

OFFICIAL
FILE COPY**DO NOT SEND OUT**When receiving
copies from this
copy and PLACE
BACK in file

RECEIVED

JUL 29 1988

LAKE CHARLES, LOUISIANA

OFFICIAL RECORDS COPY
FOR THE BOARD OF SUPERVISORS
NEW ORLEANS, LOUISIANA97000241
1267

December 31, 1987

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 JUL 15 1988

CONTENTS

Independent Auditor's Report	1-3
All Fund Types and Account Groups, Combined Balance Sheet	4
Governmental Funds - Combined Statement of Revenues, Expenditures, and Changes in Fund Balances	5
Notes to Financial Statements	8-14
Special Revenue Funds - Combining Balance Sheet	15-16
Special Revenue Funds - Combining Statement of Revenues, Expenditures and Changes in Fund Balances	17-20
Fiduciary Funds - Probational Assessment, Restitution, and Court Cost Agency Funds	21
Schedule of Federal Financial Assistance	22
Supplemental Information - Special Revenue Funds	23-25
Supplemental Information - Probational Assessment, Restitution and Court Cost Agency Funds	26
Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133	27-29
Schedule of Findings and Questioned Costs	30-33
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	34-35
Client Response	36

HENRY SILVIA
CERTIFIED PUBLIC ACCOUNTANT
A Professional Corporation

Form 999-10/80/82
Tax 104-100/80/82

400 Maple Park Ave
Suite 200
New Orleans, LA 70119

INDEPENDENT AUDITOR'S REPORT

June 23, 1991

Honorable Louis A. Cassinero, Jr., Chief Judge
Criminal District Court for the Parish of Orleans
New Orleans, Louisiana

We have audited the accompanying general purpose financial statements of the Criminal District Court for the Parish of Orleans as of December 31, 1990 and for the year ended, as listed in the table of contents. These financial statements are the responsibility of management of the Criminal District Court for the Parish of Orleans. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed in the following paragraphs, we conducted our audit in accordance with generally accepted auditing standards and 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As more fully discussed in the appended notes, the Criminal District Court for the Parish of Orleans has a contingent liability of \$31,833.33 for unpaid invoices due to the court reporters for the preparation of transcripts for indigent. The payments of these unpaid invoices is contingent on funds being available and approval of the Judges, and, accordingly, no provisions for any liability that may result has been made in the accompanying general purpose financial statements.

On June 22, 1991, revised statute 13:3003.5 was enacted appointing the Orleans Parish Criminal District Court as administrator for the purpose of collecting and distributing proceeds received from annual licensing fee pursuant to revised statute 22:3003.1 (B) a portion of such fees collected are to be retained by Orleans Parish Criminal Court, with a portion of such fees to be disbursed to Orleans Parish Criminal Sheriff, Orleans Parish District Attorney and Orleans Parish Indigent Defender Program. Through the misinterpretation of such fee division, the

Criminal District Court for the Parish of Orleans has retained \$628,693.12 more than they were entitled too. Therefore, the Criminal District Court for the Parish of Orleans currently is indebted to Orleans Parish District Attorney Office in the amount of \$300,550.98, Orleans Parish Indigent Defender Program in the amount of \$280,530.98 and the Orleans Parish Criminal Sheriff Office in the amount of \$300,551.16. The court is in the process of negotiating with these other agencies and feels that the ultimate liability will be reduced substantially and, accordingly, no provisions for any liability that may result has been made in the accompanying general purpose financial statements. Further, any resulting liability will be associated with the general fund.

We were unable to obtain the audited financial statements supporting the financial activities of the general fixed asset account group, nor were we able to satisfy ourselves as to those financial activities by other auditing procedures. Those financial activities are included in the general fixed asset account group and represent 100 percent of such asset. The Criminal District Court for the Parish of Orleans has discontinued its manual accounting system regarding the general fixed asset account group and is in the process of implementing a computerized bar code system, at the time of this audit, neither system was available for audit. The court does continue to implement the new system and expects such system to be available for the next year audit.

Further, The Criminal District Court for the Parish of Orleans has not complied with revised statutes regarding the budget process. Therefore, we were unable to disclose budget comparisons to actual performance.

Additionally, we were unable to obtain reconciliations of the audited financial statements and the monthly reports submitted to granting agencies associated with all federal financially assisted programs (intensive probation, state justice, court delay and drug court), nor were we able to satisfy ourselves as to those financial activities by other auditing procedures. Further, we were unable to reconcile the matching fund requirements of such funds. Those financial activities are included in the special revenue fund types under the captions intensive probation, state justice, court delay and drug court.

Further, we were unable to obtain written authorization associated with a transfer out of the equity commission, which is included within the special revenue account group. This transfer was in the amount of \$183,213.18 to the general fund. Since this transfer was not permitted as a use of funds within the equity commission, we were unable to obtain a written authorization allowing for such transfer.

In addition to the above noted comment regarding the unpaid invoices associated with court reporters transcripts for indigent, the Criminal District Court for the Parish of Orleans has adopted

a practice of writing off amounts owed to certain court reporters associated with such indigent transcripts, this write-off procedure is not in accordance with general accepted accounting standards or governmental auditing standards. We were unable to obtain the total amount of such write-offs, nor were we able to satisfy ourselves as to the total dollar amount.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been in possession of the above noted items or had been able to satisfy ourselves as to those exceptions by other auditing procedures, the general purpose financial statement referred to above present fairly, in all material respects, the financial position of the Criminal District Court for the Parish of Orleans, as of December 31, 1997 and results of its operations for the year then ended in conformity with generally accepted auditing standards.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements, taken as a whole. The combining balance sheets and statements of revenue, expenditures and changes in fund balances of the individual special revenue and fiduciary funds, together with the schedule of federal financial assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Criminal District Court for the Parish of Orleans. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, except for the effects noted above, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

In accordance with Governmental Auditing Standards, we have also issued a report dated June 23, 1998 on our consideration of the Criminal District Court for the Parish of Orleans internal control structure and on its compliance with laws and regulations.

Respectfully submitted,


Certified Public Accountant
A Professional Corporation

10-10-1954

1. General
 2. Particulars
 3. Amount
 4. Balance
 5. Debit
 6. Credit
 7. Total
 8. Per
 9. Page
 10. of
 11. Pages
 12. Total
 13. of
 14. Pages
 15. Total
 16. of
 17. Pages
 18. Total
 19. of
 20. Pages
 21. Total
 22. of
 23. Pages
 24. Total
 25. of
 26. Pages
 27. Total
 28. of
 29. Pages
 30. Total
 31. of
 32. Pages
 33. Total
 34. of
 35. Pages
 36. Total
 37. of
 38. Pages
 39. Total
 40. of
 41. Pages
 42. Total
 43. of
 44. Pages
 45. Total
 46. of
 47. Pages
 48. Total
 49. of
 50. Pages
 51. Total
 52. of
 53. Pages
 54. Total
 55. of
 56. Pages
 57. Total
 58. of
 59. Pages
 60. Total
 61. of
 62. Pages
 63. Total
 64. of
 65. Pages
 66. Total
 67. of
 68. Pages
 69. Total
 70. of
 71. Pages
 72. Total
 73. of
 74. Pages
 75. Total
 76. of
 77. Pages
 78. Total
 79. of
 80. Pages
 81. Total
 82. of
 83. Pages
 84. Total
 85. of
 86. Pages
 87. Total
 88. of
 89. Pages
 90. Total
 91. of
 92. Pages
 93. Total
 94. of
 95. Pages
 96. Total
 97. of
 98. Pages
 99. Total
 100. of
 101. Pages
 102. Total
 103. of
 104. Pages
 105. Total
 106. of
 107. Pages
 108. Total
 109. of
 110. Pages
 111. Total
 112. of
 113. Pages
 114. Total
 115. of
 116. Pages
 117. Total
 118. of
 119. Pages
 120. Total
 121. of
 122. Pages
 123. Total
 124. of
 125. Pages
 126. Total
 127. of
 128. Pages
 129. Total
 130. of
 131. Pages
 132. Total
 133. of
 134. Pages
 135. Total
 136. of
 137. Pages
 138. Total
 139. of
 140. Pages
 141. Total
 142. of
 143. Pages
 144. Total
 145. of
 146. Pages
 147. Total
 148. of
 149. Pages
 150. Total
 151. of
 152. Pages
 153. Total
 154. of
 155. Pages
 156. Total
 157. of
 158. Pages
 159. Total
 160. of
 161. Pages
 162. Total
 163. of
 164. Pages
 165. Total
 166. of
 167. Pages
 168. Total
 169. of
 170. Pages
 171. Total
 172. of
 173. Pages
 174. Total
 175. of
 176. Pages
 177. Total
 178. of
 179. Pages
 180. Total
 181. of
 182. Pages
 183. Total
 184. of
 185. Pages
 186. Total
 187. of
 188. Pages
 189. Total
 190. of
 191. Pages
 192. Total
 193. of
 194. Pages
 195. Total
 196. of
 197. Pages
 198. Total
 199. of
 200. Pages
 201. Total
 202. of
 203. Pages
 204. Total
 205. of
 206. Pages
 207. Total
 208. of
 209. Pages
 210. Total
 211. of
 212. Pages
 213. Total
 214. of
 215. Pages
 216. Total
 217. of
 218. Pages
 219. Total
 220. of
 221. Pages
 222. Total
 223. of
 224. Pages
 225. Total
 226. of
 227. Pages
 228. Total
 229. of
 230. Pages
 231. Total
 232. of
 233. Pages
 234. Total
 235. of
 236. Pages
 237. Total
 238. of
 239. Pages
 240. Total
 241. of
 242. Pages
 243. Total
 244. of
 245. Pages
 246. Total
 247. of
 248. Pages
 249. Total
 250. of
 251. Pages
 252. Total
 253. of
 254. Pages
 255. Total
 256. of
 257. Pages
 258. Total
 259. of
 260. Pages
 261. Total
 262. of
 263. Pages
 264. Total
 265. of
 266. Pages
 267. Total
 268. of
 269. Pages
 270. Total
 271. of
 272. Pages
 273. Total
 274. of
 275. Pages
 276. Total
 277. of
 278. Pages
 279. Total
 280. of
 281. Pages
 282. Total
 283. of
 284. Pages
 285. Total
 286. of
 287. Pages
 288. Total
 289. of
 290. Pages
 291. Total
 292. of
 293. Pages
 294. Total
 295. of
 296. Pages
 297. Total
 298. of
 299. Pages
 300. Total
 301. of
 302. Pages
 303. Total
 304. of
 305. Pages
 306. Total
 307. of
 308. Pages
 309. Total
 310. of
 311. Pages
 312. Total
 313. of
 314. Pages
 315. Total
 316. of
 317. Pages
 318. Total
 319. of
 320. Pages
 321. Total
 322. of
 323. Pages
 324. Total
 325. of
 326. Pages
 327. Total
 328. of
 329. Pages
 330. Total
 331. of
 332. Pages
 333. Total
 334. of
 335. Pages
 336. Total
 337. of
 338. Pages
 339. Total
 340. of
 341. Pages
 342. Total
 343. of
 344. Pages
 345. Total
 346. of
 347. Pages
 348. Total
 349. of
 350. Pages
 351. Total
 352. of
 353. Pages
 354. Total
 355. of
 356. Pages
 357. Total
 358. of
 359. Pages
 360. Total
 361. of
 362. Pages
 363. Total
 364. of
 365. Pages
 366. Total
 367. of
 368. Pages
 369. Total
 370. of
 371. Pages
 372. Total
 373. of
 374. Pages
 375. Total
 376. of
 377. Pages
 378. Total
 379. of
 380. Pages
 381. Total
 382. of
 383. Pages
 384. Total
 385. of
 386. Pages
 387. Total
 388. of
 389. Pages
 390. Total
 391. of
 392. Pages
 393. Total
 394. of
 395. Pages
 396. Total
 397. of
 398. Pages
 399. Total
 400. of
 401. Pages
 402. Total
 403. of
 404. Pages
 405. Total
 406. of
 407. Pages
 408. Total
 409. of
 410. Pages
 411. Total
 412. of
 413. Pages
 414. Total
 415. of
 416. Pages
 417. Total
 418. of
 419. Pages
 420. Total
 421. of
 422. Pages
 423. Total
 424. of
 425. Pages
 426. Total
 427. of
 428. Pages
 429. Total
 430. of
 431. Pages
 432. Total
 433. of
 434. Pages
 435. Total
 436. of
 437. Pages
 438. Total
 439. of
 440. Pages
 441. Total
 442. of
 443. Pages
 444. Total
 445. of
 446. Pages
 447. Total
 448. of
 449. Pages
 450. Total
 451. of
 452. Pages
 453. Total
 454. of
 455. Pages
 456. Total
 457. of
 458. Pages
 459. Total
 460. of
 461. Pages
 462. Total
 463. of
 464. Pages
 465. Total
 466. of
 467. Pages
 468. Total
 469. of
 470. Pages
 471. Total
 472. of
 473. Pages
 474. Total
 475. of
 476. Pages
 477. Total
 478. of
 479. Pages
 480. Total
 481. of
 482. Pages
 483. Total
 484. of
 485. Pages
 486. Total
 487. of
 488. Pages
 489. Total
 490. of
 491. Pages
 492. Total
 493. of
 494. Pages
 495. Total
 496. of
 497. Pages
 498. Total
 499. of
 500. Pages
 501. Total
 502. of
 503. Pages
 504. Total
 505. of
 506. Pages
 507. Total
 508. of
 509. Pages
 510. Total
 511. of
 512. Pages
 513. Total
 514. of
 515. Pages
 516. Total
 517. of
 518. Pages
 519. Total
 520. of
 521. Pages
 522. Total
 523. of
 524. Pages
 525. Total
 526. of
 527. Pages
 528. Total
 529. of
 530. Pages
 531. Total
 532. of
 533. Pages
 534. Total
 535. of
 536. Pages
 537. Total
 538. of
 539. Pages
 540. Total
 541. of
 542. Pages
 543. Total
 544. of
 545. Pages
 546. Total
 547. of
 548. Pages
 549. Total
 550. of
 551. Pages
 552. Total
 553. of
 554. Pages
 555. Total
 556. of
 557. Pages
 558. Total
 559. of
 560. Pages
 561. Total
 562. of
 563. Pages
 564. Total
 565. of
 566. Pages
 567. Total
 568. of
 569. Pages
 570. Total
 571. of
 572. Pages
 573. Total
 574. of
 575. Pages
 576. Total
 577. of
 578. Pages
 579. Total
 580. of
 581. Pages
 582. Total
 583. of
 584. Pages
 585. Total
 586. of
 587. Pages
 588. Total
 589. of
 590. Pages
 591. Total
 592. of
 593. Pages
 594. Total
 595. of
 596. Pages
 597. Total
 598. of
 599. Pages
 600. Total
 601. of
 602. Pages
 603. Total
 604. of
 605. Pages
 606. Total
 607. of
 608. Pages
 609. Total
 610. of
 611. Pages
 612. Total
 613. of
 614. Pages
 615. Total
 616. of
 617. Pages
 618. Total
 619. of
 620. Pages
 621. Total
 622. of
 623. Pages
 624. Total
 625. of
 626. Pages
 627. Total
 628. of
 629. Pages
 630. Total
 631. of
 632. Pages
 633. Total
 634. of
 635. Pages
 636. Total
 637. of
 638. Pages
 639. Total
 640. of
 641. Pages
 642. Total
 643. of
 644. Pages
 645. Total
 646. of
 647. Pages
 648. Total
 649. of
 650. Pages
 651. Total
 652. of
 653. Pages
 654. Total
 655. of
 656. Pages
 657. Total
 658. of
 659. Pages
 660. Total
 661. of
 662. Pages
 663. Total
 664. of
 665. Pages
 666. Total
 667. of
 668. Pages
 669. Total
 670. of
 671. Pages
 672. Total
 673. of
 674. Pages
 675. Total
 676. of
 677. Pages
 678. Total
 679. of
 680. Pages
 681. Total
 682. of
 683. Pages
 684. Total
 685. of
 686. Pages
 687. Total
 688. of
 689. Pages
 690. Total
 691. of
 692. Pages
 693. Total
 694. of
 695. Pages
 696. Total
 697. of
 698. Pages
 699. Total
 700. of
 701. Pages
 702. Total
 703. of
 704. Pages
 705. Total
 706. of
 707. Pages
 708. Total
 709. of
 710. Pages
 711. Total
 712. of
 713. Pages
 714. Total
 715. of
 716. Pages
 717. Total
 718. of
 719. Pages
 720. Total
 721. of
 722. Pages
 723. Total
 724. of
 725. Pages
 726. Total
 727. of
 728. Pages
 729. Total
 730. of
 731. Pages
 732. Total
 733. of
 734. Pages
 735. Total
 736. of
 737. Pages
 738. Total
 739. of
 740. Pages
 741. Total
 742. of
 743. Pages
 744. Total
 745. of
 746. Pages
 747. Total
 748. of
 749. Pages
 750. Total
 751. of
 752. Pages
 753. Total
 754. of
 755. Pages
 756. Total
 757. of
 758. Pages
 759. Total
 760. of
 761. Pages
 762. Total
 763. of
 764. Pages
 765. Total
 766. of
 767. Pages
 768. Total
 769. of
 770. Pages
 771. Total
 772. of
 773. Pages
 774. Total
 775. of
 776. Pages
 777. Total
 778. of
 779. Pages
 780. Total
 781. of
 782. Pages
 783. Total
 784. of
 785. Pages
 786. Total
 787. of
 788. Pages
 789. Total
 790. of
 791. Pages
 792. Total

**STATEMENT OF REVENUE, EXPENDITURE,
AND CHANGE IN FUND BALANCE**

Original District Court For
The Parish of Orleans

For the year ended December 31, 1969
With Comparative Totals for December 31, 1968

REVENUE	General Fund	Special Revenue Fund	Totals	
			ended 1969	ended 1968
Court costs	\$ 13,309.00	\$ 20,717.40	\$ 34,026.40	\$ 33,825.41
Fines & forfeitures	833,487.50	558,361.00	1,391,848.50	579,882.30
Probation assessments	795,324.21	632,781.77	1,428,105.98	938,424.31
Transcript fees	-	89,281.50	89,281.50	84,586.20
Grants:				
City of New Orleans	1,054,463.40	25,000.00	1,079,463.40	824,875.44
State of Louisiana	510,738.44	889,375.49	1,400,113.93	1,394,886.14
State Supreme Court	-	142,450.00	142,450.00	-
Private Foundations	-	-	-	3,828.93
Interest earnings	3,488.20	24,894.73	28,382.93	29,093.98
State Appropriations	-	589,000.00	589,000.00	-
State Revenue	-	4,333.82	4,333.82	3,388.68
Total revenues	3,997,681.29	1,802,443.45	5,800,124.74	3,428,922.12
EXPENDITURES				
Salaries and related benefits	3,363,648.98	488,216.15	3,851,865.13	3,549,899.51
Travel	56,467.13	6,423.78	62,890.91	28,381.30
Contractual services	498,884.27	328,345.57	827,229.84	491,463.90
Materials & supplies	383,374.33	153,398.81	536,773.14	387,374.00
Transcripts	18,585.89	186,378.80	204,964.69	266,588.48
Capital outlay	74,784.20	45,812.86	120,597.06	254,784.00
Contingencies	174,382.25	483.82	174,866.07	74,682.50
Total expenditures	3,569,438.25	1,198,691.12	4,768,129.37	4,211,398.62
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<368,434.06>	603,752.33	235,317.67	<479,623.18>
OTHER FINANCIAL RESOURCES (DEDUCT) OPERATING				
Transfers in	1,109,158.72	181,500.00	1,290,658.72	1,294,334.20
Operating	-	-	-	-
Transfers out	<574,482.22>	<228,688.28>	<803,170.50>	<32,285,324.21>
Total other				
Financing resources (none)	468,543.21	<484,343.10>	-	-
EXCESS (DEFICIENCY OF REVENUES AND OTHER RESOURCES OVER EXPENSES, TRANSFERS AND OTHER DEDUCT)	194,594.29	187,187.81	381,782.10	<600,423.18>
FUND BALANCE, BEGINNING OF YEAR	123,313.25	389,712.83	513,026.08	1,088,289.33
FUND BALANCE, END OF YEAR	\$ 318,407.54	\$ 576,900.64	\$ 895,308.18	\$ 487,866.15

The accompanying notes are an integral part of this statement.

ROUTE TO FINANCIAL STATEMENTS

Criminal District Court For
The Parish of Orleans

December 31, 1987

Exhibit 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Louisiana Revised Statute 13:1305 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 on banc, each serving six-year terms. The magistrate section has jurisdiction to act as committing magistrates in felony and misdemeanor charges and to hold preliminary examinations, with the authority to bind or discharge, or to hold for trial, in all cases before the Criminal District Court for the Parish of Orleans.

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. GASB has issued a codification of governmental accounting and financial reporting standards (1990). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local government. The accompanying financial statements have been prepared in accordance with such principles.

GASB Codification Section 2100 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, the Criminal District Court for the Parish of Orleans includes all funds, account groups, activities, centers, that are controlled by the judges on 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

Based on the previous criteria, the Criminal Court has determined that the Board of Jury Commissioners for the Parish of Orleans (board) is a component unit of the criminal court. Although the governor appoints the jury commissioners, the criminal court is the designated management of the board, has the ability to significantly influence operations of the board, and is responsible for fiscal matters. In addition, the board's scope of public service is within the jurisdiction of the criminal court. The board's fiscal year ends on June 30.

Further, based upon the expanded criteria by GAOB, beginning with December 31, 1993 it has been determined that the Criminal Court's Maintenance, Inc. is also a component unit of the criminal court system.

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 comprise its assets, liabilities, fund equity, revenues, and expenditures. Revenues are accounted for in those individual funds based upon the purpose for which they are to be spent and the source by which spending activities are controlled. The funds presented in the general purpose financial statements are described as follows:

General Fund

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

Special Revenue Funds

Special Revenue Funds account 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 Maintenance, Inc. (component units) are reported as special revenue funds.

Probational 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 operations.

**B. GENERAL FIXED ASSETS AND
LONG-TERM OBLIGATIONS**

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in the governmental funds. Approximately 80 per cent of fixed assets are valued at actual cost, while the remaining 20 per cent are valued at estimated historical cost.

Long-term obligations expected to be financed from governmental funds are accounted for in the general long-term obligations account group, not in the governmental funds. The criminal court accounts for capital leases of the general fund in the general long-term obligations account group.

The two account groups are not funds. They are concerned only with the measurement of financial position and do not involve measurement of results of operations.

C. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. Governmental funds are accounted for using a flow of current financial resources measurement focus. The accompanying general purpose financial statements have been prepared on the modified accrual basis of accounting. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Court costs, fines and forfeitures, probation assessments, transcript fees, and grants are recorded in the year they are measurable and available. Interest earned is recorded when the interest is available.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on long-term leases, which are recognized when due.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying event occurs.

D. BUDGET PRACTICES

The Criminal District Court for the Parish of Orleans did not adopt a budget for the year ended December 31, 1997.

E. CASH AND CASH EQUIVALENTS

Under state law, the criminal court may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. At December 31, 1997, the Criminal District Court for the Parish of Orleans had cash and cash equivalents totaling \$1,894,727.73 as follows:

Demand deposits	\$ 394,288.11
Money market accounts	<u>1,500,439.62</u>
Total	<u>\$1,894,727.73</u>

These deposits are stated at cost, plus accrued interest which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposits (bank balances) at December 31, 1997, are secured as follows:

Bank balances	\$1,152,233.32
Federal deposit insurance	<180,000.00>
Pledged securities (Category 3)	<u><1,132,738.00></u>
Total excess collateral	<u>\$ 581,898.75</u>

Even though the pledged securities are considered encumbered (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 9:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledge securities within 10 days of being notified by the criminal court that the fiscal agent has failed to pay deposited funds upon demand.

**F. 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.

D. COMPENSATED ABSENCE

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

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

Effective July 1, 1989, the employees of the Board of Jury Commissioners relinquished their civil service status in favor of annual salaries. This action was concurred by the judges en banc. The result reduced employee accumulated leave for vacation and sick leave to zero and reduced the related liability for accrued leave payable to zero. Employees of the Board of Jury Commissioners currently abide by the compensated absence policy of the Criminal District Court for the Parish of Orleans.

E. 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, excess coverage is provided by the risk pool through commercial insurance carriers.

Health and accident coverage is provided to employees of the Criminal District Court for the Parish of Orleans independent of the risk pool.

I. TOTAL COLUMN ON GENERAL PURPOSE FINANCIAL STATEMENTS

The total column on the general purpose financial

statements are captioned Memorandum Only (overview) to indicate that they 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 eliminations have not been made in the aggregation of this data.

Note 2 CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets, which consists of furniture and equipment follows:

Balance, January 1, 1997	\$1,128,646.18
Additions	127,186.81
Deletions	<u>518,308.84</u>
Balance, December 31, 1997	<u>\$1,603,834.15</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 Scaled Fund (LCCRS), a cost-sharing multiple-employer defined benefit pension plan administered by the Louisiana State Employees' Retirement System. LSERS and LCCRS provides 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 LCCRS. 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:

	Employee	Employer
LSERS (thru June 30, 1997)	7.50%	33.40%
LSERS (after June 30, 1997)	7.90%	33.40%
LCCRS (thru June 30, 1997)	8.25%	33.00%
LCCRS (after June 30, 1997)	8.25%	33.00%

The contribution requirements of plan members and Criminal Court are established and may be amended by the LSERS and LCCRS. The Criminal Court contributions to LSERS and LCCRS for the year ending December 31, 1997 are as follows:

LSERS	\$49,787.61
LCCRS	\$83,326.43

Note 4 POSTRETIREMENT BENEFIT COST AND LIFE INSURANCE BENEFITS

The Board of Jury Commissioners for the Parish of Orleans provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the board's employees become eligible for these benefits after they complete ten years of service and reach normal retirement age while working for the board. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employee and by the board. The total cost of providing health care and life insurance benefits to both active and retired employees for the fiscal year ended December 31, 1997 was \$10,988,000.

Note 5 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, 1997, consist of a copier and other office equipment which are included in the fixed assets at \$118,478.54.

The following is a summary of future minimum lease payments under capital leases and the present value of the net minimum lease payments as of December 31, 1997.

Fiscal Year	Future Minimum Lease Payments	Present Value
1998	\$ 7,988.20	\$ 7,988.20
1999	9,418.48	8,418.48
2000-2001	6,882.58	4,082.58
Total	<u>\$18,416.54</u>	<u>\$12,478.54</u>

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 6 CHANGE IN AGENCY FUND CASH BALANCE

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

Balance at beginning of year	\$ 8,738.07
Additions	288,700.11
Reductions	(282,943.35)
Balance at end of year	<u>\$ 12,744.32</u>

Note 7 CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions during the year:

	Capital Leases
Long-term obligations at January 1, 1997	698,723.11
Additions	- 0 -
Deductions	<u>417,246.832</u>
Long-term obligations at December 31, 1997	<u>281,476.28</u>

Note 8 CONTINGENT LIABILITY

Payments are made to court reporters from the Indigent Transcript Special Revenue Fund by the order of the judges of the Criminal Court for the preparation of indigent transcripts. These payments are contingent on funds being available. At December 31, 1997, court reporters have accumulated \$31,835.28 in unpaid invoices. This unpaid amount in the Indigent Transcript Special Revenue Fund has not been recognized as a liability at December 31, 1997, because as provided in Louisiana Revised Statute 13:1381.2(5) payments to court reporters will be determined by the judges of the Criminal Court. In addition to the above noted unpaid invoices, the court, for the past several years has determined write-offs of court reports' invoices. As of this date, one of the past court reports' has initiated litigation associated with indigent transcript invoices submitted to the court by each reporter, the outcome of which is uncertain. An estimate of the total amount of indigent transcript court reports' invoices which have been written off by this court during many proceeding periods is not determinable. Further, these write offs have not been accomplished within generally accepted accounting standards.

The Criminal Court is a defendant in several separate pending litigation items, the outcome of which is uncertain. No provision has been made in the appended financial statements regarding these matters.

Note 9 STATE SUPREME COURT SUITS

No. 93-EE-1583 date September 9, 1993 - attorneys are now entitled to fees for indigent defense.

No. 93-EE-2633 and 93-EE-2634 - consolidated with NO. 93-EE-2689 - a district court can order the local government of the parish where the cases are being tried to defray necessary defenses

surrounding indigent defense, first through the Criminal Court Fund.

Note 12

During the year ended December 31, 1997, certain judges of Criminal District Court for the Parish of Orleans were paid travel per diem from court funds. Other judges and commissioners choose to receive travel reimbursement exclusively from funds of the State of Louisiana Supreme Court. The following amounts were paid to judges from funds of Orleans Parish Criminal District Court for per diem.

Judge/Commissioners	Amount
Judge Patrick G. Quinlan	\$ 2,111.00
Judge Sharon K. Hunter	980.00
Judge Frank A. Marullo, Jr.	13,300.13
Judge Galvin Johnson	956.17
Judge Bernia J. Waldron	784.00
Judge Julian A. Parker	2,532.76
Judge James F. McKay, III	2,181.87
Judge Raymond C. Bigelow	2,110.18
Judge Leon A. Cannizzaro, Jr.	1,256.12
Judge Arthur L. Hunter, Jr.	2,231.00
Judge Gerard J. Barnes	2,366.44
Commissioner Arthur Harris	588.00
Commissioner Andrew Brimbra	1,425.00
Commissioner Anthony J. Russo	486.00
Commissioner Joseph Chiarasco	443.04
TOTAL	433,503.81

FIDUCIARY FUNDS - PROBATIONAL
ASSESSMENT, RESTITUTION, AND COURT COST AGENCY FUNDS

Criminal District Court For
The Parish of Orleans

Year ended December 31, 1997
Schedule of Changes in Cash Balances

<u>BALANCE AT BEGINNING OF YEAR</u>	<u>\$ 14,528.46</u>
<u>ADDITIONS</u>	
Restitution	154,013.86
Probation Assessments	240.00
Court Costs	<u>78,448.35</u>
Total additions	232,702.21
Total	<u>247,230.67</u>
<u>DEDUCTIONS</u>	
Payments to victims	130,943.35
<u>BALANCE AT END OF YEAR</u>	<u>\$ 12,245.22</u>

Subtable 4

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

Criminal District Court For
The Parish of Orleans

For the year ended December 31, 1997

Federal grantor/ Pass-through grantor/ Program Title	CFDA#	Program or Award Amount	Federal Portion	Revenue	Expenditures
U.S. Department of Justice	18.579				
Passed through State of Louisiana Commission on Law Enforcement and Administration of Criminal Justice:					
Intensive Probation/Supervision Program					
12/1/94-4/30/95		\$ 93,873.00	\$ 68,850.00	\$ 68,850.00	\$ 68,850.00
3/1/95-4/30/96		238,948.00	170,000.00	170,000.00	170,000.00
3/1/96-4/30/97		226,667.00	170,000.00	170,000.00	170,000.00
Drug Testing Enhancement (Court Delay)					
6/1/95-5/31/96		\$ 92,311.00	\$ 68,188.00	\$ 68,188.00	\$ 68,188.00
5/1/96-4/30/97		92,371.00	68,188.00	68,188.00	68,188.00
6/1/97-4/30/98		351,851.00	237,800.00	151,675.00	151,675.00
Pretrial Supervision of Women					
11/1/96-3/31/97		\$ 60,860.00	\$ 45,500.00	\$ 45,000.00	\$ 45,000.00
4/1/97-4/31/97		88,341.00	42,994.00	42,000.00	42,994.00
U.S. Department of Justice	16.585				
Passed through Louisiana Supreme Court:					
Drug Court Program					
3/1/97-6/30/98		\$529,413.00	\$397,212.00	\$142,788.56	\$142,450.56

SUPPLEMENTAL INFORMATION

Criminal District Court For
The Parish of Orleans
For the year ended December 31, 1997

SPECIAL REVENUE FUNDS

INDIGENT TRANSCRIPT FUND

As provided by Louisiana Revised Statute 15:1381.1, the Indigent Transcript Fund accounts for the costs assessed every non-indigent defendant who is convicted by trial or enters a plea of guilty or forfeits bond. The funds are collected by the Orleans Parish Criminal Sheriff's Office as a part of court costs and remitted to the Indigent Transcript Fund. The Proceeds are used solely to compensate court reporters for the preparation of transcripts for indigent defendants. Payments are made to court reporters when funds are available.

SENATE COMMISSION FUND

The Senate Commission Fund was established by the chief judge to help pay the costs of determining certain defendant's mental condition. These costs are financed by grants from the State Supreme Court.

JUDICIAL EXPENSE FUND

As provided by Louisiana Revised Statute 13:1301.4, the Judicial Expense Fund accounts for the costs assessed every defendant who is convicted by trial or enters a plea of guilty or forfeits bond. Costs assessed in criminal cases are collected by the Orleans Parish Criminal Sheriff's Office as a part of court costs and remitted to the Judicial Expense Fund. The City of New Orleans collects costs assessed in civil and traffic courts and remits the funds to the Judicial Expense Fund. No salaries may be paid from the Judicial Expense Fund to any judges of the court.

BOARD OF JURY COMMISSIONERS

The Board of Jury Commissioners for the Parish of Orleans was established under the provisions of Article 481 of the Code of Criminal Procedures to provide for the administration of a central jury pool for the Orleans Parish Criminal District Court. This program is funded by the City of New Orleans and State of Louisiana grants.

INTENSIVE PROBATION

The Intensive Probation Fund represents a federal grant from the U.S. Department of Justice passed through the State of Louisiana Commission on Law Enforcement and Administration of Criminal Justice. The purpose of the funding is to provide a sentencing option in lieu of incarceration for those offenders who require greater supervision than regular probation.

SOCIAL SERVICES

The Social Services Fund represents a grant received from the State of Louisiana Department of Health and Hospitals, Division of Alcohol and Drug Abuse. The purpose of the fund is to perform drug testing on criminal justice offenders.

RENAISSANCE

The Criminal Court's Renaissance, Inc. Fund represents a non-profit corporation established exclusively for the purpose of restoring, preserving and maintaining the art work, sculptural relief and the architectural design and integrity of the Criminal Court's Building.

TARGET CITIES

The Target Cities Fund represents a grant received from the State of Louisiana Department of Health and Hospitals, Division of Alcohol and Drug Abuse. The purpose of the fund is to give priority to pregnant women drug addicts as to outreach activities and counseling.

STATE JUSTICE FUND

The State Justice Fund represents a grant received from the State Justice Institute (a private foundation). The purpose of the fund is to perform specialized services for women in the adult criminal justice system by implementing screening, assessment and case management, targeting and managing women in the New Orleans Criminal Justice System, including drug testing and alternatives to incarceration.

COURT DELAY

The Court Delay Fund represents a federal grant from the U.S. Department of Justice passed through the State of Louisiana Commission on Law Enforcement and Administration of Criminal Justice. The purpose of the funding is to enhance drug testing and support overall delay reduction efforts by lowering re-arrest rates, failure to appear rates and supporting the screening process.

DRUG COURT

The Drug Court Fund represents a federal grant from the U.S. Department of Justice passed through the Louisiana Supreme Court. The purpose of the funding is to design a culturally relevant drug court model offering a structured supervision care and control for drug-involved state misdemeanors. To provide same day entry into treatment and support services targeting women in the criminal justice system.

THE ACT 18

The Act 18 Fund represents a state grant from the treasurer of the State of Louisiana. The purpose of the funding is to provide staff personnel and selected equipment, to extend the courts drug testing and screening process in the magistrate court.

SUPPLEMENTAL INFORMATION

Criminal District Court For
The Parish of Orleans

December 31, 1997

PROBATIONAL ASSESSMENT, RESTITUTION AND
COURT COST AGENCY FUNDS

The Probational Assessment and Restitution Agency 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. Probational assessments are paid upon collection to the original sheriff of Orleans Parish as provided by Louisiana Revised Statute 15:575.11 (B).

The Court Cost Agency Fund collects all costs assessed against defendants pursuant to Louisiana Revised Statute 15:577 (B) effective September 1, 1991. Payments are distributed monthly to the other agencies which participate in the account of court costs assessed.

HENRY SILVIA
CERTIFIED PUBLIC ACCOUNTANT
A Professional Corporation

Phone (504) 383-8855
Fax (504) 383-8877

600, Square Fifth Ave.
Suite 900
New Orleans, La. 70112

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

June 23, 1998

Honorable Leon A. Cassisano, Jr., Chief Judge
Criminal District Court for the Parish of Orleans
New Orleans, Louisiana

Compliance

We have audited the compliance of Criminal District Court for the Parish of Orleans, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 1997. Criminal District Court for the Parish of Orleans'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 Criminal District Court for the Parish of Orleans's management. Our responsibility is to express an opinion on Criminal District Court for the Parish of Orleans's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; 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. These standards and OMB Circular A-133 require that we plan to 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 Criminal District Court for the Parish of Orleans'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 on Criminal District Court for the Parish of Orleans's compliance with those requirements.

As described in the accompanying schedule of findings and questioned costs, Criminal District Court for the Parish of Orleans, did not comply with requirements regarding timely and accurate monthly reports that are applicable to all of its federal financially assisted programs. Compliance with such requirements is necessary, in our opinion, for Criminal District Court for the Parish of Orleans, to comply with requirements applicable to these programs.

In our opinion, except for the noncompliance described in the preceding paragraphs, Criminal District Court for the Parish of Orleans, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 1997. The results of our auditing procedures also disclosed other instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs.

Internal Control Over Compliance

The management of Criminal District Court for the Parish of Orleans, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Criminal District Court for the Parish of Orleans's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our 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.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect Criminal District Court for the Parish of Orleans's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over

compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider items identified on schedule of findings and questioned costs as reportable conditions thereon to be material weaknesses.

This report is intended for the information of the audit committee, management, and federal auditing agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.



Certified Public Accountant
A Professional Corporation

HENRY SILVIA
CERTIFIED PUBLIC ACCOUNTANT
A Professional Corporation

Phone (504) 481-8375
Fax (504) 383-9971

600. Olympic Fields Ave.
Suite 200
New Orleans, LA 70002

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 1998

Honorable Leon A. Cassanero, Jr., Chief Judge
Criminal District Court for the Parish of Orleans
New Orleans, Louisiana

In planning and performing our audit of the general purpose financial statements of Criminal District Court for the Parish of Orleans for the year ended December 31, 1997, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control. However, we noted certain matters involving internal control and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control that, in our judgment, could adversely affect Criminal District Court for the Parish of Orleans's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that errors or fraud in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of internal control would not necessarily disclose all matters in internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we noted the following reportable conditions that we believe to be material weaknesses.

- (1) Throughout the year on numerous occasions monthly reimbursement reports to both Federally and State of Louisiana financially assisted programs were issued on an untimely basis and contained mathematical errors. Additionally numerous monthly reports could not be reconciled to general ledger. Further, documentation could not be located regarding the matching level of funding associated with such

programs. These monthly reports were not being reviewed or approved by anyone than the preparer. Accounting personnel were not provided with program agreements so as to be able to distinguish eligible and allowable costs associated with each program. Accounts payable were reflected in monthly program reports, which could not be reconciled to general ledger and subsequent payment may have occurred in a different program. On certain reports amounts payable items were completely omitted and we have been unable to determine whether this omission was ever corrected on subsequent reports. Certain salaries and related benefits have been noted to be reported on incorrect programs. The underlying accounting records compared to the federally and State of Louisiana financially assisted monthly report do not provide an audit trail, which will allow a reconciliation to occur on cost-effective basis.

- (2) A transfer of funds occurred from the equity commission fund in the amount of \$100,212.18 to the general fund, without written authorization. We were unable to determine whether this transfer was an allowable transfer. The court has been unable to produce any written authorization allowing for this transfer of funds to the general fund.
- (3) The fixed assets of the court are not being adequately safeguarded against loss. Custodians of fixed assets are not required to report transfers, sales or obsolescence. Further, sales of fixed assets do not require approval of responsible officials. Further, fixed assets subsidiary ledgers are not balanced to the control general ledger on a periodic basis. Further, each subsidiary ledgers do not contain all required information regarding a full description of such assets as required by revised system number 19-124. Subsidiary ledgers are not periodically verified to physical existence of such assets. Certain fixed assets have been stated to be at the home of an employee, such subsidiary does not reflect any fixed assets to be at home of any employee. Written policies regarding accounting for fixed assets does not exist.
- (4) There are conditions that indicate a failure by management to display and communicate an appropriate attitude regarding internal controls and reporting process. These consist of (a) significant internal controls are not adequately monitored by management, (b) lack of established policies and controls, (c) failure to establish controls to provide reasonable compliance with laws and regulations, (d) failure to correct known reportable conditions/weaknesses

In internal controls on a timely basis and (e) an apparent lack of concern about deficiency in accounting systems and/or internal control weaknesses.

We also noted the following reportable conditions that are not believed to be material weaknesses.

- (1) For several years, the court has not utilized pre-numbered purchase orders and receiving reports. Certain sections of the court have been using purchase orders, pre-numbered purchase orders and receiving tickets should be utilized throughout the court.
- (2) The court is not in compliance with State of Louisiana's revised status regarding the adoption of a budget. The budget process is required regarding the court general fund.
- (3) Accounting personnel have not been provided with Federal and State of Louisiana grant documents, thereby, accounting records have not closed out in connection with the end of one grant and opened new accounts for the replacement grants. Thereby certain closed-out grants have continued to receive posting of expenditures associated with the new grant. This lack of documentation in the hands of accounting personnel have also lead to an inability of the accounting personnel to distinguish between allowable and eligible cost associated with such programs.
- (4) Preparation of monthly reports have also omitted fees created by such programs and the expenditures associated therewith. Implementation of the appropriate internal controls noted above would prevent such omissions.
- (5) Employee pay adjustments have not occurred in written form at all times. All pay adjustments should be signed by an authorized individual and the judicial administrator should be authorized to require written authorization regarding any pay adjustments.
- (6) Bank transfers of funds have been accomplished by verbal and sometimes pencil notations, which have later been discarded. All transfer of funds should be signed by an authorized individual and maintained as a permanent accounting record.
- (7) Asset acquisitions have been accomplished by verbal communication. All asset acquisitions should be accomplished by a written document signed by an

authorized individual. Further, this should also be accomplished by issuance of a prenumbered purchase order, also signed by an authorized individual.

- (8) Time reports are not being prepared for all employees of the court. Such time reports become especially important regarding allocation of one employee to more than one fund. Such time reports would also assist the matching level of certain programs, where one employee is allocated to more than one fund for matching purposes.
- (9) Several special revenue funds have allocable costs of certain salaries and related benefits. The accounting process has been recording salaries and related benefits of such funds within the general fund and recovering such costs from special revenue funds as transfers-in. Thereby causing the special revenue funds to reflect transfers-out, rather than, reflecting the expenditure of such salaries and related benefits within each special revenue fund. This process has allowed certain special revenue funds to under report salaries and related benefits and the general fund over report such expenditures. In order to simplify the special revenue fund monthly reporting documents, salaries and related benefits of each separate fund should be recorded therein as an expenditure of such fund.
- (10) Certain sections of the court, during 1997, established separate bank accounts to deal with collections associated with fines and court costs within their specific sections. Prior to the establishment of these separate accounts, the court was advised that such procedure would be in violation of State of Louisiana revised statutes. The practice of maintaining the separate section accounts was abolished during 1998.

This report is intended solely for the information and use of Criminal District Court for the Parish of Orleans, management, and others within the administration. This restriction is not intended to limit distribution of this report, which is a matter of public record.



Certified Public Accountant
A Professional Corporation

HENRY SILVIA
CERTIFIED PUBLIC ACCOUNTANT
a Professional Corporation

Phone (504) 835-8821
Fax (504) 835-8822

4400 Bayou Parkway
Suite 300
New Orleans, LA 70112

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

June 23, 1998

Honorable Leon A. Cammarero, Jr., Chief Judge
Criminal District Court for the Parish of Orleans
New Orleans, Louisiana

We have audited the general purpose financial statements of Criminal District Court for the Parish of Orleans, as of and for the year ended December 31, 1997, and have issued our report thereon dated June 23, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Criminal District Court for the Parish of Orleans's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 instances of noncompliance that are required to be reported under Government Auditing Standards which are described in the accompanying schedule of findings and questioned costs.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Criminal District Court for the Parish of Orleans's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Criminal District Court for the Parish of

Deloitte's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider items noted on the accompanying schedule of findings and questioned costs to be material weaknesses.

This report is intended for the information of the audit committee, management, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.



Certified Public Accountant
& Professional Corporation



CRIMINAL DISTRICT COURT
PARISH OF ORLEANS

NO. 10004

LEON A. CANNIZZARO, JR., JUDGE

TRAVELERS ALL SERVICE
NEW ORLEANS, LOUISIANA 70116

June 23, 1996

Legislative Auditor
State of Louisiana
Baton Rouge, Louisiana

Re: December 31, 1997 Auditor's Report

Gentlemen:

In connection with the exit conference which occurred on the above noted date, based upon those present at the exit conference, Judge Hanson and myself, it is the Court's intention to respond to all of the various audit findings by employment of a degree graduate in accounting. It is the Court's intention with the addition of this accountant to proceed toward the development of accounting policies and procedures, together with internal controls sufficient enough to establish an integrated accounting system which will respond to all of the audit deficiencies currently noted.

The above noted intended procedures will be dependent upon the approval of a majority of the sitting judges, together with locating the appropriate funding for such changes.

Respectfully submitted,


Leon A. Cannizzaro, Jr.
Chief Judge

P.S. These intended procedures will also resolve prior year findings,
(1) use of prenumbered purchase orders and (2) accountability of fixed assets.