statements

September 30, 2020

activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criteria used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities.

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

Governmental Funds –

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

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

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

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

Alexandria City Court
Notes to Financial Statements

September 30, 2020

Fiduciary Funds –

Fiduciary Funds - Fiduciary funds are used to account for assets held by Alexandria City Court as an agent for other governmental departments, other organizations and other funds. Fiduciary funds are custodial in nature (assets equal liabilities).

Advance Court Costs Fund - Advance court costs are deposits made by plaintiffs who file civil suits. 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. After a case is dismissed, any excess deposit is refunded to the plaintiff.

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

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

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

Fund Balances

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

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

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

Alexandria City Court
Notes to Financial Statements

September 30, 2020

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 which are custodial in nature.

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, 2020

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.

Adoption of GASB 84

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

2. CASH AND INVESTMENTS:

As of September 30, 2020, cash deposits totaled \$906,287, of which \$730,941 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, 2020, the Alexandria City Court had certificates of deposit totaling \$2,579,240. The certificates bear interest ranging from 0.30% to 2.60% 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, 2020

4. INTERFUND RECEIVABLES AND PAYABLES:

A summary of the interfund receivables and payables by fund at September 30, 2020 is presented below:

	<u>Interfund Payables</u>	<u>Interfund Receivables</u>
Advanced Court Costs Fund	\$ -0-	\$ 5,775
Bond Forfeiture Fund	-0-	927
Garnishments Fund	1,018	-0-
Restitution Fund	-0-	837
Building Fund	-0-	3,053
General Fund	10,592	68,986
Probation Fund	<u>67,968</u>	<u>-0-</u>
	<u>\$ 79,578</u>	<u>\$ 79,578</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, 2020

Capital asset activity for the year ended September 30, 2020 was as follows:

	<u>Balance</u> <u>9/30/19</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>9/30/20</u>
Furniture and fixtures	\$ 172,082	\$ -0-	\$ -0-	\$ 172,082
Office equipment	540,531	95,245	-0-	635,776
Vehicles	64,277	-0-	-0-	64,277
Building improvements	<u>113,685</u>	<u>-0-</u>	<u>-0-</u>	<u>113,685</u>
Totals	890,575	95,245	-0-	985,820
Accumulated depreciation	<u>(817,356)</u>	<u>(37,208)</u>	<u>-0-</u>	<u>(854,564)</u>
Capital assets, net	<u>\$ 73,219</u>			<u>\$ 131,256</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, 2020, and thus, is not recognized in the accompanying financial statements.

7. **ECONOMIC DEPENDENCY:**

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

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

Alexandria City Court adopted a Saving Incentive Match Plan for Employees of Small Employers (SIMPLE) Plan that covers employees that are not covered under a labor negotiated retirement plan. The Plan is a defined contribution plan. The employees may voluntarily contribute a portion of their wages to the SIMPLE Plan on a tax-deferred basis. The Court matches up to 3% of compensation that each participant contributed to the Plan, which are immediately 100% vested. The employer contribution is established by the Plan document and is in accordance with IRS guidelines. There were no employees contributing in the current year.

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, 2020

Agency Head Judge Richard Starling

Salary	\$ 153,972
Health insurance	<u>21,828</u>
Total	<u>\$ 175,800</u>

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule
All Governmental Fund Types
Alexandria City Court
For the year ended September 30, 2020

	GENERAL FUND				SPECIAL REVENUE FUNDS			
	Original	Final	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)	Original	Final	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Revenues:								
Court costs	\$ 250,000	\$ 250,000	\$ 111,519	\$ (138,481)	\$ 165,000	\$ 165,000	\$ 108,937	\$ (56,063)
Other revenue	95,000	95,000	96,480	1,480	-	30,000	-	(30,000)
Interest	7,500	7,500	16,244	8,744	10,000	10,000	9,813	(187)
Total revenues	<u>352,500</u>	<u>352,500</u>	<u>224,243</u>	<u>(128,257)</u>	<u>175,000</u>	<u>205,000</u>	<u>118,750</u>	<u>(86,250)</u>
Expenditures:								
Salaries and wages	170,000	170,000	85,760	84,240	96,000	96,000	86,783	9,217
Payroll taxes	17,000	17,000	5,896	11,104	7,000	7,000	6,641	359
Retirement expense	-	-	-	-	-	-	-	-
Law books	-	-	-	-	3,000	3,000	1,536	1,464
Computer services	2,000	2,000	-	2,000	30,000	75,000	40,722	34,278
Dues and subscriptions	1,500	1,500	350	1,150	-	-	-	-
Capital expenditures	-	-	65,460	(65,460)	12,000	17,000	29,785	(12,785)
Uniforms	-	-	-	-	-	-	-	-
Equipment lease	-	-	-	-	10,000	2,000	156	1,844
Bank charges	3,000	3,000	7,665	(4,665)	-	-	463	(463)
Miscellaneous	-	-	3,898	(3,898)	2,000	2,000	913	1,087
Office supplies	2,000	2,000	4,117	(2,117)	20,000	35,000	19,248	15,752
Postage	10,000	10,000	15,636	(5,636)	-	-	-	-
Transfer to City of Alexandria	-	-	-	-	-	-	-	-
Repairs & maintenance	-	-	-	-	5,500	5,500	13,037	(7,537)
Legal & professional	30,000	30,000	19,869	10,131	5,300	5,300	7,655	(2,355)
Janitorial	1,200	1,200	-	1,200	-	-	-	-
Utilities	-	-	-	-	-	-	-	-
Insurance	15,000	15,000	20,618	(5,618)	6,000	6,000	4,123	1,877
Vehicle maintenance & expense	-	-	-	-	500	500	684	(184)
Storage	-	-	-	-	-	-	-	-
Seminars	20,000	20,000	1,799	18,201	-	-	-	-
Telephone	-	-	-	-	-	-	-	-
Total expenditures	<u>271,700</u>	<u>271,700</u>	<u>231,068</u>	<u>40,632</u>	<u>197,300</u>	<u>254,300</u>	<u>211,746</u>	<u>42,554</u>
Excess (deficiency) of revenues over expenditures	80,800	80,800	(6,825)	(87,625)	(22,300)	(49,300)	(92,996)	(43,696)
Other financing sources (uses)								
Transfers	-	-	-	-	-	-	-	-
Fund balances, beginning	<u>777,090</u>	<u>777,090</u>	<u>777,090</u>	<u>-</u>	<u>524,455</u>	<u>524,455</u>	<u>524,455</u>	<u>-</u>
Fund balances, ended	<u>\$ 857,890</u>	<u>\$ 857,890</u>	<u>\$ 770,265</u>	<u>\$ (87,625)</u>	<u>\$ 502,155</u>	<u>\$ 475,155</u>	<u>\$ 431,459</u>	<u>\$ (43,696)</u>



**OESTRIECHER
& COMPANY, CPAs**

Beyond the Numbers

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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, 2020, and the related notes to the financial statements, and have issued our report thereon dated March 19, 2021. 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 2020-001 and 2020-002.

Compliance

As part of obtaining reasonable assurance about whether Alexandria City Court's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed the following instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* listed as item numbers 2020-003 and 2020-004.

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

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

Oestriecher & Company, CPAs

OESTRIECHER & COMPANY
Certified Public Accountants
Alexandria, Louisiana

March 19, 2021

**ALEXANDRIA CITY COURT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended September 30, 2020**

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. Two instances of noncompliance of the Alexandria City Court were disclosed during the audit as listed below.

Section II - Financial Statement Findings

Finding 2020-001 – Segregation of Duties

Statement of Condition – Alexandria City Court does not have adequate segregation of duties within the administrative office.

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

Effect of condition – Lack of oversight could lead to improperly recorded transactions.

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

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

Questioned costs – None

Finding 2020-002 – Job Description

Statement of Condition – 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.

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

Effect of Condition – The Alexandria City Court needed assistance in preparing the annual financial statements.

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

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

Questioned Costs – None

Finding 2020-003 – Reconciled Cash Overdrawn

Statement of Condition – Reconciled cash balances were overdrawn.

Criteria – Bank service charges should be reimbursed from the general fund on a timely basis.

Effect of Condition – Alexandria City Court could incur bank charges if outstanding checks are cleared.

Cause of Condition – General fund has failed to reimburse other funds for bank service charges and office expenses.

Recommendation – Alexandria City Court should reimburse funds from the general fund.

Questioned Costs – None

Finding 2020-004 – Budget Violation

Statement of Condition – The budget showed a greater than 5% overage variance revenues.

Criteria – Budgeted revenues exceeded the actual revenues by more than 5%.

Effect of Condition – Alexandria City Court was not in compliance with Louisiana budget law.

Cause of Condition – An amendment to the budget was not completed once Alexandria City Court realized that budgeted revenues would not meet the 5% variance rule.

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

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, 2019

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

Finding No. 2019-001-The Alexandria City Court does not have adequate segregation of duties within the administrative office.

Corrective action taken- Condition is not resolved. See Finding 2020-001.

Finding No. 2019-002-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 2020-002.

Finding No. 2019-003- Multiple deposit records for the probation fund were not available for inspection by the auditor.

Corrective action taken- Condition is resolved.

Finding No. 2019-004- Reconciled cash balances were overdrawn.

Corrective action taken- Condition is not resolved. See Finding 2020-003.

Finding No. 2019-005- The budget showed a greater than 5% overage variance in special revenue expenditures.

Corrective action taken- Condition is not resolved. See Finding 2020-004.

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 19, 2021

MANAGEMENT'S CORRECTIVE ACTION PLAN

Alexandria City Court respectfully submits the following corrective action plan for the year ended September 30, 2020.

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, 2019 through September 30, 2020.

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

FINDINGS-FINANCIAL STATEMENT AUDIT

FINDING NO. 2020-001:

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

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

FINDING NO. 2020-002

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

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

FINDING NO. 2020-003

Recommendation: Alexandria City Court should reimburse funds from the general fund.

Action Taken: The Alexandria City Court will reimburse funds from the general fund.

FINDING NO. 2020-004

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

Action Taken: The Alexandria City Court will implement policies concerning amendments to the budget.