



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, 2023

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**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

FUND FINANCIAL STATEMENTS

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

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Continued,

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

FINANCIAL HIGHLIGHTS

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

- As a result of this year's operations, total net position for the Court was (\$4,916,410). Net position reflected an increase of \$1,427,844 representing a reduction in the deficit as compared to the previous year's balance.
- Total Court program revenues decreased by \$170,917, reporting \$9,447,263 in 2023 compared to \$9,618,180 in the previous year.

Total net position was comprised of the following:

- Invested in capital assets of \$139,222, the net book value of property and equipment.
- Restricted Net Position is recorded at \$5,439,334
- Unrestricted net position remained relatively constant between years at a balance of (\$10,494,966). This balance represents the net position balance available to maintain continuing obligations to citizens and creditors for the unrestricted fund. The deficit is primarily caused by pension obligations in accordance with GASB 68.

FINANCIAL ANALYSIS OF THE CRIMINAL DISTRICT COURT AS A WHOLE

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

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Condensed Statement of Net Position

ASSETS	2023	2022
Cash and Cash Equivalents	\$ 6,103,677	\$ 6,235,852
Grants Receivable	73,550	558,299
Due From Other Governments	303,699	-
Furniture, Fixtures and Equipment	139,222	502,040
Right-of-Use Asset	227,211	55,183
Total Assets	<u>6,847,359</u>	<u>7,351,374</u>
Deferred Outflows:		
Pension Related	1,186,580	1,418,263
Total Assets and Deferred Outflows	<u>8,033,939</u>	<u>8,769,637</u>
 LIABILITIES		
Accounts Payables	132,473	271,102
Benefits Payable	472,783	551,083
Compensated Abscenses	101,429	366,718
Lease Liability	230,290	19,475
Due to Other Governments	334,907	-
Net Pension Liability	11,678,467	13,905,513
Total Liabilities	<u>12,950,349</u>	<u>15,113,891</u>
Deferred Inflows:		
Pension Related	-	-
Total Liabilities and Deferred Inflows	<u>12,950,349</u>	<u>15,113,891</u>
 NET POSITION		
Investment in Capital Assets, Net	139,222	502,040
Restricted Net Position	5,439,334	5,605,248
Total Restricted Net Position	<u>5,578,556</u>	<u>6,107,288</u>
Unrestricted Net Position	<u>(10,494,966)</u>	<u>(12,451,542)</u>
Total Unrestricted Net Position	<u>(10,494,966)</u>	<u>(12,451,542)</u>
Total Net Position	<u>\$ (4,916,410)</u>	<u>\$ (6,344,254)</u>

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Continued,

As a result of this year's operations, net position increased by \$1,427,844. The total balance in net position, (\$4,916,410) represents the accumulated results of the current and all past years' operations as of December 31, 2023.

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

Condensed Statement of Activities

	<u>2023</u>	<u>2022</u>	<u>Change</u>
Total Program Revenues	\$ 9,447,263	\$ 9,618,180	\$ (170,917)
Total Program Expenses	(8,033,663)	(9,032,515)	998,852
Net Program Income	<u>1,413,600</u>	<u>585,665</u>	<u>827,935</u>
Total General Revenues	<u>14,244</u>	<u>1,883</u>	<u>12,361</u>
Change in Net Position	<u>\$ 1,427,844</u>	<u>\$ 587,548</u>	<u>\$ 840,296</u>

The total program revenues for the year in governmental activities were \$9,447,263. The components of the revenues were \$166,239 in charges for services and \$9,281,024 in operating and grant revenues. Total program expenses reflected a decrease of \$998,852 primarily due to decreases in pension-related expense. The resulting change in net position for the year ended December 31, 2023 was (\$840,296).

BUDGETARY HIGHLIGHTS

The total of unrestricted fund budgeted revenues was \$5,943,256 with actual revenues reported at \$6,137,720. The total of restricted fund budgeted revenues was \$3,774,288 with actual revenues reported at \$3,23,787. Total unrestricted fund budgeted expenses were \$5,943,256 with actual expenses reported at \$6,436,670. Total restricted fund budgeted expenses were \$3,774,288 with actual expenses reported at \$3,221,874. Salaries and benefits accounted for a substantial portion of the budgeted and actual expenses for both unrestricted and restricted funds reflecting total actual expense reported at \$7,309,817 and \$6,706,912 respectively.

CAPITAL ASSETS

The investment in capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2023 and 2022 was \$139,222 and \$502,040 respectively. The decrease in capital assets was primarily due to a physical inventory adjustment made during the year ended December 31, 2023.

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

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



Luther Speight & Company, LLC
Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT

To the Honorable Tracey Flemings-Davillier, Chief Judge
Criminal District Court for the Parish of Orleans

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Criminal District Court for the Parish of Orleans (the Court) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Court's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Court as of December 31, 2023 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Court and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Court's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Court's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Court's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, schedule of proportionate share of the net pension liability, and schedule of contributions and the related notes to required supplemental information be presented to supplement the basic financial statements.

Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Court's basic financial statements. The schedule of compensation, benefits, and other payments to agency head (the schedule) is presented to comply with the Act 706 of the 2014 Louisiana Legislative Session and the Schedule of Expenditures of Federal Awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedules are the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2024, on our consideration of the Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Court's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Court's internal control over financial reporting and compliance.



Luther Speight & Company CPAs

New Orleans, Louisiana

June 27, 2024

BASIC FINANCIAL STATEMENTS

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2023**

ASSETS

Cash and Cash Equivalents	\$ 6,103,677
Due From Other Governments	303,699
Grants Receivable	73,550
Furniture, Fixtures, and Equipment	139,222
Righ-of-Use Asset	227,211
Deferred Outflows:	
Pension Related	1,186,580
Total Assets and Deferred Outflows	<u>8,033,939</u>

LIABILITIES

Accounts Payable	132,473
Benefits Payable	472,783
Compensated Absences	101,429
Due To Other Governments	334,907
Lease Liability	230,290
Net Pension Liability	11,678,467
Deferred Inflows:	
Pension Related	-
Total Liabilities and Deferred Inflows	<u>12,950,349</u>

NET POSITION

Investment in Capital Assets	139,222
Restricted Net Position	5,439,334
Total Restricted Net Position	<u>5,578,556</u>
Unrestricted Net Position	<u>(10,494,966)</u>
TOTAL NET POSITION	<u>\$ (4,916,410)</u>

The accompanying notes are an integral part of these financial statements.

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023**

		Program Revenues			
	Expenses	Charges for Services	Grants & Intergovernmental Support	Net (Expenses)/Revenues	
Governmental Activities:					
General Government	\$ 8,033,663	\$ 166,239	\$ 9,281,024	\$ 1,413,600	
Total Governmental Activities:				1,413,600	
General Revenues:					
Interest Income				14,244	
Total General Revenues				14,244	
Changes in Net Position				1,427,844	
Net Position - Beginning				(6,344,254)	
Net Position - Ending				\$ (4,916,410)	

The accompanying notes are an integral part of these financial statements.

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2023**

	Unrestricted Fund	Restricted Fund	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 3,556,140	\$ 2,547,537	\$ 6,103,677
Due From Other Governments	300,936	2,763	303,699
Grants Receivable	1,721	71,829	73,550
Prepaid Expenses	-	18,020	18,020
Total Assets	<u>3,858,797</u>	<u>2,640,149</u>	<u>6,498,946</u>
LIABILITIES			
Accounts Payable	25,036	106,525	131,561
Benefits Payable	472,783	-	472,783
Due to Other Governments	241,078	93,829	334,907
Total Liabilities	<u>738,897</u>	<u>200,354</u>	<u>939,251</u>
FUND BALANCE			
Assigned:			
Restricted Funds	-	2,439,795	2,439,795
Total Assigned Fund Balances	<u>-</u>	<u>2,439,795</u>	<u>2,439,795</u>
Unassigned:			
General Fund	3,119,900	-	3,119,900
Total Fund Balances	<u>3,119,900</u>	<u>2,439,795</u>	<u>5,559,695</u>
Total Liabilities and Fund Balances	<u>\$ 3,858,797</u>	<u>\$ 2,640,149</u>	<u>\$ 6,498,946</u>

The accompanying notes are an integral part of these financial statements.

CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Unrestricted Fund	Restricted Fund	Total Governmental Funds
REVENUES			
Charges for Services	\$ 70,521	\$ 95,718	\$ 166,239
Grants and Intergovernmental Funds	6,057,673	3,223,351	9,281,024
Interest	9,526	4,718	14,244
Total Revenues	<u>6,137,720</u>	<u>3,323,787</u>	<u>9,461,507</u>
EXPENDITURES			
Salaries & Benefits	5,426,373	1,883,444	7,309,817
Advertising	7,251	-	7,251
Bottle Water & Coffee	465	12,948	13,413
Capital Outlay	106,603	16,671	123,274
Conferences and Legal Education	24,272	12,517	36,789
COVID-19 Expenses	5,879	-	5,879
Drug Testing Supplies	96,157	41	96,198
Dues and Subscriptions	13,718	2,948	16,666
Insurance - Professional Liability	58,270	-	58,270
Jury Expenses	1,133	150,788	151,921
Law Books	92,231	-	92,231
Lease Payments	9,961	101,850	111,811
Maintenance & Repairs	31,567	2,461	34,028
Meetings - Internal/Local	13,840	84	13,924
Miscellaneous	6,273	901	7,174
Office Supplies	76,195	10,686	86,881
Paper Supplies	12,297	18,753	31,050
Postage	1,145	26,820	27,965
Professional & Contractual	339,707	938,665	1,278,372
Telecommunications	53,412	3,200	56,612
Travel	59,921	39,097	99,018
Total Expenditures	<u>6,436,670</u>	<u>3,221,874</u>	<u>9,658,544</u>
Net Change in Fund Balances	<u>(298,950)</u>	<u>101,913</u>	<u>(197,037)</u>
Fund Transfers (In)/(Out)	1,418,058	(1,418,058)	-
Fund Balance - Beginning of Year	2,000,792	3,971,174	5,971,966
Fund Balance Adjustments	-	(215,234)	(215,234)
Fund Balance - End of Year	<u>\$ 3,119,900</u>	<u>\$ 2,439,795</u>	<u>\$ 5,559,695</u>

The accompanying notes are an integral part of these financial statements.

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS TO THE STATEMENT OF
ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023**

Total Governmental Fund Balance	\$ 5,559,695
Amounts reported in governmental activities in the statement of net position are different because:	
Deferred Outflows - Pension Related	1,186,580
Capital assets used in the governmental activities are not financial resources and therefore are not reported in the funds.	139,222
GASB 87 Lease Asset, Net of Liability	(3,079)
Long-term liabilities are not due and payable in the current period and therefore are not reported in Governmental Fund Balance Sheet	
Net Pension Liability	(11,678,467)
Compensated Abscenses Liability	(101,429)
Other Reconciling Differences	(18,932)
Net Position of Governmental Activities	<u><u>\$ (4,916,410)</u></u>

The accompanying notes are an integral part of these financial statements.

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
RECONCILIATION OF CHANGE IN GOVERNMENTAL FUND BALANCE AND
CHANGE IN GOVERNMENTAL NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023**

Net Change in Fund Balances - Total Governmental Funds (Fund Financial Statements)	\$ (197,037)
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Amount reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures in the individual fund.

Governmental activities report depreciation expense to allocate the cost of those capital assets over the estimated useful lives of the asset.

Depreciation Expense	36,133	
Capital Outlay	(132,516)	(96,383)

Long-term liabilities do not require the use of current financial resources and therefore are not reported as expenditures in the Governmental Funds.

Change in Compensated Absence Expense	265,289
Lease and Interest Expense (GASB 87)	(9,343)
Pension-Related Adjustments	1,465,318
Change in Net Position of Governmental Activities	\$ 1,427,844

The accompanying notes are an integral part of these financial statements.

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS
AS OF DECEMBER 31, 2023**

ASSETS

Cash and Cash Equivalents	\$ 735,374
Accounts Receivable	8,168
Due From Defendants	1,300
Total Assets	<u>744,842</u>

LIABILITIES

Accounts Payable	27,837
Due to Victims	717,005
Total Liabilities	<u>\$ 744,842</u>

The accompanying notes are an integral part of these financial statements.

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
STATEMENT OF CHANGES IN FIDUCIARY FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2022**

ADDITIONS

Deposits on Behalf of Victims	\$ 267,615
Total Additions	<u>267,615</u>

DEDUCTIONS

Disbursements to Victims	226,704
Other Adjustments	<u>16,070</u>
Total Deductions	<u>242,774</u>
Change in Fiduciary Fund Balance	<u>24,841</u>

FIDUCIARY FUND BALANCE

Beginning of Year	<u>692,164</u>
End of Year	<u>\$ 717,005</u>

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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 jurisdictions 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

A. FUND ACCOUNTING

The accounts of the Criminal Court are organized on the basis of funds, 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 balance, 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:

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GOVERNMENTAL FUNDS

Unrestricted 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.

Restricted Fund

Grant Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. In addition, the Board of Jury Commissioners is reported as a specific program within the Restricted Fund.

FIDUCIARY FUNDS

Probation Assessment, Restitution and Court Cost Agency Funds

The Probation 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. BASIC FINANCIAL STATEMENTS – BASIS OF PRESENTATION

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

FUND FINANCIAL STATEMENTS

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

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

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Accrual Basis of Accounting

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

Governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenue, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Program revenue included in the Statement of Activities is derived directly from the program itself and reduce the cost of the function to be financed from the general revenues.

Modified Accrual Basis of Accounting

The fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period or within 60 days after year-end. Expenditures are generally recorded when the related fund liability is incurred. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses). Fines, fees, and other revenues are recorded when collected and are considered susceptible to accrual.

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. BUDGETS

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

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:

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

The liability for unused vacation leave payable at December 31, 2023 was \$101,429.

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, the risk pool through commercial insurance carriers provides excess coverage.

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. NET POSITION AND FUND BALANCE ADJUSTMENTS

The Court recorded a fund balance adjustment as a result of Due From Other Governments and Due To Other Governments balances being eliminated with internal balances in prior years. The adjustment totaling \$215,234 to fund balances is the cumulative effect of prior year balances that were eliminated.

I. TOTAL COLUMNS OF GENERAL-PURPOSE FINANCIAL STATEMENTS

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

J. 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.

K. 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.

L. RECENT ACCOUNTING PRONOUNCEMENTS

In June 2017, GASB issued Statement No. 87, *Leases*. It establishes a single model for lease accounting based on the foundational principle that leases are financing of the right to use an underlying asset. The requirements of this Statement were deferred for implementation by GASB No. 95 for reporting periods beginning after June 15, 2021. GASB 87 is applicable beginning with the year ended December 31, 2022. Management adopted the new standard starting with the year ended December 31, 2022. See the Court's lease policy below and NOTE 3 for additional information on leases.

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

M. GASB 87, LEASES

With the adoption of GASB 87, the Court established a materiality policy for its leases and other long-term contracts. Individual leases or contracts with total lease payments or contract value under \$100,000 will require no evaluation for lease reporting under GASB 87. Any contract identified as a lease or as having a lease component that is below the \$100,000 threshold may be recorded in the same manner as a short-term lease with rent payments reported as expense (lessee) or revenue (lessor) on the income statement as those payments become due based on the terms of lease. Leases below the \$100,000 threshold will not be reported on the balance sheet or subject to GASB 87 disclosure requirements.

NOTE 2: CHANGES IN CAPITAL ASSET BALANCES

During the year ended December 31, 2023, the Court performed a physical inventory count, which resulted in a physical inventory adjustment totaling \$459,201. A summary of changes in property and equipment is detailed below:

CAPITAL ASSET ACTIVITY	<u>Amounts</u>
Net Fixed Asset beginning balance January 1, 2023	\$ 502,040
Additions	132,516
Physical Inventory Adjustment	<u>(459,201)</u>
Subtotal	175,355
Less: Current Year Depreciation	<u>(36,133)</u>
Ending balance, December 31, 2023	<u><u>\$ 139,222</u></u>

Depreciation expense is computed on a straight-line basis and is recorded at \$36,133 for the year ended December 31, 2023.

NOTE 3: LEASES

The Court adopted GASB 87, *Leases*, during the year ended December 31, 2022, which improves accounting and financial reporting for leases by governments. The Court leases office space at 139 South Broad Street. The lease commenced in April 2020 and expired in March 2023. The lease was renewed for an additional 3 years.

To calculate the right-of-use asset and lease liability, the Court used a discount rate of 4.75%, which is the Court's incremental borrowing rate, and calculated the present value of future lease payments. Each year, the asset value is amortized over the life of the lease.

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 3: LEASES (CONTINUED)

As of December 31, 2023, the lease asset balance was \$227,211, which is net of accumulated amortization of \$75,737. The lease liability is reduced each year by the lease payment less calculated interest expense. As of December 31, 2023, the lease liability was \$230,290. Interest expense recorded during the year ended December 31, 2023 was \$9,343. The following is a summary of the Court's lease balances as of December 31, 2023:

Lease Assets	Beginning of Year	Additions	Subtractions	End of Year	Amounts Due Within One Year
Building	\$ -	\$ 302,949	\$ -	\$ 302,949	
	-	302,949	-	302,949	
Less: Accumulated Amortization					
Building	-	(75,737)	-	(75,737)	
	-	(75,737)	-	(75,737)	
Total Lease Assets, net	\$ -	\$ 227,212	\$ -	\$ 227,212	
Lease Liabilities	\$ -	\$ 293,938	\$ (63,648)	\$ 230,290	\$ 99,325

Annual requirements to amortize long-term lease obligations and related interest are as follows:

Maturity Analysis	Principal	Interest	Total Payments
Year Ending 2024-12	\$ 99,325	\$ 8,795	\$ 108,120
Year Ending 2025-12	104,147	3,973	108,120
Year Ending 2026-12	26,818	213	27,031
Year Ending 2027-12	-	-	-
Year Ending 2028-12	-	-	-
Total Future Payments	\$ 230,290	\$ 12,981	\$ 243,271

NOTE 4: COLLATERALIZATION OF DEPOSITS

At December 31, 2023, the Criminal Court had cash deposits totaling \$6,903,037. These deposits were secured from risk by federal deposit insurance at two financial institutions. Balances in excess of FDIC insurance limits were collateralized by the depository institution with pledged securities of the respective depository institutions. The pledged securities are held by the depository institution, in the name of the Criminal District Court.

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 5: CHANGES IN AMOUNTS DUE TO VICTIM CASH BALANCE

A summary of changes in amounts Due to Victims cash balance are as follows:

ADDITIONS:

Deposits on behalf of Victims	\$ 267,615
Other adjustments	-
Total Additions	<u>\$ 267,615</u>

DEDUCTIONS:

Disbursements to Victims	226,704
Other adjustments	16,070
Total Deductions	<u>242,774</u>
Change in Fiduciary Fund Balance	<u>24,841</u>

FIDUCIARY FUND BALANCE:

Beginning of Year	692,164
Ending of Year	<u><u>\$ 717,005</u></u>

NOTE 6: PROBATION ASSESSMENT, RESTITUTION, AND COURT COST

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

NOTE 7: PENSIONS

During the prior years the Court adopted the requirements of GASB Statement 68. *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment to GASB 68*. Substantially all of the employees of the Court participate in the Louisiana State Employees’ Retirement System (LASERS or the System). The Plan is a cost-sharing multiple-employer defined benefit pension plan established by Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) to provide retirement allowances and other benefits to eligible state officers, employees, and their beneficiaries.

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 7: PENSIONS (CONTINUED)

A. PLAN DESCRIPTION

The System was established for the purpose of providing retirement allowances and other benefits as stated under the provisions of La. R.S. 11:401, as amended, for eligible state officers, employees, and their beneficiaries. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

1. Retirement Benefits

The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification.

The rank-and-file members hired prior to July 1, 2006, may either retire with full benefits at any age upon completing 30 years of creditable service, at age 55 upon completing 25 years of creditable service, and at age 60 upon completing ten years of creditable service depending on their plan. Those members hired between July 1, 2006 and June 30, 2015, may retire at age 60 upon completing five years of creditable service and those hired on or after July 1, 2015 may retire at age 62 upon completing five years of creditable service. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.

Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment.

The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity.

CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 7: PENSIONS (CONTINUED)

As an alternative to the basic retirement benefits, a member may elect to receive their retirement throughout their life, with certain benefits being paid to their designated beneficiary after their death.

Act 992 of the 2010 Louisiana Regular Legislative Session changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to retire with twelve years of creditable service at age 55, 25 years of creditable service at any age or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate.

The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan.

Act 226 of the 2014 Louisiana Regular Legislative Session established new retirement eligibility for members of LASERS hired on or after July 1, 2015, excluding hazardous duty plan members. Regular members and judges under the new plan are eligible to retire at age 62 after five years of creditable service and may also retire at any age with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment. Members in the regular plan will receive a 2.5% accrual rate; and judges a 3.5% accrual rate, with the extra 1.0% accrual rate based on all years of service as a judge.

Members of the Harbor Police Retirement System who were members prior to July 1, 2014, may retire after 25 years of creditable service at any age, 12 years of creditable service at age 55, 20 years of creditable service at age 45, and 10 years of creditable service at age 60. Average compensation for the plan is the member's average annual earned compensation for the highest 36 consecutive months of employment with a 3.33% accrual rate.

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 7: PENSIONS (CONTINUED)

A member leaving employment before attaining minimum retirement age, but after completing certain minimum service requirements, becomes eligible for a benefit provided the member lives to the minimum service retirement age, and does not withdraw their accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification.

2. Deferred Benefits

The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than the System's realized actuarial return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

Members eligible to retire and who do not choose to participate in DROP may elect to receive at the time of retirement an initial benefit option (IBO) in an amount up to 36 months of benefits with an actuarial reduction of their future benefits. For members who selected the IBO option prior to January 1, 2004, such amount may be withdrawn or remain in the IBO account earning interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero). Those members who select the IBO on or after January 1, 2004, are required to enter the SDP as described above.

3. Disability Benefits

Generally, active members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age.

Upon reaching retirement age, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees.

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 7: PENSIONS (CONTINUED)

4. Survivor's Benefits

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased regular member hired before January 1, 2011 who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

The deceased regular member hired on or after January 1, 2011, must have a minimum of five years of service credit regardless of when earned in order for a benefit to be paid to a minor child. The aforementioned minimum service credit requirements for a surviving spouse are 10 years, 2 years being earned immediately prior to death, and active state service at the time of death, or a minimum of 20 years of service credit regardless of when earned. A deceased member's spouse must have been married for at least one year before death.

A Hazardous Duty Services Plan member's surviving spouse and minor or handicapped or mentally incapacitated child or children are entitled to survivor benefits of 80% of the member's final average compensation if the member was killed in the line of duty. If the member dies in the line of duty as a result of an intentional act of violence, survivor benefits may be increased to 100% of the member's final average compensation.

5. Permanent Benefit Increases/Cost-of-Living Adjustments

As fully described in Title 11 of the Louisiana Revised Statutes, the System allows for the payment of permanent benefit increases, also known as cost-of-living adjustments (COLAs), that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

The Experience Account Reserve is used to fund permanent benefit increases for retirees. The benefit increase granted must be funded at 100% of the actuarial cost. The account accumulates 50% of the excess investment gain relative to the actuarial valuation rate of 7.25% after such excess return exceeded \$100,000,000 (indexed to positive changes in the actuarial value of assets beginning June 30, 2015).

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 7: PENSIONS (CONTINUED)

If the System is at least 80% funded, the balance of the Experience Account maintains a reserve for two permanent benefit increases. However, if the System is less than 80% funded, the reserve is restricted to one permanent benefit increase, based on the current allowable percentage granted for the permanent benefit increase. Excess investment gains that would have otherwise gone to the Experience Account, if not for the restrictions, will be applied to the System’s net pension liability. Beginning June 30, 2016, allocations to the Experience Account will be amortized over ten years. At June 30, 2023 and 2022, the balance of the Experience Account Reserve was \$24,483,783 and \$23,082,605, respectively.

B. OPTIONAL RETIREMENT PLAN

In 1999, an Optional Retirement Plan (ORP) was established as a defined contribution component of LASERS for certain unclassified employees who otherwise would have been eligible to become members of the defined benefit plan. The ORP provides portability of assets and full and immediate vesting of all contributions submitted on behalf of members. The ORP is administered by a third- party provider with oversight from LASERS Board of Trustees. Monthly employer and employee contributions are invested as directed by the member to provide the member with future retirement benefits. The amount of these benefits is entirely dependent upon the total contributions and investment returns accumulated during the member’s working lifetime. ORP balances are held by the provider in each participant’s name. These balances are included in LASERS total investments on the Statements of Fiduciary Net Position. The ORP was closed to new members on December 7, 2007. However, members in the ORP as of December 31, 2007 were granted the option by Act 718 of the 2012 Louisiana Regular Legislative Session to regain membership in the defined benefit plan.

At June 30, 2023, and 2022, membership consisted of:

	<u>2023</u>	<u>2022</u>
Number of Members	38	41
Employee Contributions	\$55,356	\$65,702
Employer Contributions	\$295,531	\$342,737

The ORP Reserve consists of reserves for all members who elected to participate in the ORP and is credited with contributions made by the employee and the normal employer matching contributions for services rendered. When a member terminates his service, or upon his death before qualifying for a benefit, the refund of his contributions is made from this reserve. Also, when a member retires, his benefits are paid from this reserve. The balance of the ORP Reserve as of June 30, 2023 and 2022 was \$4,360,957 and \$4,878,511, respectively.

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 7: PENSIONS (CONTINUED)

C. CONTRIBUTIONS

1. Member Contributions

Member contribution rates for the System are established by La. R.S. 11:62. Member contributions are deducted from a member’s salary and remitted to the System by participating employers. If a member leaves covered employment or dies before any benefits become payable on their behalf, the accumulated contributions may be refunded to the member or their designated beneficiary. Similarly, accumulated contributions in excess of any benefits paid to members or their survivors are refunded to the member’s beneficiaries or their estates upon cessation of any survivor’s benefits.

2. Employer Contributions

The employer contribution rate is established annually under La. R.S. 11:101-11:104 by the Public Retirement Systems’ Actuarial Committee (PRSAC), taking into consideration the recommendation of the System’s Actuary. Each plan pays a separate actuarially determined employer contribution rate. However, all assets of LASERS are used for the payment of benefits for all classes of members, regardless of their plan membership.

The member and employer rates in effect during the years ended June 30, 2023 for the various plans are as follows:

Plan	Plan Status	Employer Contribution Rate	Employee Rate
Judges hired before 1/1/2011	Closed	44.80%	11.50%
Judges hired after 12/31/2010	Closed	43.80%	13.00%
Judges hired on or after 7/1/2015	Open	43.80%	13.00%
Optional Retirement Plan (ORP) before 7/1/2006	Closed	40.40%	7.50%
Optional Retirement Plan (ORP) on or after 7/1/2006	Closed	40.40%	8.00%
Regular employees hired before 7/1/2006	Closed	40.40%	7.50%
Regular employees hired on or after 7/1/2006	Closed	40.40%	8.00%
Regular employees hired on or after 1/1/2011	Closed	40.40%	8.00%
Regular employees hired on or after 7/1/2015	Open	40.40%	8.00%

For the year ended December 31, 2023 the Court reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 7: PENSIONS (CONTINUED)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 252,804	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	66,793	-
Employer contributions subsequent to the Measurement date	866,983	-
	<u>\$ 1,186,580</u>	<u>\$ -</u>

The deferred outflows related to employer contributions subsequent to the measurement date reported at \$866,983 will be recognized as a reduction of the net pension liability in the Court’s fiscal year ended December 31, 2023 financial statements.

Other amounts reported as deferred outflows of resources and deferred inflows of resources, including the remaining Plan’s amortization related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Amount of Amortization</u>
2024	\$ 319,220
2025	(421,750)
2026	575,200
2027	(153,103)
	<u>\$ 319,567</u>

D. SCHEDULE OF EMPLOYER ALLOCATIONS

The schedule of employer allocations reports the required projected employer contributions in addition to the employer allocation percentage. The required projected employer contributions are the basis used to determine the proportionate relationship of each employer to all employers of Louisiana State Employees’ Retirement System.

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 7: PENSIONS (CONTINUED)

The employer's proportion was determined on a basis that is consistent with the manner in which contributions to the pension plan are determined. The allocation percentages were used in calculating each employer's proportionate share of the pension amounts.

The allocation method used in determining each employer's proportion was based on the employer's projected contribution effort to the plan for 2024 as compared to the total of all employers' projected contribution effort to the plan for 2024.

The employers' projected contribution effort was calculated by multiplying the eligible base compensation of active members in the System on June 30, 2023 by 2024 employers' actuarially required contribution rates. Generally, eligible base compensation was based on the reported base salary from each employer's July contribution report multiplied by twelve. For active members who did not have a July 2023 contribution report or where the July base salary was greater than 115% of the prior fiscal year's annualized earnings, the annualized earnings for the prior fiscal year were used. Annualized earnings are derived using the total earnings for the prior fiscal year and dividing by the portion of the year for which the member was employed by the employer.

The portion of the year employed is determined by dividing the actual days employed in the fiscal year by the days in the fiscal year.

E. ACTUARIAL METHODS AND ASSUMPTIONS

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2023 are as follows:

Salary Increases

Salary increases were projected based on a 2014-2018 experience study of the System's numbers. The salary increase ranges for specific types of members are:

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 7: PENSIONS (CONTINUED)

<u>Member Type</u>	<u>Lower Range</u>	<u>Upper Range</u>
Regular	3.0%	12.8%
Judges	2.6%	5.1%

F. COST OF LIVING ADJUSTMENTS

The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

G. LONG-TERM EXPECTED RATE OF RETURN

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.3% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 8.19% for 2023. Best estimates of geometric real rates of return for each major asset class included in the System’s target asset allocation as of June 30, 2023 are summarized in the following table:

Expected Long Term Real Rates of Return	
<u>Asset Class</u>	<u>2023</u>
Cash	0.80%
Domestic Equity	4.45%
International Equity	5.44%
Domestic Fixed Income	2.04%
International Fixed Income	5.33%
Alternative Investments	8.19%
Total Fund	5.75%

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 7: PENSIONS (CONTINUED)

H. DISCOUNT RATE

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System’s actuary. Based on those assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

I. SENSITIVITY TO CHANGES IN DISCOUNT RATE

The following presents the net pension liability of the participating employers calculated using the discount rate of 7.25%, as well as what the employers’ net pension liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate.

	Changes in Discount Rate		
	1% Decrease	Current	1% Increase
	-6.25%	-7.25%	-8.25%
2023 Net Pension Liability	\$ 15,291,988	\$ 11,678,467	\$ 8,617,050

J. CHANGE IN NET PENSION LIABILITY

The changes in the net pension liability for the year ended December 31, 2023 were recognized as pension expense or benefit in the current reporting period except as follows:

Differences between Expected and Actual Experience

Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The difference between expected and actual experience resulted in a deferred outflow of resources as of December 31, 2023 of \$252,804.

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 7: PENSIONS (CONTINUED)

Differences between Projected and Actual Investment Earnings

Differences between projected and actual investment earnings on pension plan investments were recognize in pension expense using the straight-line amortization method over a closed five-year period. The difference between projected and actual investment earnings on pension plan investments resulted in a deferred outflow of resources as of December 31, 2023 of \$66,763.

Changes in Actuarial Assumptions

Changes in actuarial assumptions related to inflation and salary factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. Changes in actuarial assumptions did not result in deferred outflows of resources as of December 31, 2023.

K. CONTRIBUTIONS – PROPORTIONATE SHARE/CHANGE IN PROPORTIONATE SHARE

Differences between contributions remitted to the System and the employer’s proportionate share are recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the Schedule of Pension Amounts by Employer due to differences that could arise between contributions reported by the System and contributions reported by the participating employer.

Changes in the employer’s proportionate share of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date are recognized in employer’s pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the Schedule of Pension Amounts by Employer.

NOTE 8: FINES AND FEES RESTRICTIONS

During 2020, a federal appeals court ruled that certain fines and fees assessed and collected by the Court represented a conflict of interests and were accordingly unconstitutional. In anticipation of a final ruling, the Court restricted the bond fees in question that were collected by setting the funds aside in a restricted bank account.

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 8: FINES AND FEES RESTRICTIONS (CONTINUED)

These funds are segregated in a separate bank account and are not disbursed for any operations of the Court. During the year ended December 31, 2023, the Court paid \$207,488 to the City of New Orleans, which represented bail bond funds collected by the Court.

NOTE 9: SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 27, 2024, which is the date the audit report was available to be issued and have advised that no reportable matters existed.

REQUIRED SUPPLEMENTARY INFORMATION

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
BUDGET COMPARISON SCHEDULE - UNRESTRICTED FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

REVENUES	Unrestricted Budget	Unrestricted Actual	Difference
Charges for Services	\$ 40,000	\$ 70,521	\$ (30,521)
Grants and Intergovernmental Funds	5,898,756	6,057,673	(158,917)
Interest	4,500	9,526	(5,026)
Total Revenues	<u>5,943,256</u>	<u>6,137,720</u>	<u>(194,464)</u>
 EXPENDITURES			
Salaries & Benefits	5,197,756	5,426,373	(228,617)
Advertising	2,000	7,251	(5,251)
Bottle Water & Coffee	-	465	(465)
Capital Outlay	-	106,603	(106,603)
Conferences and Legal Education	35,000	24,272	10,728
COVID-19 Expenses	-	5,879	(5,879)
Drug Testing Supplies	70,000	96,157	(26,157)
Dues and Subscriptions	9,000	13,718	(4,718)
Insurance - Professional Liability	30,000	58,270	(28,270)
Jury Expenses	-	1,133	(1,133)
Law Books	70,000	92,231	(22,231)
Lease Payments	15,000	9,961	5,039
Maintenance & Repairs	25,000	31,567	(6,567)
Meetings - Internal/Local	2,000	13,840	(11,840)
Miscellaneous	2,000	6,273	(4,273)
Office Supplies	55,000	76,195	(21,195)
Paper Supplies	15,000	12,297	2,703
Postage	7,000	1,145	5,855
Professional & Contractual	312,000	339,707	(27,707)
Telecommunications	35,500	53,412	(17,912)
Travel	61,000	59,921	1,079
Total Expenditures	<u>\$ 5,943,256</u>	<u>\$ 6,436,670</u>	<u>\$ (493,414)</u>

The accompanying notes are an integral part of these financial statements.

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
BUDGET COMPARISON SCHEDULE - RESTRICTED FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

REVENUE	Restricted Budget	Restricted Actual	Difference
	<u>\$</u>	<u>\$</u>	<u>\$</u>
	3,774,288	3,323,787	450,501
 EXPENDITURES			
Salaries & Benefits	1,888,200	1,883,444	4,756
Advertising	-	-	-
Bottle Water & Coffee	-	12,948	(12,948)
Capital Outlay	27,234	16,671	10,563
Conferences and Legal Education	81,847	12,517	69,330
COVID-19 Expenses	-	-	-
Drug Testing Supplies	-	41	(41)
Dues and Subscriptions	-	2,948	(2,948)
Insurance - Professional Liability	-	-	-
Jury Expenses	165,000	150,788	14,212
Law Books	-	-	-
Lease Payments	84,773	101,850	(17,077)
Maintenance & Repairs	10,500	2,461	8,039
Meetings - Internal/Local	-	84	(84)
Miscellaneous	500	901	(401)
Office Supplies	44,800	10,686	34,114
Paper Supplies	31,000	18,753	12,247
Postage	30,000	26,820	3,180
Professional & Contractual	1,372,297	938,665	433,632
Telecommunications	3,500	3,200	300
Travel	34,637	39,097	(4,460)
Total Expenditures	<u>\$</u> 3,774,288	<u>\$</u> 3,221,874	<u>\$</u> 552,414

The accompanying notes are an integral part of these financial statements.

**CRIMINAL COURT FOR THE PARISH OF ORLEANS
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>
Criminal Court's Proportion of the Net Pension Liability	0.17447%	0.18492%	0.18913%	0.18943%	0.17472%	0.15407%	0.168810%	0.141830%	0.13801%
Criminal Court's Proportionate Share of the Net Pension Liability	\$ 11,678,467	\$ 13,905,513	\$ 10,281,794	\$ 14,805,480	\$ 12,658,095	\$ 10,507,121	\$ 11,882,248	\$ 11,137,196	\$ 9,386,491
Criminal Court's Covered-Employee Payroll	5,077,458	4,711,325	4,318,802	5,138,283	4,883,722	\$ 4,181,282	\$ 5,054,157	\$ 5,099,260	\$ 5,487,217
Criminal Court's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	230%	295%	238%	288%	259%	251%	235%	218%	171%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.42%	34.85%	54.48%	37.84%	50.23%	80.51%	64.79%	60.63%	27.52%

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**CRIMINAL COURT FOR THE PARISH OF ORLEANS
SCHEDULE OF CONTRIBUTIONS - RETIREMENT PLAN
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>
Contractually Required Contribution	\$ 1,635,381	\$ 1,589,131	\$ 1,578,983	\$ 1,593,197	\$ 1,414,457	\$ 1,123,873	1,019,192	1,140,453	1,002,859
Contributions in Relation to the Contractually Required Contribution	1,677,163	1,584,566	1,596,920	1,719,014	1,490,975	1,181,347	1,072,833	1,200,476	\$ 1,055,641
Contribution Deficiency/(Excess)	(41,782)	4,565	(17,937)	(125,817)	(76,518)	(57,474)	(53,641)	(60,023)	\$ (52,782)
Covered-Employee Payroll	5,077,458	4,711,325	4,318,802	5,138,283	4,833,722	4,181,282	5,054,157	5,099,260	\$ 5,487,217
Contributions as a Percentage of Covered-Employee Payroll	33.03%	33.63%	36.98%	33.46%	30.85%	28.25%	21.23%	23.54%	19.24%

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
Summary of Auditors' Results
For the Year Ended December 31, 2023

Section I - Summary of Auditor's Results

Financial Statements

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

Internal control over financial reporting:

Material weakness (es) identified?	<u> X </u> yes	<u> </u> no
Significant deficiency(s) identified not considered to be material weaknesses?	<u> </u> yes	<u> X </u> no

Noncompliance material to financial statements noted?	<u> </u> yes	<u> X </u> no
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Federal Awards

Internal control over major programs:

Material weakness (es) identified?	<u> </u> yes	<u> X </u> no
Significant deficiency(s) identified not considered to be material weaknesses?	<u> </u> yes	<u> X </u> no

An unmodified opinion was issued on compliance.

Any audit findings disclosed that are required to be

Reported in accordance with <i>Uniform Guidance</i>	<u> </u> yes	<u> X </u> no
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The major program for the year ended December 31, 2023 was as follows:

- a. Temporary Assistance to Needy Families (TANF) - Assistance Listing # 93.558

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee did not qualify as a low-risk auditee.



Luther Speight & Company, LLC
Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Tracey Flemings-Davillier, Chief Judge
Criminal District Court for the Parish of Orleans

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Criminal District Court for the Parish of Orleans (the Court), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Court's basic financial statements and have issued our report thereon dated June 27, 2024.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Court's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the Court's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as Findings #2023-001 and #2023-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Court's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Court's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Court's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Court's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Luther Speight & Company CPAs
New Orleans, Louisiana
June 27, 2024



Luther Speight & Company, LLC
Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY THE UNIFORM GUIDANCE

To the Honorable Tracey Flemings-Davillier, Chief Judge
Criminal District Court for the Parish of Orleans

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Criminal District Court for the Parish of Orleans' (the Court) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Court's major federal programs for the year ended December 31, 2023. The Court's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Court complied, in all material respects, with the compliance requirements referred to above that could have direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

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 the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Court and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Court's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Court's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Court's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Court's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Court's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of The Court's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Court's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance. Our opinion on each major federal program is not modified with respect to these matters.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Luther Speight & Company CPAs
New Orleans, Louisiana
June 27, 2024

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Federal Grantor/Pass through Grantor	Assistance Listing No.	Name of Program	Grant No.	Name of Grant	Total Awards Expended
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Direct	93.558	Supreme Court Drug Court	N/A	Temporary Assistance to Needy Families (TANF)	\$ 531,115
U.S. DEPARTMENT OF JUSTICE					
Direct	16.812	Second Chance Act Reentry Initiative	15PBJA-21-GG-04019-SCAX	Orleans Parish Adult Reentry Education, Employment	138,625
Direct	16.585	Treatment Court Discretionary Grant Program	2021-15PBJA-21-GG-04269-DGCT	FY 2021 Adult Drug Court and Veterans Treatment	39,283
Passed through: State of Louisiana - Louisiana Commission on Law Enforcement and Administration					
Victim Assistance Program	16.575	VOCA via LCLE	2021-VA-02-6730 2022-VA-02-7328	Domestic Violence Program 9	81,220
Passed through the City of New Orleans					
Office of Criminal Justice	16.738	Edward Byrne Memorial Justice Assistance Grant Program	2021-DJ-02-7032	Domestic Violence Monitoring Court Pretrial Supervision	20,718
Office of Criminal Justice	16.738	Edward Byrne Memorial Justice Assistance Grant Program	2020-DJ-BX-0375	Comprehensive Law Enforcement Strategies	14,638
TOTAL					\$ 825,599

The accompanying notes are an integral part of this statement.

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
DECEMBER 31, 2023**

NOTE 1 – BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards is prepared on the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are recorded when the related grant liability is incurred.

NOTE 2 – PRESENTATION

The accompanying schedule of expenditures of federal awards covers the fiscal year ended December 31, 2023.

NOTE 3 – INDIRECT COST RATE

The Court has not elected to use the ten percent (10%) indirect cost rate allowed under the Uniform Guidance.

NOTE 4 – LOAN AND LOAN GUARANTEES

The Court did not expend federal awards related to loans or loan guarantees during the year ended December 31, 2023. The Court had no loans outstanding at the year ended December 31, 2023.

NOTE 5 – FEDERALLY FUNDED INSURANCE

The Court has no federally funded insurance.

NOTE 6 – NONCASH ASSISTANCE

The Court did not receive any federal noncash assistance for the year ended December 31, 2023.

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

FINDING #2023-001 AGING RESTITUTION FUNDS NOT RECONCILED AND
UNABLE TO BE DISBURSED TO UNLOCATED VICTIMS

CRITERIA:

Fiduciary fund accounting requires that financial resources held by governmental entities for other parties be properly accounted for and identified by the party that the funds are due to.

CONDITION:

As of December 31, 2023, the Court reported cash on hand that represented amounts “Due to Victims” totaling \$744,842. The Court maintains a computerized database that includes the funds that have been ordered by the Judges as “Due to Victims”. The software program was outdated and did not have adequate capabilities to allow for proper reconciliation of the cash on hand to the total of the amounts due to victims.

In addition, we noted many instances where the victim was specifically identified, however updated address information was unavailable for the victim. We also noted numerous amounts, which were due to victims that were not individually identified to a specific victim. Due to the limitations of the database reporting, we were unable to accurately quantify the applicable total.

CAUSE:

The software, procedures and controls in effect were not adequate to identify and record the victims related to each deposit ordered by the Court.

EFFECT:

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

RECOMMENDATION:

We recommend that the Court develop and implement a plan to identify the intended disbursement of funds as provided by the orders of the Court or seek approval for alternative disposition from the proper authority.

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

MANAGEMENT RESPONSE:

Orleans Parish Criminal District Court relies solely upon information from several criminal justice agencies in identifying victims who are owed restitution. A large amount of the funds date back over two decades, and as such it has been a challenge and nearly impossible to identify the victims. The Court, on its own action, over the past several years has attempted to and continues to actively locate victims in an effort to disperse any and all funds available and due. The Court has engaged the services of an investigative research company to assist in identifying victims' current information, therefore reducing the "Unidentified Victims List".

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

FINDING #2023-002 CONTROLS OVER CAPITAL ASSET INVENTORY NOT
ADEQUATE

CRITERIA:

Best practices related to internal controls over capital assets include maintaining a capital asset subsidiary ledger that is an integrated part of the financial management system.

CONDITION:

The Court implemented a new general ledger software program during 2018, however the capital asset module was not implemented. We were provided manual capital asset subsidiary records.

CAUSE:

The Court had not completed its implementation of the financial management software to include the capital asset module.

EFFECT:

Capital asset balances and the related accumulated depreciation balances did not roll-forward from year-to-year without the need for adjustments.

RECOMMENDATION:

We recommend that the Court update its accounting software to include a capital asset module.

MANAGEMENT'S RESPONSE:

The Court has worked with its software vendor to transition this function as part of its current accounting software. However, it has been determined that the current software vendor's inventory software is not fully compatible with the needs of the Court. The Court will work to research other software vendors for its inventory software needs. The installation and implementation will allow proper adjustments to the inventory reports upon conclusion of periodic physical inventory procedures. It is the administration's intention to have this correction action plan implemented and completed by June 30, 2025.

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
 UPDATE OF PRIOR YEAR FINDINGS
 FOR THE YEAR ENDED DECEMBER 31, 2023**

Finding #	Description	Resolved/Unresolved
2022-01	Aging Restitution Funds Not Reconciled and Unable to be Disbursed to Unlocated Victims	Unresolved
2022-02	Timesheets Not Maintained for Employees Assigned to Sections of Court	Resolved
2022-03	Controls Over Capital Asset Inventory Not Adequate	Partially Resolved

CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED DECEMBER 31, 2023

Purpose	Judge Levine	Judge Flemings- Davillier	Judge Willard	Judge Holmes	Judge Goode- Douglas	Judge Pittman	Judge Campbell	Judge Buras	Judge Roche	Judge Derbigny	Judge DeLarge	Judge Harris	Judge Lombard
Salary	\$ 103,179	\$ 174,894	\$ 174,894	\$ 174,894	\$ 174,894	\$ 174,894	\$ 174,894	\$ 174,894	\$ 26,734	\$ 174,894	\$ 174,894	\$ 174,894	\$ 174,894
Benefits - Medical	4,986	13,571	13,571	8,855	-	13,571	7,723	13,571	554	7,429	13,571	7,723	8,060
Benefits - Life (OGB)	63	-	-	103	154	-	-	661	9	450	62	62	268
Benefits - Retirement	45,990	79,238	79,238	77,401	77,401	79,238	77,401	79,238	11,950	79,238	77,401	77,401	79,238
Benefits - Liability Ins.	3,270	4,084	3,270	3,270	3,025	5,054	3,925	3,270	-	3,270	3,025	3,270	3,270
Medicare	1,465	2,411	2,411	2,464	2,485	2,389	2,499	2,394	384	2,449	2,393	2,490	2,451
Travel	-	-	-	-	-	-	-	-	-	-	-	-	-
Car Allowance	-	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursements	-	-	-	-	-	-	-	-	-	-	-	-	-
Registration Fees & Continuing Education Travel	695	695	1,025	2,150	2,600	2,475	1,610	1,340	420	740	1,400	2,435	1,815
Cell Phones	1,286	1,210	-	1,320	560	2,837	560	-	664	2,727	571	520	600
Special Meals	-	-	-	-	-	-	-	-	-	-	-	-	-
Dues	500	2,155	300	550	1,425	1,320	1,440	450	-	940	550	550	1,000
	\$ 161,434	\$ 278,258	\$ 274,709	\$ 271,007	\$ 262,544	\$ 281,778	\$ 270,052	\$ 275,818	\$ 40,715	\$ 272,137	\$ 273,867	\$ 269,345	\$ 271,596

Judge are elected officials and are employees of the Louisiana Supreme Court. The salaries and benefits reported on this schedule are paid directly by the Louisiana Supreme Court.

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY - CASH BASIS PRESENTATION
FOR THE YEAR ENDED DECEMBER 31, 2023**

	First Six Month Period Ended 06/30/23	Second Six Month Period Ended 12/31/23
Beginning Balance of Amounts Collected	996,233	1,033,406
Add: Collections		
Criminal Court Costs/Fees	11,520	8,835
Criminal Fines - Other	67,860	51,835
Restitution	131,070	98,836
Probation/Parole/Supervision Fees	155	1,200
Subtotal Collections	210,605	160,706
Less: Disbursements To Governments & Nonprofits:		
Orleans Public Defender - Court Cost	6,609	4,621
Sherriff's Office - 1/2 Fines	3,369	4,534
MJEF	44,058	26,134
Judicial Expenses	660	461
Supreme Court Justice College - Court Cost	63	42
LA Commission on Law Enforcement-DATF - Court Cost	441	269
LA Commission on Law Enforcement -Law Enforcement - Court Cost	256	175
LA Commission on Law Enforcement -Vicim Reparation - Court Cost	2,410	1,978
Crime Stoppers, Inc. - Court Cost	256	175
Clerk of Court, Orleans - Court Cost	1,264	831
District Attorney's Office - Court Cost	2,587	1,526
Orleans Criminal Sheriff's Office - Court Cost	2,000	1,238
New Orleans Coroner's Office - Court Cost	1,286	803
LA Supreme Court - Court Cost	382	260
Less: Amounts Retained by Collecting Agency	-	-
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies	107,791	99,697
Subtotal Disbursements/Retainage	173,432	142,744
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	1,033,406	1,051,368
Ending Balance of "Partial Payments" Collected but not Disbursed	-	-
Other Information:		
Ending Balance of Total Amounts Assessed but not yet Collected (<i>i.e. receivable balance</i>)	-	-
Total Waivers During the Fiscal Period	-	-

CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
JUSTICE SYSTEM FUNDING SCHEDULE - RECEIVING ENTITY - CASH BASIS PRESENTATION
FOR THE YEAR ENDED DECEMBER 31, 2023

	First Six Month Period Ended 06/30/23	Second Six Month Period Ended 12/31/23
Receipts From:		
<i>Orleans Criminal Sheriff's Office - Fines</i>	3,369	3,370
<i>Municipal & Traffic Court of New Orleans - Fees</i>	13,995	18,759
Subtotal Receipts	\$ 17,364	\$ 22,129
Ending Balance of Amounts Assessed but Not Received	-	-



Luther Speight & Company, LLC
Certified Public Accountants and Consultants

CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS

AGREED-UPON PROCEDURES REPORT

FOR THE YEAR ENDED DECEMBER 31, 2023



Luther Speight & Company, LLC
Certified Public Accountants and Consultants

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Criminal District Court for the Parish of Orleans
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2023 through December 31, 2023. Criminal District Court for the Parish of Orleans' management is responsible for those C/C areas identified in the SAUPs.

Criminal District Court for the Parish of Orleans has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2023 through December 31, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

Results: *The policies and procedures appropriately address the required elements above.*

b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

New Orleans Office: 1100 Poydras Street, Suite 1225/New Orleans, LA 70163/ (504)561-8600

Memphis Office: 1661 International Drive, Suite 441/Memphis, TN 38120/ (901)202-4688

Atlanta Office: 1201 Peachtree St. NE, Suite 200-363/Atlanta, GA 30328/ (678)971-3700

Results: *The policies and procedures appropriately address the required elements above.*

- c) **Disbursements**, including processing, reviewing, and approving.

Results: *The policies and procedures appropriately address the required elements above.*

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

Results: *The policies and procedures appropriately address the required elements above.*

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

Results: *The policies and procedures appropriately address the required elements above.*

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

Results: *The policies and procedures appropriately address the required elements above.*

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)

Results: *The policies and procedures appropriately address the required elements above.*

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

Results: *The policies and procedures appropriately address the required elements above.*

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

Results: *The policies and procedures appropriately address the required elements above.*

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Results: *The Court does not enter into loan agreements, thus has no policy or procedure relating to debt. Not applicable to the Entity.*

- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Results: *The policies and procedures appropriately address the required elements above.*

- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results: *The policies and procedures appropriately address the required elements above.*

Board or Finance Committee

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee meets with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Results: *We have been able to observe that the board met with a quorum monthly. No exceptions noted.*

- b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

Results: *We have been able to observe that the board met with a quorum monthly. No exceptions noted.*

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Results: *Not applicable, as no unassigned fund balance in the general fund was observed in the prior year's audit report.*

- d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Results: *We have been able to observe that the board met with a quorum monthly. No exceptions noted.*

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain, and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

Results: *We obtained the listing from management, and management's representation that the listing is complete. We randomly selected one month from the fiscal period for testing and performed the procedures below.*

- a) Bank reconciliations include evidence that they were prepared within 1 month of the related statement closing date (e.g., initialed and dated, electronically logged).

Results: *We noted that the bank and book balances were properly reconciled for all selected accounts. All reconciliations were prepared within 1 month of the statement's closing date except one. No exceptions noted.*

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

Results: *All reconciliations observed included proper evidence of approval by a member of management who does not handle cash, post ledgers, or issue checks. No exceptions noted.*

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement's closing date, if applicable.

Results: *We noted no reconciling items were outstanding for more than 12 months from year-end.*

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Results: *We obtained a listing of the deposit site and collection locations along with managements' representation that the listing was complete. LSC noted that the Orleans Criminal District Court House is the only deposit site while the Collections Department (Room #123 on the 1st floor of Orleans Criminal District Court) and the Judicial Administrator's Office (located on the 2nd floor of Orleans Criminal District Court) serve as collection locations. We selected the only deposit site and the Judicial Administrator's Office as the collection location.*

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

Results: *We obtained a listing of the deposit site and collection locations along with managements' representation that the listing was complete. LSC noted that the Orleans Criminal District Court House is the only deposit site while the Collections Department (Room #123 on the 1st floor of Orleans Criminal District Court) and the Judicial Administrator's Office (located on the 2nd floor of Orleans Criminal District Court) serve as collection locations. We selected the only deposit site and the Judicial Administrator's Office as the collection location.*

- a) Employees responsible for cash collections do not share cash drawers/registers.

Results: We inquired with the Entity about employee duties and noted no exceptions. The Executive Assistant is responsible for cash collection and does not share her cash drawer with anyone.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

Results: We inquired with the Entity about employee duties and noted no exceptions. Even though the Executive Assistant is responsible for cash collection and preparing bank deposits, the accountant is responsible for reconciling collection documentation to the deposit.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

Results: We inquired with the Entity about employee duties and noted no exceptions. The duties of posting collection entries to the general ledger or subsidiary ledgers and reconciling ledger postings to each other and to the deposit are segregated between the accountant and CFO.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

Results: We inquired with the Entity about employee duties and noted no exceptions. The Executive Assistant collects the cash while the accountant reconciles the cash collections to the general ledger.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

Results: We inquired with the Entity and received their representation that Court employees are bonded by the Office of Risk Management. Per management, all Court employees are covered by the State's Risk Management coverage. No exceptions noted.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash*

collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- e) Trace the actual deposit per the bank statement to the general ledger.

Results: *No exceptions noted.*

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Results: *We obtained a listing of locations that process payments and management's representation that the listing is complete. We selected both locations consisting of the Collections Department and Courts, which handle online credit card payments.*

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

Results: *We noted that each purchase was supported by a purchase order that was approved and signed. The person who approved the purchase orders did not initiate the purchases. We also noted the employee/official responsible for signing checks is not responsible for processing payments. We inquired with the client to address the procedures below and noted no exceptions.*

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
- b) At least two employees are involved in processing and approving payments to vendors.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

Results: We observed that the tested disbursements matched the related supporting documentation, and the support indicates that deliverables were received by the Entity. We also observed evidence of segregation of duties with no exceptions noted.

- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3(a), randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Results: We noted that each purchase was supported by a purchase order that was approved and signed at the bottom. We noted the person who approved the purchase orders did not initiate the purchases. We also noted the employee/official responsible for signing checks is not responsible for processing payments. No exceptions noted.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

12. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Results: We obtained a listing of all active cards from management, including the card numbers and the names of employees to whom the cards are assigned, and management's representation that the listing is complete. The listing consists of four credit cards.

13. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

Results: We noted 1 exception. There is no evidence showing the statements were reviewed and approved by someone other than the authorized card holder.

Management's Response: Criminal District Court has two authorized cardholders, the Judicial Administrator and Deputy Judicial Administrator. These authorized cardholders ensure, monthly, that purchases made are for court business purposes only and authorize, through signature, those purchases identified through receipts and/or invoices. The authorized cardholders will implement immediately a cross-reference wherein each will additionally verify the purchases made by the other.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

Results: There were no finance charges and late fees assessed on the client's December 2023 Bank of America credit card statement.

14. Using the monthly statements or combined statements selected under #9 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Results: We randomly selected transactions from each statement and obtained supporting documentation for each to perform the procedures detailed above. We noted no exceptions.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

15. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

Results: We obtained a listing of all travel expenses and management's representation that the listing is complete.

- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

Results: Per diems were not selected in our sample.

- b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

Results: All travel costs were supported by the original itemized receipts. No exceptions were noted.

- c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

Results: We observed that the business purpose was documented for each transaction in our sample selection. No exceptions were noted.

- d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: We observed that all travel expense reimbursements in our sample selection were reviewed and approved in writing by someone other than the person receiving the reimbursement. No exceptions were noted.

Contracts

16. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

Results: We noted that the contracts selected were not subject to Louisiana Public Bid Law.

- b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

Results: We noted the governing body approves all contracts over \$10,000.

- c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

Results: We noted no contract amendments.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

Results: We randomly selected one payment from the fiscal period for each contract and performed the necessary procedures. No exceptions were noted.

Payroll and Personnel

17. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Results: We performed the above step and noted no exceptions.

18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

Results: We performed the above step and noted no exceptions.

- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)

Results: We performed the above step and noted no exceptions.

- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.

Results: We performed the above step and noted no exceptions.

- c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Results: We performed the above step and noted no exceptions.

- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Results: We performed the above step and noted no exceptions.

- 19. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours, and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

Results: We performed the above step and noted no exceptions.

- 20. Obtain management's representation that employer and employee portions of third-party payroll-related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Results: LSC obtained management's representation that employer and employee portions of third-party payroll-related amounts have been paid, and any associated forms have been submitted in a timely manner.

Ethics

- 21. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

- a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

Results: Each of the selected employees completed one hour of ethics training during the fiscal period.

- b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Results: There were no changes to the Entity's ethics policies that required personnel notifications.

22. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Results: We noted the Entity has appointed the Deputy Judicial Administrator as the Ethics Designee.

Debt Service

23. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

Results: Not applicable, as the Entity has no debt.

24. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Results: Not applicable, as the Entity has no debt.

Fraud Notice

25. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Results: Management confirmed that there were no misappropriations of public funds and assets during the fiscal period.

26. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results: No exceptions noted. The required notice is present on the client's website.

Information Technology Disaster Recovery/Business Continuity

27. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

Results: We performed the procedure and discussed the results with management.

- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

Results: We performed the procedure and discussed the results with management.

- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Results: We performed the procedure and discussed the results with management.

28. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Results: We performed the procedure and discussed the results with management.

Sexual Harassment

29. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Results: The Entity has provided the necessary documents for the selected employees to show the completion of the sexual harassment training.

30. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).

Results: We noted no exceptions. The client has posted its sexual harassment policy and complaint procedure on its website.

31. Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

Results: We obtained the Entity’s annual sexual harassment report and observed that it includes the applicable requirements below.

- a) Number and percentage of public servants in the agency who have completed the training requirements.
- b) Number of sexual harassment complaints received by the agency.
- c) Number of complaints which resulted in a finding that sexual harassment occurred.
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

We were engaged by Criminal District Court for the Parish of Orleans to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Criminal District Court for the Parish of Orleans and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

A handwritten signature in blue ink, appearing to read 'Luther Speight & Company CPAs', written in a cursive style.

Luther Speight & Company CPAs
New Orleans, Louisiana
June 27, 2024