

1267



# 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, 2003**

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 8-11-04

## TABLE OF CONTENTS

Independent Auditor's Report	1-2
<b>GENERAL PURPOSE FINANCIAL STATEMENTS</b>	
Combined Balance Sheet, All Fund Types and Account Groups	3
Combined Statement of Revenues, Expenditures and Changes In Fund Balances – Governmental Fund Types	4
Notes To Financial Statements	5-11
<b>SUPPLEMENTARY INFORMATION</b>	
Supplemental Information – Special Revenue Funds	12-13
Supplemental Information – Probational Assessment, Restitution, and Court Cost Agency Funds	14
Special Revenue Funds – Combining Balance Sheet	15
Special Revenue Funds – Combining Statement of Revenues, Expenditures and Changes in Fund Balances	16
Statement of Functional Expenses – All Fund Types and Account Groups	17
<b>FEDERAL FINANCIAL ASSISTANCE</b>	
Schedule Of Expenditures of Federal Awards	18
Report On Compliance and on Internal Control Over Financial Reporting Based On An Audit of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>	19-20
Report On Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133	21-22
Schedule of Findings and Questioned Costs	23-25
Update of Prior Year Findings	26
Management Corrective Action Plan	27



# LUTHER SPEIGHT & COMPANY, LLC

*Certified Public Accountants and Consultants*

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Calvin Johnson, Chief Judge  
Criminal District Court for the Parish of Orleans  
New Orleans, Louisiana

We have audited the accompanying general purpose financial statements that do not include a statement of revenues, expenditures, and changes in fund balances-budget to actual, for the general fund and special revenue fund type of the Criminal District Court for the Parish of Orleans as of and for the year ended December 31, 2003, as listed in the table of contents. These general purpose financial statements are the responsibility of the management of Criminal District Court for the Parish of Orleans. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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.

The Criminal District Court declined to present a statement of revenues, expenditures, and changes in fund balances-budget and actual, for the general fund and special revenue fund type for the year ended December 31, 2003. Presentation of such statements for those governmental funds for which budgets have been legally adopted is required by accounting principles generally accepted in the United States of America.

In our opinion, except for the omission of the statements of revenues, expenditures, and changes in fund balances-budget to actual that results in an incomplete presentation as explained in the preceding paragraph, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Criminal District Court of the Parish of Orleans as of December 31, 2003, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

---

New Orleans Office: 10001 Lake Forest Blvd., Suite 404 New Orleans, LA 70127 phone (504) 244-9400 fax (504) 244-8240  
Atlanta Office: 400 Colony Square, Suite 200 Atlanta, GA 30361 phone (404) 870-9045 fax (404) 870-9005

[www.speightcpa.com](http://www.speightcpa.com)

In accordance with *Government Auditing Standards*, we have also issued our report dated April 27, 2004 on our consideration of Criminal District Court's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of Criminal District Court taken as a whole. The combining account group financial statements for the year ended December 31, 2003, as listed in the table contents, are presented for the purposes of additional analysis and are not a required part of the general purpose financial statements of the Criminal District Court. In addition, the accompanying Schedule of Expenditures of Federal Awards is presented for the 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 not a required part of the general purpose financial statements. The schedule of functional expenditures at page 17 is also presented for the purpose of additional analysis and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements for the years ended December 31, 2003 and 2002, and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.



Luther C. Speight and Company  
April 27, 2004

**ALL FUND TYPES AND ACCOUNT GROUPS COMBINED BALANCE SHEET  
CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS  
DECEMBER 31, 2003 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2002**

	Governmental Funds		Account Groups		Totals		
	General Fund	Special Revenue Fund	Agency Fund	General Fund Assets	General Long-Term Obligations	(Memorandum only) 2003	2002
<b>ASSETS AND OTHER DEBITS</b>							
Cash and cash equivalents	\$ 768,771	\$ 1,464,172	\$ 253,031			\$ 2,485,974	\$ 2,397,304
Revenue receivables:							
Court Costs	4,990	1,505				6,495	
Supreme Court		67,648				67,648	85,119
Bond Forfeitures	20,236					20,236	
Due from other Government		70,644	115			70,759	61,565
Furniture and equipment				1,276,029		1,276,029	1,132,410
Amount to be provided for retirement of general long-term obligations						-	-
<b>Total Assets and other debits</b>	<b>793,997</b>	<b>1,603,969</b>	<b>253,146</b>	<b>1,276,029</b>	<b>93,829</b>	<b>4,020,970</b>	<b>3,812,398</b>

**LIABILITIES AND FUND EQUITY**

Liabilities:							
Accounts payable	38,606	38,989				77,595	38,788
Bail Bonds Licensing Fee Payable	17,102	-				17,102	135,657
Salaries payable	119,502	16,680				136,182	122,781
Related benefits payable	18,022	5,031				23,053	18,001
Due to other funds	-	-				-	-
Due to victims	-	-	253,146			253,146	131,605
Capital lease payable	-	-			93,829	93,829	136,000
<b>Total Liabilities</b>	<b>193,232</b>	<b>60,700</b>	<b>253,146</b>	<b>-</b>	<b>93,829</b>	<b>600,907</b>	<b>582,832</b>

**Fund equity:**

Investment in general fixed assets				1,276,029		1,276,029	1,132,410
Fund balances, unreserved, undesignated, (deficit)	600,765	1,543,269	-	1,276,029	-	3,420,063	2,097,156
<b>Total Fund Equity</b>	<b>600,765</b>	<b>1,543,269</b>	<b>-</b>	<b>1,276,029</b>	<b>-</b>	<b>3,420,063</b>	<b>3,229,566</b>

**Total Liabilities and Fund Equity**

<b>Total Liabilities and Fund Equity</b>	<b>\$ 793,997</b>	<b>\$ 1,603,969</b>	<b>\$ 253,146</b>	<b>\$ 1,276,029</b>	<b>\$ 93,829</b>	<b>\$ 4,020,970</b>	<b>\$ 3,812,398</b>
--	-------------------	---------------------	-------------------	---------------------	------------------	---------------------	---------------------

See accompanying notes.

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS  
FOR THE YEAR ENDED DECEMBER 31, 2003  
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2002  
GOVERNMENTAL FUNDS  
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

	General Fund	Special Revenue Fund	Totals (Memorandum Only)	
			2003	2002
<b>REVENUES</b>				
Charges for Services	\$1,946,460	\$538,271	\$2,484,731	\$2,437,620
Intergovernmental	1,932,581	2,280,569	4,213,150	3,831,223
Interest	8,895	11,477	20,372	34,977
<b>Total Revenues</b>	<b>3,887,936</b>	<b>2,830,317</b>	<b>6,718,253</b>	<b>6,303,820</b>
<b>EXPENDITURES</b>				
General Government	4,159,543	2,405,221	6,564,764	6,046,088
Capital Outlay	48,878	57,733	106,611	68,133
<b>Total Expenditures</b>	<b>4,208,421</b>	<b>2,462,954</b>	<b>6,671,375</b>	<b>6,114,221</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(320,485)</b>	<b>367,363</b>	<b>46,878</b>	<b>189,599</b>
<b>OTHER FINANCIAL SOURCES (USES)</b>				
Operating transfers in	1,101,673	217,726	1,319,399	1,502,211
Operating transfers out	(684,869)	(634,530)	(1,319,399)	(1,490,938)
<b>Total Other Financing Sources (uses)</b>	<b>416,804</b>	<b>(416,804)</b>	<b>-</b>	<b>11,273</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<b>96,319</b>	<b>(49,441)</b>	<b>46,878</b>	<b>200,872</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>504,446</b>	<b>1,592,710</b>	<b>2,097,156</b>	<b>1,896,284</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$600,765</b>	<b>\$1,543,269</b>	<b>\$2,144,034</b>	<b>\$2,097,156</b>

See accompanying notes.



**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2003**

**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

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.

## **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:

### **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 Funds**

Special Revenue Funds are representative of 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. (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 operation.

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

Criminal District has adopted a policy to capitalize property and equipment purchases of \$1,000 or more. Like purchases of lesser amounts are expensed. These fixed asset purchases are recorded on the Statement of Financial Position at cost.

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.



**B. GENERAL FIXED ASSETS AND LONG-TERM OBLIGATIONS (CONT)**

Long-term obligations that are 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. CASH AND CASH EQUIVALENTS**

Cash is comprised of cash on hand and in banks. The court considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

**E. 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.

**F. 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

**G. 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.

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

The total columns 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 elimination's have not been made in the aggregation of this data.

**I. 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.

**J. 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.

**Note 2: CHANGES IN GENERAL FIXED ASSETS**

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

Balance, January 1, 2003	\$1,132,410
Additions	161,646
Deletions	<u>(18,027)</u>
Ending Bal. December 31, 2003	<u>\$1,276,029</u>

Depreciation expense was not recorded for the year ended December 31, 2003.

**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. The Criminal Court contributions to LSERS and LCCRR for the year ending December 31, 2003 are as follows:

LSERS	\$151,201
LCCRR	\$ 49,828

**Note 4: POST-RETIREMENT HEALTH CARE 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 those benefits after they complete ten years of service and reach normal retirement age while working for the board. Those 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, 2003 was \$ 57,241.

**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, 2003, consist of office equipment such as copiers, which are included in the fixed assets. No additional leases were acquired in the year 2003.

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.

Fiscal Year	Future Minimum Lease Payments
2001-2006	93,829

**NOTE 6: CHANGES IN AGENCY FUND BALANCE**

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

Balance at beginning of year	\$131,605
Net Increase in Cash	31,648
Balance at end of year	<u>\$253,146</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, 2003	\$136,000
Additions	-
Deductions	<u>(42,171)</u>
Long-term obligations At December 31, 2003	<u>\$ 93,829</u>

**Note 8: COLLATERALIZATION OF DEPOSITS**

At December 31, 2003, the Criminal Court had cash (book balances) totaling \$ 2,485,974. The Criminal Court had \$ 2,523,758 in deposits (collected balances). These deposits are secured from risk by \$100,000 of federal deposit insurance and \$ 2, 478,253 of pledged securities of the depository institution. The pledged securities are held by the pledging institution's trust department, in the name of the Clerk of Criminal Court (Category 2).

**SUPPLEMENTAL INFORMATION**



**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS  
SUPPLEMENTAL INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2003**

**SPECIAL REVENUE FUNDS**

*INDIGENT TRANSCRIPT FUND*

As provided by Louisiana Revised Statute 13:1381.1, the Indigent Transcript Fund accounts for the costs assessed to every non-indigent who is convicted by trial, or enters a plea of guilty or forfeits bond. The funds are collected by the Orleans Parish Criminal District Court 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 defenders. Payments are made to court reporters when funds are available.

*SANITY COMMISSION FUND*

The Sanity Commission Fund was established by the chief judge to help pay the costs of determining the defendants' mental condition. These costs are financed by funds from the State Supreme Court.

*JUDICIAL EXPENSE FUND*

As provided by Louisiana Revised Statute 13:1381.4, 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 District Court 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 401 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 the State of Louisiana.

### *INTENSIVE PROBATION*

The Intensive Probation Fund represents a federal grant from the U.S. Department of Justice passed through the State of Louisiana Commission of 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.

### *RENAISSANCE*

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

### *STATE APPROPRIATIONS*

The Act 18, 10 and 19 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, screening, and treatment process in the magistrate court.

### *DOMESTIC VIOLENCE*

The Domestic Violence program represents a passed through grant from the City of New Orleans from a federal grant issued by the U.S. Department of Justice. The purpose of the funding is to encourage arrest policies through a coordinated and integrated approach, which responds to domestic violence as a serious violation of criminal law.

### *DHH COURT INTERVENTION PROGRAM*

The DHH Court Intervention Program represents a passed through grant from the State of Louisiana from the Department of Health and Hospitals. The purpose of the funding is to screen, assess, and refer drug abusers in the justice system to treatment agencies.

### *MENTAL HEALTH*

The Mental Health grant is being administered by the U.S. Department of Health and Human Services through the Department of Social Services. This funding is for the purpose of obtaining services for a mental health court treatment program.

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS  
SUPPLEMENTAL INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2003**

**PROBATIONAL ASSESSMENT, RESTITUTION AND COURT COST FUNDS**

The Probational 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. Probational 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  
SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
AS OF DECEMBER 31, 2003**

	Indigent Transcript	Sanity Commission	Drug Screening	LSED	Domestic Violence	Mental Health	Judicial Expense	Incarner Prohibition	Reimburse Project	Supreme Court	Drug Court II	Act 13	Electronic Equipment	Incarner Augmentine	Board of Jury Commissioners June 30, 2003	Totals Memorandum Only
<b>ASSETS &amp; OTHER DEBITS</b>							\$198,378								\$75,440	\$1,076,956
Cash-Sweep	\$41,898	\$389,294	\$371,946						49,481							
Cash-PSBU														25,255		74,736
Cash-Liberty Bank	(808)	(7,200)	(7,117)		(23)			19,556		151,639	47,562	57,130		(3,381)		257,378
Cash-Regions															55,102	55,102
Cash-City of N.O.							50,401			67,648	14,154					139,797
Revenue Receivable					6,089											
<b>Total Assets &amp; Other Debits</b>	<b>42,595</b>	<b>382,094</b>	<b>364,829</b>	<b>-</b>	<b>5,066</b>	<b>-</b>	<b>248,779</b>	<b>19,556</b>	<b>49,481</b>	<b>219,307</b>	<b>61,716</b>	<b>57,130</b>	<b>-</b>	<b>25,255</b>	<b>127,161</b>	<b>1,603,969</b>
<b>LIABILITIES &amp; FUND</b>																
<b>EQUITY LIABILITIES</b>																
Accounts Payable	99	11,200	1,435		89			2,937		17,463	385	4,546		1,023		38,989
Related Benefits Payable	814				403	430				1,602	428			2,720		5,031
Salaries Payable										5,777	2,235			7,021		16,080
<b>Fund Equity:</b>																
Fund Balance	41,682	370,894	363,394		5,574	(323)	248,779	16,619	49,481	194,465	58,668	52,484		116,397		1,543,269
<b>Total Liabilities &amp; Fund Equity</b>	<b>\$42,595</b>	<b>\$382,094</b>	<b>\$364,829</b>	<b>\$0</b>	<b>\$6,066</b>	<b>\$0</b>	<b>\$248,779</b>	<b>\$19,556</b>	<b>\$49,481</b>	<b>\$219,307</b>	<b>\$61,716</b>	<b>\$57,130</b>	<b>\$0</b>	<b>\$25,255</b>	<b>\$127,161</b>	<b>\$1,603,969</b>

See accompanying notes.  
15

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS  
SPECIAL REVENUE FUND  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2003**

EVENTS	Indigent Transcript	Sanity Commission	Drug Screening	LSED	Domestic Violence	Mental Health	Judicial Expense	Intensive Probation	Rehabilitation Project	Supreme Court	Drug Court II	Act 13	Electronic Equipment	Jural Associates	Board of Jury Commissioners June 30, 2003	Totals	
																Memorandum Only	
Charges for services	\$46,824		\$165,757			\$ 286,405	\$ 38,035	\$ 1,250								\$	538,271
Intergovernmental	18,391	162,172			36,317	6,794	6,504			1,334,907	203,685	192,271	8,000		311,528		2,280,569
Interest	403	3,537	3,289			2,353	461	205						104	1,125		11,477
Total Revenues	65,618	165,709	169,046		36,317	6,794	295,262	38,496	1,455	1,334,907	203,685	192,271	8,000	104	312,653		2,830,317
EXPENDITURES																	
General government & Capital Outlay	87,221	153,400	39,183	53,681	36,786	7,317		73,031		1,288,948	217,658	203,777	8,000		293,952		2,462,954
Total Expenditures	87,221	153,400	39,183	53,681	36,786	7,317		73,031		1,288,948	217,658	203,777	8,000		293,952		2,462,954
Excess of Revenues over Expenditures	(21,603)	12,309	129,863	(53,681)	(469)	(523)	295,262	(34,535)	1,455	45,959	(13,972)	(11,506)		104	18,701		367,363
Other Financing Sources																	
Operating Transfers In	22,307		92,218	6,043						42,681	54,477						217,726
Operating Transfers Out			(105,630)				(439,680)			(89,220)							(634,330)
Total Other Financing Sources	22,307		(13,412)	6,043			(439,680)			(46,539)	54,477						(416,804)
Excess of Revenues & Other Sources over Expenditures	704	12,309	116,451	(53,681)	5,574	(523)	(144,418)	(34,535)	1,455	(580)	40,504	(11,506)		104	18,701		(49,441)
Fund Balance - Beginning of Year	40,978	358,585	246,943	53,681			393,197	51,154	48,026	195,045	18,164	64,090		25,151	97,696		1,592,710
Fund Balance - End of Year	\$ 41,682	\$ 370,894	\$ 363,394		\$ 5,574	\$ (523)	\$ 248,779	\$ 16,619	\$ 49,481	\$ 194,465	\$ 58,668	\$ 52,584		\$ 25,255	\$ 116,397		\$ 1,543,269

See accompanying notes.

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS  
STATEMENT OF FUNCTIONAL EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2003**

GENERAL FUND	RESTRICTED											Total Memorandum Only					
	JA FUND	Indigent Transcript	Sanity Commission	Drug Screening	LSED	Domestic Violence	Mental Health	Judicial Expense	Intensive Probation	Renaissance Project	Supreme Court		Drug Court II	Act 13	Electronic Equipment	Israel	Board of Jury Commissioners June 30, 2003
<b>EXPENDITURES</b>																	
Salaries and related benefits	\$3,150,586	\$53,868				\$36,786	\$4,317		1,162	\$439,418	\$192,965					\$213,097	\$4,091,037
Travel	14,849															1,500	17,511
Legislative Expenses	11,757								7,701	9,319	4,283						11,757
Conferences and Legal Education	138,234			406													159,943
Ceremonies	5,510																5,510
Bond Forfeitures	69,466								9,043				4,545	8,000		4,326	69,457
Office Supplies				(26,923)					761							1,043	(62)
Tines and Fees	12,968			990													15,762
Cleaning Supplies	47,856																47,856
Law Books	9,788			3,069					1,066							1,060	14,983
Bottle Water	6,998															12,500	19,498
Jury Expenses	883																883
Security Expenses	62,592								19,829							3,844	93,429
Telephone	11,978															18,150	30,128
Postage	5,505																5,505
Test Control	10,850			433					850							141	12,274
Dues and Subscriptions	26,313			1,619					999							8,880	37,811
Paper Supplies	767																767
Advertising	55,827			2,078					472				306			1,128	59,811
Building Maintenance & Repairs	824																824
Cleaning Services	48,878									1,944	6,335	2,354				13,915	106,611
Capital Outlay	37,654			2,298		8,265			22,622							938	42,663
Equipment Maintenance & Repairs	42,171								4,071								42,171
Lease Payments	9,068								575								9,643
Equipment Rentals	153,543		153,400						3,880	694,069		196,572				5,363	1,263,955
Professional & Contractual Exp	71			8,712			3,000			144,198	14,075					2,472	197,681
Drug Testing Supplies	6,649			39,337													9,121
Coffee	17,044																17,044
Insurance	248,578																248,578
Utilities	312																312
<b>Total Expenditures</b>	<b>\$ 4,208,421</b>	<b>\$ 87,221</b>	<b>\$ 153,400</b>	<b>\$ 99,183</b>	<b>\$ 53,681</b>	<b>\$ 36,786</b>	<b>\$ 7,317</b>	<b>\$ -</b>	<b>\$ 73,031</b>	<b>\$ -</b>	<b>\$ 217,658</b>	<b>\$ 203,777</b>	<b>\$ 8,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 293,952</b>	<b>\$ 6,671,375</b>

See Independent Auditor's Report  
17



**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
December 31, 2003**

<b>FEDERAL GRANTOR/ PASS THROUGH NAME/PROGRAM TITLE</b>	<b>FEDERAL CFDA NUMBER</b>	<b>FEDERAL EXPENDITURES</b>
U.S. Department of Justice Pass Through - State of Louisiana Commission on Law Enforcement and Administration of Criminal Justice		
Electronic Equipment	State	8,000
Intensive Probation		73,031
Drug Screening		39,183
U.S. Department of Justice Pass Through - Louisiana Supreme Court DHH Drug Court	16.585	217,658
U.S. Department of Justice Pass Through - City of New Orleans Domestic Violence	16.590	36,786
U.S. Department of Health and Human Services/ Pass Through - State of Louisiana Department of Social Services		
Mental Health	93.558	7,317
State of Louisiana Louisiana Stadium Expedition District	State	53,681
<b>Total Expenditures of Federal Awards</b>		<b>\$435,656</b>

See Independent Auditor's Report.



# LUTHER SPEIGHT & COMPANY, LLC

*Certified Public Accountants and Consultants*

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

Honorable Calvin Johnson, 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, 2003, and have issued our report thereon dated April 27, 2004. 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.

### Compliance

As part of obtaining reasonable assurance about whether Criminal District Court of Orleans Parish 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Criminal District Court'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's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 03-1 and 03-02.

**New Orleans Office:** 10001 Lake Forest Blvd., Suite 404 New Orleans, LA 70127 phone (504) 244-9400 fax (504) 244-8240  
**Atlanta Office:** 400 Colony Square, Suite 200 Atlanta, GA 30361 phone (404) 870-9045 fax (404) 870-9005

[www.speightcpa.com](http://www.speightcpa.com)

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 general purpose the 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 considered items 03-01 and 03-02 to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, others within the Criminal District Court for the Parish of Orleans and federal awarding agencies, and pass-through entities, 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."



Luther C. Speight and Company  
New Orleans, Louisiana  
April 27, 2004



# LUTHER SPEIGHT & COMPANY, LLC

*Certified Public Accountants and Consultants*

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

Honorable Calvin Johnson, 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, 2003. Criminal District 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 program is the responsibility of Criminal District Court's management. Our responsibility is to express an opinion on Criminal District 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 affect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Criminal District 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 on Criminal District Court's compliance with those requirements.

In our opinion, 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, 2003.

---

New Orleans Office: 10001 Lake Forest Blvd., Suite 404 New Orleans, LA 70127 phone (504) 244-9400 fax (504) 244-8240  
Atlanta Office: 400 Colony Square, Suite 200 Atlanta, GA 30361 phone (404) 870-9045 fax (404) 870-9005

[www.speightcpa.com](http://www.speightcpa.com)

### Internal Control Over Compliance

The management of Criminal District Court is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal awards. In planning and performing our audit, we considered Criminal District Court'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.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. 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. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, others within the Criminal District Court for the Parish of Orleans and federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



Luther C. Speight and Company  
New Orleans, Louisiana  
April 27, 2004

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

**Schedule of Findings and Questioned Costs  
Year Ended December 31, 2003**

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

Financial Statements

A qualified opinion was issued on the financial statements of the auditee.

Internal control over financial reporting:

Material weakness(es) identified ?	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no
Reportable condition(s) identified not considered to be material weaknesses ?	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no

Noncompliance material to financial statements noted?  yes  no

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Reportable condition(s) identified not considered to be material weaknesses ?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no

An unqualified opinion was issued on compliance for the major program.

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

yes  no

The major program for the year ended December 31, 2003 was as follows:

U. S. Department of Justice - DHH Drug Court



**Criminal District Court For The Parish Of Orleans  
Current Year Findings and Questioned Costs  
For the Year Ended December 31, 2003**

**FINDING 03-1      FORMAL BUDGET NOT PREPARED OR ADOPTED**

**QUESTIONED COST: \$ -0-**

**CONDITION:**

The Court did not prepare or adopt a formal budget for the 2003 fiscal year.

**CAUSE:**

We were unable to determine the cause of this condition.

**EFFECT:**

The absence of a formal budget results in incomplete presentation of financial statements.

**CRITERIA:**

Louisiana Revised Statutes require that each political subdivision prepare a comprehensive budget presenting a complete financial plan for each ensuing fiscal year. It must include a budget message signed by the preparer, a statement showing estimates of all funds and fund balances, and must be formally adopted by the entity's governing authority.

**RECOMMENDATION:**

We recommend that the court develop a budget in accordance with state rules and regulation and gain formal approval for the budget.

**FINDING: 03-02**

**RESTITUTION FUND BALANCES NOT RECONCILED**

**QUESTIONED COST: \$ -0-**

**CONDITION:**

The Restitution fund accounts for monies on deposit with the Criminal District Court's Office as directed by the various orders of the court related to restitution payments. Cash on deposit in this fund as of December 31, 2003 totaled \$ 253,146. Our examination of this fund showed that the accounting for the amounts on hand were not adequate to assure that the ultimate disposition of the amounts were consistent with the original court order.

More specifically, we noted that court orders appeared to on hand in support of the amounts deposited, however procedures were not in place to match the ultimate restitution disbursement to the original court order amounts.

**CAUSE:**

There were no reconciliation procedures in place to assure that these amounts remained in balance.

**EFFECT:**

We were unable to determine if the funds on deposit in the Restitution fund, recorded at \$253,146 reconciles to and is adequate to fund the amount required by the cumulative outstanding court ordered amounts.

**CRITERIA:**

Proper accountability for the Restitution fund requires that the funds on deposit be reconciled to the amounts due to the respective litigant cases.

**RECOMMENDATION:**

We recommend that the Criminal District Court's office develop and implement adequate procedures to reconcile restitution payments on a monthly basis. Any differences that result from the initial reconciliation should be researched and properly resolved with the approval of the court.

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS  
UPDTE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2003**

**RESOLVED**

**UNRESOLVED**

Formal Budget Adoption Not  
Fully Implemented

X

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS  
MANAGEMENT CORRECTIVE ACTION PLAN  
DECEMBER 31, 2003**

Managements' response to the current year findings was not available upon completion of this audit report.



**Criminal District Court**  
Parish of Orleans

RECEIVED  
LEGISLATIVE AUDITOR

04 AUG -5 AM 11:12

2700 Tulane Avenue  
New Orleans, Louisiana 70119

Tel: (504) 827-3482

Fax: (504) 826-5152

**Calvin Johnson**

Chief Judge

Steve J. Theriot, CPA  
Legislative Auditor  
State of Louisiana  
Post Office Box 94397  
Baton Rouge, Louisiana 70804-9397

Dear Mr. Theriot:

This letter is the Court's response to the current year findings for our audit period of January 1, 2003 through December 31, 2003 of the auditor, Luther C. Speight & Company:

Finding 03-1: Formal budget not prepared or adopted

A formal 2004 operating budget will be presented to the Court for adoption within the next thirty (30) days.

Finding 03-2: Restitution fund balances not reconciled

In the past, the restitution funds were difficult to reconcile due to the large amounts due to unknown victims. The Court is currently working with the New Orleans District Attorney's Office to locate these individuals and determine the amount of restitution due to each victim.

If you have any questions or need additional information, please call me at (504) 827-3400.

Very Truly Yours,

Calvin Johnson  
Chief Judge

cc: Suzanne Elliott, CPA