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# LUTHER SPEIGHT & COMPANY, LLC

*Certified Public Accountants and Consultants*



## **CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS NEW ORLEANS, LOUISIANA**

### **FINANCIAL STATEMENTS TOGETHER WITH INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED DECEMBER 31, 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 9/14/11

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CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2010

Our discussion and analysis of Criminal District Court for the Parish of Orleans financial performance provides an overview of the financial activities for the year. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of a series of financial statements. The Government Financial Statements – The Statement of Net Assets and the Statement of Activities provide information about the financial activities as a whole and present a longer-term view of the finances. Fund Financial Statements (FFS) – The Balance Sheet and the Statements of Revenues, Expenditures and Changes in Fund Balances tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than Government Statements by providing information about the most significant funds.

Our auditor has provided assurance in his independent auditor's report, located immediately following this MD&A, that the Basic Financial Statements are fairly stated. The auditor regarding the Required Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

**GOVERNMENT - FINANCIAL STATEMENTS**

One of the most important questions asked about the finances is, "Is the Criminal District Court as a whole better or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the entity as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Continued,

#### **FUND FINANCIAL STATEMENTS**

The Fund Financial Statements provide detailed information about the most significant funds not the operations as a whole. Some funds are required to be established by State laws. Other funds are established to help control and manage money for a particular purpose while others are to show that it is meeting legal responsibilities for using certain appropriations, grants, and other money.

The Criminal District Court utilizes the governmental type of fund with the following accounting approach. Most of the basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. We describe the relationships (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in the reconciliation following the fund financial statements.

#### **FINANCIAL HIGHLIGHTS**

Our financial statements provide these insights into the results of this year's operations:

- As a result of this year's operations, total net assets were \$4,935,534. Net assets increased by \$93,038 from the previous year of \$4,842,496.
- Total net assets were comprised of the following:
  - (1) Invested in capital assets of \$1,436,892, the net book value of property and equipment.
  - (2) Unrestricted net assets of \$1,153,763 in the general fund and \$1,319,200 in the special revenue fund both represent the net assets available to maintain continuing obligations to citizens and operations of the Court.
  - (3) Restricted net assets of \$1,025,679 represent net assets that are restricted as to their use, but generally support the operations of the Court and its programs.
- Total fund balance for governmental activities decreased by \$247,653 from the prior year total of \$3,250,989.
- Total spending for all activities was \$8,785,074, which was \$465,015 greater than the previous year.

## FINANCIAL ANALYSIS OF THE CRIMINAL DISTRICT COURT AS A WHOLE

The Statement of Net Assets and the Statement of Activities reports only one type of government activity. Our analysis below focuses on the net assets of the governmental- type activities:

### Condensed Statement of Net Assets

	2010	2009	Change	% Change
Current and Other Assets				
Current Assets	\$4,183,099	\$ 3,619,730	\$ 563,369	16%
Capital Assets	1,436,892	1,591,507	(154,615)	-10%
<b>Total Assets</b>	<b>5,619,991</b>	<b>5,211,237</b>	<b>408,754</b>	<b>8%</b>
Current Liabilities	684,457	368,741	315,716	86%
<b>Total Liabilities</b>	<b>684,457</b>	<b>368,741</b>	<b>315,716</b>	<b>86%</b>
Net Assets				
Investment in Capital Assets	1,436,892	1,591,507	(154,615)	-10%
Restricted	1,025,679	1,849,476	823,797	-45%
Unrestricted	2,472,963	1,401,513	1,071,450	76%
<b>Total Net Assets</b>	<b>4,935,534</b>	<b>4,842,496</b>	<b>93,038</b>	
<b>Total Liabilities and Net Assets</b>	<b>\$5,619,991</b>	<b>\$ 5,211,237</b>	<b>\$408,754</b>	<b>8%</b>

As a result of this year's operations, net assets increased by 93,038. The total balance in net assets; \$4,935,534 represents the accumulated results of the current and all past years' operations. The decrease in restricted net assets and the corresponding increase in net assets were due to a reclassification of certain fund balances accounted for in the special revenue fund from restricted to unrestricted during the current period. The funds that comprised the reclassification were the Judicial Expense Fund and the Drug Screening Program Fund.

Continued,

Our analysis below focuses on the changes in net assets of the governmental – type activities:

Condensed Statement of Activities:

	<u>2010</u>	<u>2009</u>	<u>Change</u>	<u>% Change</u>
Total program expenses	(8,939,689)	\$ (8,298,029)	\$ (641,660)	7%
Total program revenues	<u>9,069,987</u>	<u>8,121,978</u>	<u>948,009</u>	<u>10%</u>
Net program Income	130,298	(176,051)	306,349	235%
General revenues	<u>(37,260)</u>	<u>(72,465)</u>	<u>35,205</u>	<u>-94%</u>
Change In Net Assets	93,038	(248,516)	341,554	367%

Net Assets:

Beginning of the year	<u>\$ 4,842,496</u>	<u>5,091,012</u>	<u>-248,516</u>	<u>-5%</u>
End of the year	<u>4,935,534</u>	<u>\$ 4,842,496</u>	<u>\$ 93,038</u>	<u>2%</u>

Net program revenues for the year in governmental activities were \$9,069,987. The amount was comprised of \$2,954,022 in charges for services and \$6,115,965 in operating and grant revenues. Total revenues also included \$37,260 in interest income and net transfers.

BUDGETARY HIGHLIGHTS

The total of general fund budgeted revenues were \$4.5 million with actual revenues were reported at \$4.4 million. The total special revenue budget was \$3.7 million while actual revenues were reported at \$4.5 million. The revenues in excess of budget were due primarily to the receipt of federal grant funding that was not anticipated during the budgeted process.

Continued.

#### CAPITAL ASSETS

The investment in capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2010 and 2009 was \$1,436,892 and \$1,591,507 respectively.

This financial report is designed to provide a general overview of the Criminal District Court finances and to show the Criminal District Court accountability for the money it receives. If you have questions about this report or need additional financial information, contact:

Ms. Robert Kazik , Judicial Administrator  
Criminal District Court For the Parish of Orleans  
2700 Tulane Avenue Room 201  
New Orleans, LA 70119  
Phone (504) 658-9100



# LUTHER SPEIGHT & COMPANY, LLC

*Certified Public Accountants and Consultants*

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Terry Alacorn, Chief Judge  
Criminal District Court for the Parish of Orleans

We have audited the accompanying financial statements of the governmental activities of the Criminal District Court for the Parish of Orleans as of and for the year ended December 31, 2010, which collectively comprise the Court's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Court's management. Our responsibility is to express opinions 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 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 the 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of the Criminal District Court for the Parish of Orleans as of December 31, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2011, on our consideration of the 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* and should be considered in assessing the results of our audit.



Continued,

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 1 through 5 and 23 through 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Court's financial statements as a whole. The budget comparison schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The schedule of expenditures of federal awards is the responsibility of management and was derived from and relate 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. The budget comparison schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.



New Orleans, Louisiana  
July 30, 2011

**BASIC FINANCIAL STATEMENTS**

CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS  
Statement of Net Assets - Governmental Activities  
December 31, 2010

**ASSETS AND OTHER DEBITS**

Cash and cash equivalents	\$ 3,597,992
Due from other Government	<u>585,107</u>
Total Current Assets	<u>4,183,099</u>
 Noncurrent Assets	
Capital assets, net of depreciation	<u>1,436,892</u>
 Total Assets and other debits	<u><u>5,619,991</u></u>

**LIABILITIES AND FUND EQUITY**

Liabilities:	
Accounts payable	348,486
Salaries payable	96,058
Related benefits payable	<u>239,913</u>
Total Liabilities	<u>684,457</u>

**NET ASSETS**

Restricted:	
Invested in capital assets, net of depreciation	1,436,892
Restricted - special revenue fund	1,025,679
Unrestricted:	
General Fund	1,153,763
Special Revenue Fund	<u>1,319,200</u>
Total Fund Equity	<u>4,935,534</u>
 Total Liabilities and Fund Equity	<u><u>\$ 5,619,991</u></u>

See Accompanying Notes to Financial Statements

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS**  
**Statement of Activities - Governmental Activities**  
**For the Year Ended December 31, 2010**

<u>FUNCTIONS / PROGRAMS</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net</u>
		<u>Charges for</u>	<u>Operating</u>	<u>(Expenses)</u>
		<u>Services</u>	<u>Grants &amp;</u>	<u>Revenue</u>
			<u>Contributions</u>	
Governmental activities:				
General government	\$ 8,939,689	\$2,954,022	\$ 6,115,965	\$ 130,298
Total governmental activities:				<u>130,298</u>
 General revenues:				
Unrestricted investment earnings				1,496
Transfers to other funds				<u>(38,756)</u>
Total general revenues and transfers				<u>(37,260)</u>
Changes in net assets				<u>93,038</u>
Net assets - beginning				<u>4,842,496</u>
Net assets - ending				<u>\$ 4,935,534</u>

See Accompanying Notes to Financial Statements

CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS  
 Balance Sheet - Governmental Funds  
 December 31, 2010

	General Fund	Special Revenue Fund	Total Governmental Fund
<b>ASSETS AND OTHER DEBITS</b>			
Cash and cash equivalents	\$ 1,041,020	\$ 2,556,972	\$ 3,597,992
Due from other Government	360,265	224,842	585,107
<b>Total Assets and other debits</b>	<u>1,401,285</u>	<u>2,781,814</u>	<u>4,183,099</u>
<b>LIABILITIES AND FUND EQUITY</b>			
<b>Liabilities:</b>			
Accounts payable	118,730	229,756	348,486
Salaries payable	85,354	10,704	96,058
Related benefits payable	43,438	196,475	239,913
<b>Total Liabilities</b>	<u>247,522</u>	<u>436,935</u>	<u>684,457</u>
<b>Fund balances</b>			
Unrestricted - general fund	1,153,763	-	1,153,763
Unrestricted - special revenue fund	-	1,319,200	1,319,200
<b>Restricted</b>			
Restricted - special revenue funds	-	1,025,679	1,025,679
<b>Total Fund Equity</b>	<u>1,153,763</u>	<u>2,344,879</u>	<u>3,498,642</u>
<b>Total Liabilities and Fund Equity</b>	<u>\$ 1,401,285</u>	<u>\$ 2,781,814</u>	<u>\$4,183,099</u>

See Accompanying Notes to Financial Statements

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2010**

	General Fund	Special Revenue Fund	Total Governmental Funds
<b>REVENUES</b>			
Charges for Services	\$2,557,887	\$ 396,135	\$2,954,022
Intergovernmental Revenues	1,917,386	4,198,579	6,115,965
Interest	528	968	1,496
<b>TOTAL REVENUES</b>	<b>4,475,801</b>	<b>4,595,682</b>	<b>9,071,483</b>
<b>EXPENDITURES</b>			
Salaries and related benefits	3,365,853	1,931,999	5,297,852
Travel	1,879	6,069	7,948
Legislative Expenses	11,612	-	11,612
Conferences and Legal Education	95,146	69,981	165,127
Ceremonies	684	1,111	1,795
Office Supplies	73,097	36,330	109,427
Cleaning Supplies	4,594	1,013	5,607
Law Books	49,457	-	49,457
Bottle Water	16,029	3,470	19,499
Jury Expenses	13,860	293,851	307,711
Security Expenses	682	-	682
Telephone	41,123	27,392	68,515
Postage	10,440	16,901	27,341
Pest Control	4,831	-	4,831
Dues and Subscriptions	15,440	540	15,980
Paper Supplies	30,216	17,413	47,629
Advertising	533	346	879
Building Maintenance & Repairs	14,598	9,484	24,082
Cleaning Services	4,577	790	5,367
Capital Outlay	-	8,275	8,275
Equipment Maintenance & Repairs	16,051	2,252	18,303
Lease Payments	23,496	2,605	26,101
Equipment Rentals	2,499	2,400	4,899
Professional & Contractual Exp	208,648	1,447,339	1,655,987
Drug Testing Supplies	6,556	257,596	264,152
Coffee	2,312	4,208	6,520
Transcripts	225	141,687	141,912
Insurance	397,757	45,961	443,718
Miscellaneous	156	900	1,056
<b>Total Expenditures</b>	<b>4,412,351</b>	<b>4,329,913</b>	<b>8,742,264</b>
Capital Outlay	42,810	-	42,810
<b>TOTAL EXPENDITURES</b>	<b>4,455,161</b>	<b>4,329,913</b>	<b>8,785,074</b>
Excess(deficiency) of Revenue Over(Under) Expenditures	20,640	265,769	286,409
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	1,522,703	281,634	1,804,337
Operating transfers out	(1,791,093)	(52,000)	(1,843,093)
<b>Total Other Financing Sources (Uses)</b>	<b>(268,390)</b>	<b>229,634</b>	<b>(38,756)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(247,750)</b>	<b>495,403</b>	<b>247,653</b>
<b>FUND BALANCES</b>			
Beginning	1,401,513	1,849,476	3,250,989
Ending	<u>\$1,153,763</u>	<u>\$2,344,879</u>	<u>\$3,498,642</u>

See accompanying notes to financial statements

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS**  
**Reconciliation of Total Governmental Fund Balances to**  
**Net Assets of Governmental Activities**  
**December 31, 2010**

Total Governmental Fund Balances \$ 3,498,642

Amounts reported in governmental activities in  
the statement of net assets are different because:

Capital assets used in the governmental activities are  
not financial resources and therefore are not reported  
in the funds.

1,436,892

**Net Assets of Governmental Activities**

\$ 4,935,534

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**of Governmental Funds to the Statement of Activities**  
**For the Year Ended December 31, 2010**

Net change in fund balances - total governmental funds (fund financial statements)		\$ 247,653
Amount reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures in the individual fund. Governmental activities report depreciation expense to allocate the cost of those capital assets over the estimated useful lives of the asset.		
Capital asset purchases capitalized	51,085	
Depreciation expense	<u>(205,700)</u>	<u>(154,615)</u>
 Change in net assets of governmental activities		 <u><u>\$ 93,038</u></u>

See accompanying notes to financial statements



CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS  
Statement of Fiduciary Net Assets - Agency Funds  
December 31, 2010

	<u>Restitution</u>	<u>Court Costs</u>	<u>District Attorney</u>	<u>Total</u>
Cash and cash equivalents	\$ 655,139	16,686	406	\$ 672,231
Due from other Governments	<u>19,665</u>	<u>-</u>	<u>-</u>	<u>19,665</u>
Total assets	<u>\$ 674,804</u>	<u>16,686</u>	<u>406</u>	<u>691,896</u>
Accounts payable	19,559	-	-	19,559
Due to victims	<u>655,245</u>	<u>16,686</u>	<u>406</u>	<u>672,337</u>
Total liabilities	<u><u>674,804</u></u>	<u><u>16,686</u></u>	<u><u>406</u></u>	<u><u>\$ 691,896</u></u>

See Accompanying Notes to Financial Statements

**NOTES TO FINANCIAL STATEMENTS**

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**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

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

Louisiana Revised Statute 13:1335 established the Criminal District Court for the Parish of Orleans (Criminal Court). The Criminal Court is composed of judges serving six-year terms. The Criminal Court has exclusive jurisdiction over the trial and punishment of all crimes, misdemeanors, and offenses committed within the Parish of Orleans. The Criminal Court has appellate jurisdiction for all cases tried before the Municipal Court of New Orleans and the Traffic Court of New Orleans.

In addition, Louisiana Revised Statute 13:1346 established the Magistrate Section of the Criminal District Court for the Parish of Orleans. The magistrate section is composed of one elected judge and four commissioners who are appointed by the judges sitting en banc, each serving six-year terms. The magistrate section has jurisdiction to act as committing magistrate in felony and misdemeanor charges and to hold preliminary examinations, with the authority to bail or discharge, or to hold for trial, in all cases before the Criminal District Court for the Parish of Orleans.

The Criminal District Court for the Parish of Orleans includes all funds that are controlled by the judges en banc as independently elected officials with oversight responsibility. Oversight responsibility is determined on the basis of the following criteria:

1. Appointment of governing boards
2. Designation of management
3. Ability to significantly influence operations
4. Accountability for fiscal matters
5. Scope of public service

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

Continued,

**A. FUND ACCOUNTING**

The accounts of the Criminal Court are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. Revenues are accounted for in these individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The funds presented in the general purpose financial statements are described as follows:

**GOVERNMENTAL FUNDS**

**General Fund**

The General Fund is the general operating fund of the Criminal Court. It accounts for all financial resources, except those that are required to be accounted for in other funds.

**Special Revenue Fund**

Grant Funds accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. In addition, the General Fund of the Board of Jury Commissioners and the Renaissance, Inc. are reported as specific programs within the Special Revenue Fund.

**FIDUCIARY FUNDS**

**Probation Assessment, Restitution and Court Cost Agency Funds**

The Probational Assessment, Restitution and Court Cost Agency Funds account for assets held as an agent for others. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operation.

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

Continued,

**B. Basic Financial Statements – Basis of Presentation**

*GOVERNMENT-WIDE FINANCIAL STATEMENTS*

The basic financial statements include both government-wide (reporting as a whole) and fund financial statements (reporting the major funds). All of the judicial and administrative services are classified as governmental activities.

In the government-wide Statement of Net Assets, the governmental activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The net assets are reported in three parts 1.) invested in capital assets, net of related debt; 2.) restricted net assets; and 3.) unrestricted net assets.

The government-wide Statement of Activities reports both the gross and net cost of each of the functions and activities. These functions are also supported by general government revenues (interest earned and other miscellaneous revenues). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues and grants.

The net costs (by function) are normally covered by general revenue (interest earned, etc.). This government-wide focus is more on the sustainability as an entity and the change in the net assets resulting from the current year's activities.

*FUND FINANCIAL STATEMENTS*

The financial transactions are reported within individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The governmental fund type is the only type reported. The focus of the governmental funds measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income.

**C. Measurement Focus and Basis of Accounting**

*Accrual Basis of Accounting*

Basis of accounting refers to the point at which revenues or expenditures are recognized in the accounts and reported on the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

Continued,

Governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenue, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenue, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Non-exchange Transactions."

Program revenue included in the Statement of Activities derive directly from the program itself and reduce the cost of the function to be financed from the general revenues.

*Modified Accrual Basis of Accounting*

The fund financial statements are presented on 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 collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period or within 60 days after year-end. Expenditures are generally recorded when the related fund liability is incurred.

With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses).

Fines, fees, and other revenues are recorded when collected and are considered susceptible to accrual.

**D. Budgets**

The Criminal District Court adopts an annual budget for the General Fund and the Special Revenue Funds on a modified accrual basis of accounting. The original proposed budget is made available for public inspection and adopted no later than in December of the previous year. 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.

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

Continued,

**F. GENERAL FUND REVENUES**

The Court's financial reporting includes a general fund (commonly referred to as Judicial Expense Fund) that consists of revenues sources from 1) Charges for services and 2) Intergovernmental revenues. A summary of the revenue sources accounted for in the general fund include the following:

**Charges for Services**

1. Probation Assessments
2. Drug Testing/Screening
3. Intensive Probation
4. Indigent Transcript
5. Indigent Defender
6. Processing Fees
7. Misdemeanor/Felony/Contempt of Court
8. Bond Fees

**Intergovernmental Revenues**

1. City of New Orleans Funding
2. State Supreme Court

**G. SALARIES, OFFICE SUPPLIES AND TRAVEL OF JUDGES**

Salaries, office supplies, and travel of the judges that are paid directly by warrants drawn on the Louisiana Supreme Court are not included in the expenditures on the accompanying financial statements.

**H. COMPENSATED ABSENCES**

Employees of the Criminal District Court for the Parish of Orleans and the Board of Jury Commissioners earn from one to four weeks of vacation leave each year, depending upon their years of service. This vacation leave does not accumulate or vest. Sick leave is not earned, but is granted as needed. Paternity leave is granted for up to five days paid. Additionally, maternity leave is provided for as follows:

<u>Number of weeks absent</u>	<u>Percent of compensation paid</u>
6 or less	100
7	75
8	50
9	25
10 or more	0

The liability for unused vacation leave payable at December 31, 2010, was \$239,913.

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

Continued,

**I. RISK MANAGEMENT**

The Criminal District Court for the Parish of Orleans participates in an insurance risk pool sponsored by the State of Louisiana, Office of Risk Management. Annual premiums are paid to the Office of Risk Management to obtain coverage for comprehensive general liability, worker's compensation, faithful performance blanket bond, building and property, automobile liability, automobile physical damage, crime and miscellaneous tort. Premiums are based on two factors: The exposure of the agency to various kinds of claims, and the amount of those claims. Additionally, the risk pool through commercial insurance carriers provides excess coverage.

**J. TOTAL COLUMNS OF GENERAL PURPOSE FINANCIAL STATEMENTS**

The total columns on the general-purpose financial statements are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund elimination's have not been made in the aggregation of this data.

**K. ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**L. INCOME TAXES**

Criminal Court is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

**M. FUND BALANCE RESTRICTIONS**

The Court's special revenue funds include various grants and non-grant activities that are accounted for using fund accounting. In addition, certain fund balances within the special revenue fund are restricted as to their use and other fund balances are unrestricted, although fund accounting is utilized for all special revenue funds.



**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

**NOTE 2: CHANGES IN CAPITAL ASSET BALANCES**

A summary of changes in property and equipment is detailed below:

Beginning Balance, January 1, 2010	\$ 1,964,922
Additions	51,085
Deletions	<u>-0-</u>
Ending Balance, December 31, 2010	2,016,007
Less: Accumulated Depreciation	<u>579,115</u>
Capital Assets, (net of accumulated depreciation)	<u>\$ 1,436,892</u>

**NOTE 3: PENSION PLANS**

Plan description: The Criminal Court contributes to the Louisiana State Employees' Retirement System (LSERS) and Louisiana Clerks of Court Retirement and Relief Fund (LCCRR), a cost-sharing multiple-employer defined benefit pension plan administered by the Louisiana State Employees' Retirement System. LSERS and LCCRR provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Louisiana State Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for LSERS and LCCRR. These reports may be obtained by writing to Louisiana State Employees' Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213.

Funding policy: Plan members are required to contribute a portion of their annual covered salary and Criminal Court is required to contribute at actuarially determined rates as follows:

	<u>Employee</u>	<u>Employer</u>
LSERS <thru June 30, 2003>	7.50%	14.10%
LSERS <after June 30, 2003>	7.50%	15.80%
LCCRR <thru June 30, 2003>	8.25%	10.00%
LCCRR <after June 30, 2003>	8.25%	11.50%

The contribution requirements of plan members and Criminal Court are established and may be amended by the LSERS and LCCRR.

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

**NOTE 4: LEASES**

The Criminal District Court for the Parish of Orleans records items under capital leases as assets and obligations in the accompanying financial statements. Capital leases at December 31, 2010, consist of office equipment such as copiers, which are included in the fixed assets. No additional leases were acquired in the year 2010.

The lease agreements provide for renewal and purchase options at the end of the lease term. The lessee may renew the lease for one year at the same price as the original lease or the lessee may purchase the equipment for an amount as specified in the lease agreement.

**NOTE 5: CHANGES IN AGENCY FUND BALANCE**

A summary of changes in Probation Assessment, Restitution and Court Cost Agency Fund Cash balances are as follows:

Balance at beginning of year	\$514,454
Net Increase in Cash	<u>157,777</u>
Balance at end of year	<u>\$672,231</u>

**NOTE 6: COLLATERALIZATION OF DEPOSITS**

At December 31, 2010, the Criminal Court had cash (book balances) totaling \$4,270,223. The Criminal Court had \$4,350,451 in deposits (collected balances). These deposits are secured from risk by \$250,000 of federal deposit insurance at three institutions totaling \$750,000 and \$3,600,451 of pledged securities of their primary depository institution. The pledged securities are held the Federal Reserve Bank department, in the name of the Criminal District Court (Category 2).

**NOTE 7: PROBATION ASSESSMENT, RESTITUTION AND COURT COST**

The Probation Assessment and Restitution Fund accounts for the amount a defendant is ordered to pay at the discretion of the court when the court has suspended the imposition or execution of a sentence and has placed the defendant on probation. Payments are made to victims for restitution of their losses as ordered by the court. Probation assessments are paid upon collection to the Criminal District Court for Orleans Parish as provided by Louisiana Revised Statute 15:571.11 (D). The Court Cost Fund collects all costs assessed against defendant pursuant to Louisiana Revised Statute 13:1377 (B) effective September 1, 1991. Payments are distributed monthly to other agencies, which participate in the amount of court costs assessed.

**Criminal District Court for the Parish of Orleans**  
**Budget Comparison Schedule - General Fund**  
**For the year ended December 31, 2010**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Charges for Services	\$ 2,265,000	\$2,557,887	\$ 292,887
Intergovernmental revenues	2,285,196	1,917,386	(367,810)
Interest	280	528	248
<b>TOTAL REVENUES</b>	<u>4,550,476</u>	<u>4,475,801</u>	<u>(74,675)</u>
<b>EXPENDITURES</b>			
Salaries and related benefits	3,200,000	3,365,853	(165,853)
Travel	2,800	1,879	921
Legislative Expenses	6,000	11,612	(5,612)
Conferences and Legal Education	103,000	95,146	7,854
Ceremonies	1,000	684	316
Office Supplies	77,000	73,097	3,903
Cleaning Supplies	2,700	4,594	(1,894)
Law Books	53,000	49,457	3,543
Bottle Water	16,000	16,029	(29)
Jury Expenses	2,000	13,860	(11,860)
Security Expenses	1,000	682	318
Telephone	55,000	41,123	13,877
Postage	7,850	10,440	(2,590)
Pest Control	7,500	4,831	2,669
Dues and Subscriptions	11,000	15,440	(4,440)
Paper Supplies	27,000	30,216	(3,216)
Advertising	1,700	533	1,167
Building Maintenance & Repairs	27,200	14,598	12,602
Cleaning Services	4,600	4,577	23
Equipment Maintenance & Repairs	13,500	16,051	(2,551)
Lease Payments	24,000	23,496	504
Equipment Rentals	5,000	2,499	2,501
Professional & Contractual Exp	200,000	208,648	(8,648)
Coffee	8,000	6,556	1,444
Drug Testing Supplies	-	2,312	(2,312)
Transcripts	46,000	225	45,775
Insurance	390,000	397,757	(7,757)
Miscellaneous	200	156	44
<b>Total current expenditures</b>	<u>4,293,050</u>	<u>4,412,351</u>	<u>(119,301)</u>
Capital outlay	185,000	42,810	142,190
<b>TOTAL EXPENDITURES</b>	<u>4,478,050</u>	<u>4,455,161</u>	<u>22,889</u>
Excess (deficiency) of Revenue Over (Under) Expenditures	<u>\$ 72,426</u>	<u>\$ 20,640</u>	<u>\$ 51,786</u>

See accompanying notes to financial statements

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS**  
**Budget Comparison Schedule - Grant Funds**  
**December 31, 2010**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Charges for Services	290,016	\$ 396,135	\$ 106,119
Intergovernmental revenues:	3,408,695	4,198,579	789,884
Interest	500	968	468
<b>TOTAL REVENUES</b>	<u>3,699,211</u>	<u>4,595,682</u>	<u>896,471</u>
<b>EXPENDITURES</b>			
Salaries and related benefits	1,880,516	1,931,999	(51,483)
Travel	1,700	6,069	(4,369)
Conferences and Legal Education	27,000	69,981	(42,981)
Ceremonies	-	1,111	(1,111)
Office Supplies	30,250	36,330	(6,080)
Cleaning Supplies	600	1,013	(413)
Bottle Water	2,200	3,470	(1,270)
Jury Expenses	240,000	293,851	(53,851)
Security Expenses	1,000	-	1,000
Telephone	27,500	27,392	108
Postage	16,300	16,901	(601)
Dues and Subscriptions	-	540	(540)
Paper Supplies	23,500	17,413	6,087
Advertising	2,700	346	2,354
Building Maintenance & Repairs	6,650	9,484	(2,834)
Cleaning Services	650	790	(140)
Equipment Maintenance & Repairs	6,700	2,252	4,448
Lease Payments	500	2,605	(2,105)
Equipment Rentals	2,500	2,400	100
Professional & Contractual Exp	1,373,500	1,447,339	(73,839)
Coffee	3,500	4,208	(708)
Drug Testing Supplies	320,000	257,596	62,404
Transcripts	70,000	141,687	(71,687)
Insurance	30,000	45,961	(15,961)
Miscellaneous	500	900	(400)
Total current expenditures	<u>4,067,766</u>	<u>4,321,638</u>	<u>(253,872)</u>
Capital outlay	35,000	8,275	26,725
<b>TOTAL EXPENDITURES</b>	<u>4,102,766</u>	<u>4,329,913</u>	<u>(227,147)</u>
Excess (deficiency) of Revenue Over (Under) Expenditures	<u>\$ (403,555)</u>	<u>\$ 265,769</u>	<u>\$ 669,324</u>

See accompanying notes to financial statements



# LUTHER SPEIGHT & COMPANY, LLC

Certified Public Accountants and Consultants

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 Terry Alacorn, Chief Judge  
Criminal District Court for the Parish of Orleans

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Criminal District Court for the Parish of Orleans (the Court), as of and for the year ended December 31, 2010, which collectively comprise the Court's basic financial statements and have issued our report thereon dated July 30, 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 the Court's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Court's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Court's internal control over financial reporting.

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.

Continued,

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. However, we identified deficiencies in internal control over financial reporting, described in the accompanying schedule of findings as Findings 10-01 and 10-02 that we consider to be significant deficiencies in internal control over financial reporting. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We determined finding 10-01 to also be a material weakness, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

This report is intended solely for the information and use of the Registrar, its management, the Court and the Legislative Auditor of Louisiana and should not be used by anyone other than these specified parties. Under Louisiana Revised Statutes 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



Luther Speight & Company CPA's

July 30, 2011



# LUTHER SPEIGHT & COMPANY, LLC

Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR  
PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR  
A-133

To the Honorable Terry Alacom, Chief Judge  
Criminal District Court for the Parish of Orleans

### Compliance

We have audited the Criminal District Court for the Parish of Orleans (the Court)'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Court's major federal programs for the year ended December 31, 2010. The Court's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Court's management. Our responsibility is to express an opinion on the Court's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Court's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Court's compliance with those requirements.

In our opinion, the Court complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010.

Continued,

Internal Control Over Compliance

Management of the Court is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Court's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Court's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The Court's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Court's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, the Court and others within the entity, federal awarding agencies and pass-through entities and the Legislative Auditor of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Although, the intended use of these reports may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



July 30, 2011



CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS  
 SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS  
 for the YEAR ENDED DECEMBER 31, 2010

Federal <u>Grantor</u>	Pass-through <u>Grantor</u>	CFDA <u>Number</u>	<u>Program Title</u>	Current Year <u>Expenditures</u>
U. S. Department of Justice		16.579	Drug Court II	\$ 224,492
	passed through - State of Louisiana Commission on Law Enforcement and Administration of Criminal Justice		Drug Court III	52,576
U. S. Department of Justice		16.738	Drug Screening	\$ 135,727
	passed through - State of Louisiana Commission on Law Enforcement and Administration of Criminal Justice			
U. S. Department of Justice		16.590	Domestic Violence	\$ 121,255
	passed through - State of Louisiana Commission on Law Enforcement and Administration of Criminal Justice			
U. S. Department of Justice		16.588	Domestic Violence II	\$ 51,122
	passed through - State of Louisiana Commission on Law Enforcement and Administration of Criminal Justice			
U. S. Department of Justice		16.745	Mental Health II	\$ 37,549
	Supreme Court Drug Court	93.558	TANF	\$ 375,792
U.S. Department of Health and Human Services				
	SAMHSA Grant	93.243	Enhancement to Drug Court	\$ 249,872
			Total Federal Expenditures	<u>\$ 1,248,385</u>

See accompanying notes to financial statements

**CRIMINAL DISTRICT COURT FOR THE PARISH OF  
ORLEANS**

**Schedule of Findings and Responses  
Year Ended December 31, 2010**

**Section I - Summary of Auditor's Results**

Financial Statements

An unqualified opinion was issued on the financial statements of the auditee.

Internal control over financial reporting:

Material weakness (es) identified?                      X   yes           no

Significant deficiency(s) identified  
not considered to be material weaknesses?          X   yes           no

Noncompliance material to financial statements noted?               yes      X   no

Federal Awards

Internal control over major programs:

Material weakness (es) identified?                           yes      X   no

Significant deficiency(s) identified  
not considered to be material weaknesses?               yes      X   no

An unqualified opinion was issued on compliance.

Any audit findings disclosed that are required to be  
Reported in accordance with Circular  
A-133, Section 510(a)?

       yes      X   no

The major programs for the year ended December 31, 2010 were as follows:

Temporary Assistance to Needy Families (TANF)    –    CFDA 93.558  
Substance Abuse and Mental Health Services (SAMHSA) – CFDA 93-243

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

**FINDING# 10-01: FUNDS DUE TO VICTIMS NOT RETURNED**

**CONDITION**

The Criminal District Court maintains a computerized database that includes the amounts that have been ordered by the Court Judges as "Due to Victims". As of December 31, 2010 the database reflected a balance of \$649,228. Our review of the database showed that the database reflected significant balances where the victim was unknown. These unknown victim balances totaled \$345,000.

We also noted that amounts in excess of \$300,000 remained within the database with identifying information for the victim, however the Court had been unable to successfully disburse the funds to the victim as of December 31, 2010.

**CAUSE**

It appeared that the Court has been unable to identify the names and locations of many of the victims intended to receive these amounts ordered by the Court.

**EFFECT**

Funds remain on deposit and significantly age without return to the intended victim or other proper disposition.

**RECOMMENDATION**

We recommend that the Court develop and implement a plan to identify the intended victims and to disburse the funds as provided by the orders of the Court.

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

FINDING# 10-02: INDEPENDENT AUDIT NOT SUBMITTED BY JUNE 30, 2011

**CONDITION**

The Criminal District Court did not submit its annual independent audit for the year ended December 31, 2010 within six months after year-end, or June 30, 2011.

**CAUSE**

The independent audit engagement did not anticipate a OMB Circular A-133 requirement due to new grant funding for the current audit period. Additional audit work was required to address the applicable OMB A-133 requirements.

**EFFECT**

The independent audit was not issued before by June 30, 2011 as required by LA Revised Statute 24:513 the statutory deadline required by the Louisiana Legislative Auditor.

**RECOMMENDATION**

We recommend that the all federal funding be identified as a part of pre-engagement activities and be provided to the auditor to assure that fieldwork is completed timely including report issuance.

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS  
UPDATE OF PRIOR YEAR FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

There were no finding noted in the prior year report.

**RE: 2010 Audit Finding Response**  
**#10-01 - Funds Due to Victims Not Returned**

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**The Court is in receipt of Audit Finding #10-01, "*Funds Due to Victims Not Returned*," and forwards this response accordingly:**

The Court dedicated additional personnel beginning in June, 2011 to address those cases where restitution has not been remitted to the victim as ordered by the Court.

A case by case review is underway where the court's staff is requesting records from the District Attorney's Office, and the Clerk of Court to definitively confirm victim identity and then establish victim contact. This process involves both the DA and Clerk pulling old, closed court records which is both a labor and time intensive procedure.

As you are aware as well, post-Katrina victim contact is an issue in that many businesses/victims have closed and/or relocated.

The Court fully expects that this issue will be resolved with improved procedures and for remitting of restitution assessments to victims.

**RE: 2010 Audit Finding Response**

**#10-02 – Independent Audit Not Submitted By June 30, 2011**

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**The Court is in receipt of Audit Finding #10-02**

**“Independent Audit Not Submitted By June 30, 2011,”**

**and forwards this response accordingly:**

The Court’s independent auditor informed us in late June 2011 that due to unforeseen circumstances, the audit would not be completed by the June 30th deadline. His office then filed an extension request on the Court’s behalf. We were informed by the Legislative Auditor in Mid August that our audit report was late. We discovered our auditor had requested a July 31, 2011 extension date but failed to monitor the original extension request date so as to ensure timely filing or request an additional extension, if deemed necessary. In the future, the Court will monitor any audit extension request filed on its behalf.