



Luther Speight & Company
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, 2021**

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CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

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.

GOVERNMENTAL 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, 2021**

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 (\$6,943,849). Net position reflected a decline of \$14,477 representing an addition to the deficit as compared to the previous year's balance.
- Total Court program revenues decreased by \$2,115,643, reporting \$9,179,772 in 2021 compared to \$11,295,415 million in the previous year.

Total net position was comprised of the following:

- Invested in capital assets of \$542,920, the net book value of property and equipment.
- Restricted Net Position recorded at \$4,957,311 million.
- Unrestricted net position remained relatively constant between years at a balance of (\$12,444,080). 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
December 31, 2021 and 2020**

Condensed Statement of Net Position

ASSETS	2021	2020
Cash and cash equivalents	\$ 6,675,648	\$ 5,611,204
Grants receivable	98,841	869,320
Furniture, fixtures and equipment	542,920	560,621
Total Assets	<u>7,317,409</u>	<u>7,041,145</u>
Deferred Outflows:		
Pension Related	265,262	3,201,724
Total Assets and Deferred Outflows	<u>7,582,671</u>	<u>10,242,869</u>
 LIABILITIES		
Accounts Payables	99,945	125,107
Benefits Payable	500,192	589,441
Compensated Abscenses	178,714	174,396
Unearned Revenue	1,038,327	-
Due to Other Governments	-	759,532
Net Pension Liability	10,281,794	15,373,306
Total Liabilities	<u>12,098,972</u>	<u>17,021,782</u>
Deferred Inflows:		
Pension Related	2,427,548	150,459
Total Liabilities and Deferred Inflows	<u>14,526,520</u>	<u>17,172,241</u>
 NET POSITION		
Investment in Capital Assets, Net	542,920	560,621
Restricted Net Position	4,957,311	4,832,048
Total Restricted Net Position	<u>5,500,231</u>	<u>5,392,669</u>
Unrestricted Net Position	<u>(12,444,080)</u>	<u>(12,322,041)</u>
Total Unrestricted Net Position	<u>(12,444,080)</u>	<u>(12,322,041)</u>
Total Net Position	<u>\$ (6,943,849)</u>	<u>\$ (6,929,372)</u>

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021**

Continued,

As a result of this year's operations, net position declined by \$14,477. The total balance in net position, (\$6,943,849) represents the accumulated results of the current and all past years' operations as of December 31, 2021.

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

Condensed Statement of Activities

	2021	2020	Change
Total Program Revenues	\$ 9,179,772	\$ 11,295,415	\$ (2,115,643)
Total Program Expenses	(9,196,132)	(8,950,598)	(245,534)
Net Program Income	(16,360)	2,344,817	(2,361,177)
Total General Revenues	1,883	63,880	(61,997)
Change in Net Position	\$ (14,477)	\$ 2,408,697	\$ (2,423,174)

The total program revenues for the year in governmental activities were \$9,179,772. The components of the revenues were \$516,311 in charges for services and \$8,663,461 in operating and grant revenues. Total program expenses reflected an increase of \$245,534 primarily due to increases in pension-related expense and professional and contractual expenses. The resulting change in net position for the year ended December 31, 2021 was (\$14,477).

BUDGETARY HIGHLIGHTS

The total of unrestricted fund budgeted revenues was \$5,194,456 with actual revenues reported at \$5,765,162. The total of restricted fund budgeted revenues was \$3,428,462 with actual revenues reported at \$3,416,493. Total unrestricted fund budgeted expenses were \$5,194,456 with actual expenses reported at \$5,125,317. Total restricted fund budgeted expenses were \$3,428,462 with actual expenses reported at \$3,341,031. 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 \$4,178,853 and \$2,233,063 respectively.

CAPITAL ASSETS

The investment in capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2021 and 2020 was \$542,920 and \$560,621 respectively. The decrease in capital assets were primarily due to items becoming fully depreciated and depreciation expense being higher than additions to capital assets.

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021**

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
Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT

To the Honorable Karen Herman, Chief Judge
Criminal District Court for the Parish of Orleans

Opinions

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, 2021, 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, 2021 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 Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 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, 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.

Continued,

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 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule is 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 schedule is fairly stated in all material respects in relation to the basic financial statements as a whole.

The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is the responsibility of management and were 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 schedule of expenditures of federal awards is 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, 2022, 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, 2022

BASIC FINANCIAL STATEMENTS

CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2021

ASSETS

Cash and cash equivalents	\$ 6,675,648
Grants receivable	98,841
Furniture, fixtures and equipment	542,920
Deferred Outflows:	
Pension Related	<u>265,262</u>
Total Assets and Deferred Outflows	<u><u>7,582,671</u></u>

LIABILITIES

Accounts Payable	99,945
Benefits Payable	500,192
Compensated Absences	178,714
Unearned Revenue	1,038,327
Net Pension Liability	10,281,794
Deferred Inflows:	
Pension Related	<u>2,427,548</u>
Total Liabilities and Deferred Inflows	<u><u>14,526,520</u></u>

NET POSITION

Investment in Capital Assets	542,920
Restricted Net Position	<u>4,957,311</u>
Total Restricted Net Position	<u><u>5,500,231</u></u>
Unrestricted Net Position	(12,444,080)
TOTAL NET POSITION	<u><u>\$ (6,943,849)</u></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, 2021**

		Program Revenues			
	Expenses	Charges for Services	Grants & Intergovernmental Support	Net (Expenses)/Revenues	
Governmental activities:					
General government	\$ 9,196,132	\$ 516,311	\$ 8,663,461	\$ (16,360)	
Total governmental activities:				(16,360)	
General revenues:					
Interest income				1,883	
Total general revenues				1,883	
Changes in net position				(14,477)	
Net position - beginning				(6,929,372)	
Net position - ending				\$ (6,943,849)	

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, 2021

	Unrestricted Fund	Restricted Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 3,063,350	\$ 3,612,298	\$ 6,675,648
Grants receivable	-	98,841	98,841
Due from other funds	1,823,148	-	1,823,148
Total Assets	<u>4,886,498</u>	<u>3,711,139</u>	<u>8,597,637</u>
LIABILITIES			
Accounts Payables	28,987	70,958	99,945
Benefits Payable	500,192	-	500,192
Unearned Revenue	642,000	396,327	1,038,327
Due to other funds	-	1,823,148	1,823,148
Total Liabilities	<u>1,171,179</u>	<u>2,290,433</u>	<u>3,461,612</u>
FUND BALANCE			
Assigned:			
Restricted Funds	-	1,420,706	1,420,706
Total Assigned Fund Balances	<u>-</u>	<u>1,420,706</u>	<u>1,420,706</u>
Unassigned:			
General Fund	3,715,319	-	3,715,319
Total Fund Balances	<u>3,715,319</u>	<u>1,420,706</u>	<u>5,136,025</u>
Total Liabilities and Fund Balances	<u>\$ 4,886,498</u>	<u>\$ 3,711,139</u>	<u>\$ 8,597,637</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, 2021

	Unrestricted Fund	Restricted Fund	Total Governmental Funds
Revenues			
Charges for Services	\$ 95,437	\$ 420,874	\$ 516,311
Grants and Intergovernmental Funds	5,668,465	2,994,996	8,663,461
Interest	1,260	623	1,883
Total Revenues	<u>5,765,162</u>	<u>3,416,493</u>	<u>9,181,655</u>
Expenditures			
Salaries	2,787,562	1,531,240	4,318,802
Fringe Benefits	1,391,291	701,823	2,093,114
Travel-Transportation	5,848	386	6,234
Travel-Lodging	17,694	-	17,694
Travel-Per Diem	7,820	-	7,820
Conference Registration	15,939	-	15,939
Meetings - Internal/Local	10,723	-	10,723
Ceremonies	991	-	991
Office Supplies	64,483	18,552	83,035
Cleaning Supplies	43	-	43
Law Books	89,851	-	89,851
Bottle Water	581	5,275	5,856
Jury Expenses	43	24,853	24,896
Telephone	48,037	4,164	52,201
Postage	3,171	13,724	16,895
Pest Control	12	180	192
Dues and Subscriptions	10,098	-	10,098
Paper Supplies	19,326	5,788	25,114
Advertising	4,362	-	4,362
Building Maintenance & Repairs	13,325	100	13,425
Cleaning Services	203	-	203
Capital Outlay	30,035	15,819	45,854
Equipment Maint & Repairs	19,939	2,850	22,789
Lease Payment	10,163	177,960	188,123
Equipment Rentals	3,048	-	3,048
Professional & Contractual	343,782	803,240	1,147,022
Coffee	308	1,008	1,316
Drug Testing Supplies	92,057	-	92,057
Miscellaneous	1,230	22,943	24,173
Insurance - Professional Liability	91,316	-	91,316
Sub-Grant	-	11,126	11,126
COVID-19 Expenses	42,036	-	42,036
Total Expenditures	<u>5,125,317</u>	<u>3,341,031</u>	<u>8,466,348</u>
Net Change in Fund Balances	<u>639,845</u>	<u>75,462</u>	<u>715,307</u>
Fund Transfers (In/(Out))	(335,843)	335,843	-
Fund Balance Beginning of Year	3,411,317	1,009,401	4,420,718
Fund Balance End of Year	<u>\$ 3,715,319</u>	<u>\$ 1,420,706</u>	<u>\$ 5,136,025</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 - GOVERNATAL FUNDS TO THE STATEMENT OF
ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021**

Total Governmental Fund Balance \$ 5,136,025

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

Deferred Outflows - Pension Related 265,262

Capital assets used in the governmental activities are
not financial resources and therefore are not reported
in the funds. 542,920

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 (10,281,794)

Compensated absences liability (178,714)

Deferred Inflows - Pension related (2,427,548)

Net Position of Governmental Activities \$ (6,943,849)

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, 2021**

Net change in fund balances - total governmental funds \$ 715,307
(fund financial statements)

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	45,933	
Capital outlay	(28,232)	17,701

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		(4,318)
Pension expense		(729,784)
Other adjustments		(13,383)
Change in net position of governmental activities		\$ (14,477)

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, 2021

ASSETS

Cash and cash equivalents	\$ 759,527
Accounts receivable	8,462
Due from defendants	1,300
Total Assets	<u>769,289</u>

LIABILITIES

Accounts payable	20,762
Due to victims	748,527
Total Liabilities	<u>\$ 769,289</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, 2021**

ADDITIONS:

Deposits on behalf of Victims	\$ 341,282
Other adjustments	56,841
Total Additions	<u>398,123</u>

DEDUCTIONS:

Disbursements to Victims	277,330
Other adjustments	88,959
Total Deductions	<u>366,289</u>
Change in Fiduciary Fund Balance	<u>31,834</u>

FIDUCIARY FUND BALANCE:

Beginning of Year	727,500
Fund Balance Adjustments	(10,807)
Ending of Year	<u>\$ 748,527</u>

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

NOTES TO FINANCIAL STATEMENTS

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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, 2021**

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.

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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.

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.

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
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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, 2021 was \$178,714.

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.

H. NET POSITION AND FUND BALANCE ADJUSTMENTS

The Court did not record certain audit adjustments from prior year audits. As a result the Court recorded net position and fund balance adjustments to properly reflect the respective ending balances.

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.

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
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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.

NOTE 2: CHANGES IN CAPITAL ASSET BALANCES

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

CAPITAL ASSET ACTIVITY	<u>Amounts</u>
Net Fixed Asset beginning balance January 1, 2021	\$560,621
Additions	28,232
Disposals	<u>-</u>
Subtotal	<u>588,853</u>
Less: Current year depreciation	<u>(45,933)</u>
Ending balance, December 31, 2021	<u>\$542,920</u>

Depreciation expense is computed on a straight-line basis and is recorded at \$45,933 for the year ended December 31, 2021.

NOTE 3: COVID-19 PANDEMIC

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) spread across multiple countries, including the United States. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the United States have declared a state of emergency. It is anticipated that these impacts will continue for some time. Future potential impacts of new variants may include disruptions in operations of the Court and the ability for employees to perform their job functions.

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NOTE 4: LEASES

The Criminal District Court for the Parish of Orleans records items under capital leases as assets and obligations in the accompanying financial statements. Capital leases at December 31, 2021, consist of office equipment such as copiers, which are included in the fixed assets. No additional leases were acquired in the year 2021. The lease agreements provide for renewal and purchase options at the end of the lease term. The Court exercised its purchase option on capital leases at the end of the lease term. Accordingly, there were no future minimum lease payments due.

NOTE 5: CHANGES IN 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	\$ 341,282
Other adjustments	56,841
Total Additions	<u>\$ 398,123</u>

DEDUCTIONS:

Disbursements to Victims	277,330
Other adjustments	88,959
Total Deductions	<u>366,289</u>
Change in Fiduciary Fund Balance	<u>31,834</u>

FIDUCIARY FUND BALANCE:

Beginning of Year	727,500
Fund Balance Adjustments	10,807
Ending of Year	<u>\$ 748,527</u>

NOTE 7: COLLATERALIZATION OF DEPOSITS

At December 31, 2021, the Criminal Court had cash balances totaling \$7,123,177. 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.

NOTE 8: 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.

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NOTE 9: 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.

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.

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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. 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 12 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.

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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.

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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 7.40% after such excess return exceeded \$100,000,000 (indexed to positive changes in the actuarial value of assets beginning June 30, 2015).

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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, 2021 and 2020, the balance of the Experience Account Reserve was \$85,173,827 and \$12,289,990, 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, 2021, and 2020, membership consisted of:

	<u>2021</u>	<u>2020</u>
Number of Members	44	45
Employee Contributions	\$77,535	\$75,086
Employer Contributions	\$410,465	\$399,671

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, 2021 and 2020 was \$6,065,893 and \$5,420,453, respectively.

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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, 2021 for the various plans are as follows:

Plan	Plan Status	Employer Contribution Rate	Employee Rate
Judges hired before 1/1/2011	Closed	42.50%	11.50%
Judges hired after 12/31/2010	Closed	43.60%	13.00%
Judges hired on or after 7/1/2015	Open	43.60%	13.00%
Optional Retirement Plan (ORP) before 7/1/2006	Closed	40.10%	7.50%
Optional Retirement Plan (ORP) on or after 7/1/2006	Closed	40.10%	8.00%
Regular employees hired before 7/1/2006	Closed	40.10%	7.50%
Regular employees hired on or after 7/1/2006	Closed	40.10%	8.00%
Regular employees hired on or after 1/1/2011	Closed	40.10%	8.00%
Regular employees hired on or after 7/1/2015	Open	40.10%	8.00%

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For the year ended December 31, 2021 the Court reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 10,280	\$ -
Changes in assumptions	254,972	-
Net difference between projected and actual earnings on pension plan investments	-	(2,427,548)
Employer contributions subsequent to the measurement date	792,941	
	<u>\$ 1,058,193</u>	<u>\$ (2,427,548)</u>

The deferred outflows related to employer contributions subsequent to the measurement date reported at \$792,941 will be recognized as a reduction of the net pension liability in the Court's fiscal year ended December 31, 2021 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>
2022	\$ 156,024
2023	374,071
2024	551,517
2025	1,080,684
	<u>\$ 2,162,296</u>

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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. 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 2022 as compared to the total of all employers' projected contribution effort to the plan for 2022.

The employers' projected contribution effort was calculated by multiplying the eligible base compensation of active members in the System on June 30, 2021 by 2022 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 2021 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.

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A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2021 are as follows:

Valuation Date	6/30/2021
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	2 Years
Rate of Investment Return	7.40%
Inflation Rate	2.3%
Mortality	<p>Non-disabled members - The RP-2014 Blue Collar (males/females) and White Collar (females) Healthy Annuitant Tables projected on a fully generational basis by Mortality Improvement Scale MP-2018.</p> <p>Disabled members - Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.</p>
Termination, Disability and Retirement	Termination, disability, and retirement assumptions were projected based on a five-year (2014-2018) experience study of the System's members.

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
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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:

<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 7.61% for 2021. 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, 2021 are summarized in the following table:

Expected Long Term Real Rates of Return	
<u>Asset Class</u>	<u>2021</u>
Cash	-0.29%
Domestic Equity	4.09%
International Equity	5.12%
Domestic Fixed Income	0.49%
International Fixed Income	3.94%
Alternative Investments	6.93%
Total Fund	5.81%

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
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H. Discount Rate

The discount rate used to measure the total pension liability was 7.40%. 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 7.40%, 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
	-6.40%	-7.40%	-8.40%
2021 Net Pension Liability	\$ 14,104,167	\$ 10,409,559	\$ 7,265,914

J. Change in Net Pension Liability

The changes in the net pension liability for the year ended December 31, 2021 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, 2021 of \$10,280.

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 inflow of resources as of December 31, 2021 of \$2,427,548.

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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 resulted in a deferred outflow of resources as of December 31, 2021 of \$254,972.

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 10: 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. 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, 2021, the Court paid \$857,675 to the City of New Orleans, which represented bail bond funds collected from August 2018 through September 2021.

NOTE 11: SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 27, 2022, 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, 2021**

Revenues	Unrestricted Budget	Unrestricted Actual	Difference
Charges for Services	\$ 40,000	95,437	(55,437)
Grants and Intergovernmental Funds	5,149,956	5,668,465	(518,509)
Interest	4,500	1,260	3,240
Total Revenues	5,194,456	5,765,162	(570,706)
 EXPENDITURES			
Salaries & Benefits	4,590,706	4,178,853	411,853
Professional & Contractual	179,250	343,782	(164,532)
Conferences & Legal Education	35,000	15,939	19,061
Travel	1,000	31,362	(30,362)
Internal Conference	2,000	10,723	(8,723)
Office Supplies	30,000	64,483	(34,483)
Law Books	90,000	89,851	149
Coffee & Water	4,000	889	3,111
Telecommunications	25,000	48,037	(23,037)
Postage	7,000	3,171	3,829
Dues Subscriptions	9,000	10,098	(1,098)
Paper Supplies & Printing	30,000	19,326	10,674
Building & Equipment Maintenance	25,000	33,264	(8,264)
Lease Payments	26,000	10,163	15,837
Equipment Rentals	5,000	3,048	1,952
Drug Testing Supplies	20,000	92,057	(72,057)
Ceremonies	2,000	991	1,009
Advertising	2,000	4,362	(2,362)
Cleaning Service & Supplies	1,000	246	754
Capital Outlay	-	30,035	(30,035)
Miscellaneous	-	1,285	(1,285)
Insurance - Professional Liability	110,500	91,316	19,184
COVID19 Expense	-	42,036	(42,036)
TOTAL EXPENDITURES	\$ 5,194,456	\$ 5,125,317	\$ 69,139

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, 2021**

	<u>Restricted Budget</u>	<u>Restricted Actual</u>	<u>Difference</u>
Revenue	\$ 3,428,462	\$ 3,416,493	\$ 11,969
Expenditures			
Salaries and Related Benefits	2,339,002	2,233,063	105,939
Travel	400	386	14
Conferences and Legal Ed.	20,000	-	20,000
Office Supplies	50,600	18,552	32,048
Bottle Water	5,500	5,275	225
Jury Expenses	32,000	24,853	7,147
Telephone	5,000	4,164	836
Postage	14,000	13,724	276
Pest Control	500	180	320
Paper Supplies	17,000	5,788	11,212
Building Maintenance & Repairs	1,000	100	900
Capital Outlay	40,900	15,819	25,081
Equipment Maintenance/Repairs	4,500	2,850	1,650
Lease Payments	178,500	177,960	540
Professional & Contractual	713,642	803,240	(89,598)
Coffee	1,000	1,008	(8)
Miscellaneous	4,918	22,943	(18,025)
Sub-Grant	-	11,126	(11,126)
TOTAL EXPENDITURES	<u>\$ 3,428,462</u>	<u>\$ 3,341,031</u>	<u>\$ 87,431</u>

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, 2021**

	<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	0.18913%	0.18943%	0.17472%	0.15407%	0.168810%	0.141830%	0.13801%
Criminal Court's Proportionate Share of the Net Pension Liability	\$ 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	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	238%	288%	259%	251%	235%	218%	171%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	54.48%	54.48%	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, 2021**

	<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	\$ 1,578,983	\$ 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	1,596,920	1,719,014	1,490,975	\$ 1,181,347	\$ 1,072,833	\$ 1,200,476	\$ 1,055,641
Contribution Deficiency/(Excess)	\$ (17,937)	\$ (125,817)	\$ (76,518)	\$ (57,474)	\$ (53,641)	\$ (60,023)	\$ (52,782)
Covered-Employee Payroll	\$ 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	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.

See Independent Auditor's Report

CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
Summary of Auditors' Results
For the Year Ended December 31, 2021

Section I - Summary of Auditor's Results

Financial Statements

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

Internal control over financial reporting:

Material weakness (es) identified? X yes no

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

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

Material weakness (es) identified? yes X no

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

An unqualified opinion was issued on compliance.

Any audit findings disclosed that are required to be

Reported in accordance with *Uniform Guidance* yes X no

The major program for the year ended December 31, 2021 was as follows:

- a. Temporary Assistance to Needy Families (TANF) - CFDA 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
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 Robin D. Pittman, 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, 2021, 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, 2022.

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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-003 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2020-002 to be a significant deficiency.

Continued,

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*.

Management’s Response to Findings

The Court’s response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Court’s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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, 2022



Luther Speight & Company
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 Robin D. Pittman, 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, 2021. 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, 2021.

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.

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Continued,

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, 2022

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Federal Grantor/Pass through Grantor	CFDA No.	Name of Program	Grant No.	Name of Grant	Total Awards Expended
U.S. DEPARTMENT OF JUSTICE					
Direct	93.558	Supreme Court Drug Court	N/A	Temporary Assistance to Needy Families (TANF)	\$ 1,115,893
Passed through: State of Louisiana - Louisiana Commission on Law Enforcement and Administration					
Victim Assistance Program	16.575	VOCA via LCLE	2019-VA-02-5456	Domestic Violence Program 9	124,839
Passed through the City of New Orleans					
Office of Criminal Justice	16.738	Edward Byrne Memorial Justice Assistance Grant Program	2019-MU-BX-0745	Domestic Violence Monitoring Court	51,093
TOTAL					\$ 1,291,825

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, 2021**

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, 2021.

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, 2021. The Court had no loans outstanding at the year ended December 31, 2021.

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, 2021

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

**FINDING #2021-001 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, 2021 the Court reported cash on hand that represented amounts "Due to Victims" totaling \$748,527. 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, 2021**

MANAGEMENT RESPONSE:

Orleans Parish Criminal District Court relies solely upon information from several agencies in identifying victims who are owed restitution. A large number of the unidentified defendants and funds have dated back over two decades and have been a challenge and nearly impossible to identify. The Court, on its own action, over the past several years has attempted and continues to actively locate victims in an effort to disburse any and all funds available and due. The Court has engaged the services of a 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, 2021**

**FINDING #2021-002 TIMESHEETS NOT MAINTAINED FOR EMPLOYEES ASSIGNED
TO SECTIONS OF COURT**

CRITERIA:

Best practices related to payroll source documentation requires that governmental entities establish policies and procedures requiring employees to prepare detailed timesheets that document hours worked and leave time taken.

CONDITION:

The employees assigned to the various Sections of the Court did not prepare timesheets indicating their time and attendance. These employees work under the supervision of the respective Judges. We examined a sample of 40 payroll transactions during the audit and noted no timesheets were maintained.

CAUSE:

The Court did not have a policy that required timesheet preparation by employees assigned to the various Sections of Court.

EFFECT:

Time and attendance documentation for the employees assigned to the various Sections of Court is not adequate to fully document human resource maintenance reporting.

RECOMMENDATION:

We recommend that the Court implement policies requiring timesheet preparation and approval for all employees assigned to the Sections of Court.

MANAGEMENT'S RESPONSE:

The Court is seeking guidance from the Louisiana Supreme Court as to what is statutorily required.

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

**FINDING #2021-003 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. Proper controls over capital assets should also include periodic physical inventory to assure the accuracy and completeness of the reports.

CONDITION:

The Court implemented a new general ledger software program during 2018, however the capital asset module was not implemented. We were provided capital asset subsidiary records, however the Court did not perform a capital asset inventory to determine the accuracy and completeness of the inventory reports.

CAUSE:

The Court had not completed its implementation of the financial management software to include the capital asset module. The Court's administrative procedures did not include periodic physical inventory of capital assets.

EFFECT:

Capital asset balances and the related accumulated depreciation balances did not roll-forward from year-to-year without the need for adjustments. The accuracy and existence of movable capital assets were not adequately confirmed.

RECOMMENDATION:

We recommend that the Court update its accounting software to include a capital asset module. The Court's administrative procedures should include periodic physical inventory of capital assets and proper adjustments to the inventory reports.

MANAGEMENT'S RESPONSE:

The Court purchased a new accounting system which will include a capital asset module. We are currently working with the vendor to transition our current data over to the new system. The installment and implementation will allow proper adjustments to the inventory reports upon conclusion of periodic physical inventory procedures.

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
 UPDATE OF PRIOR YEAR FINDINGS
 FOR THE YEAR ENDED DECEMBER 31, 2021**

Finding #	Description	Resolved/Unresolved
2020-01	Aging Restitution Funds Not Reconciled and Unable to be Disbursed to Unlocated Victims	Unresolved
2020-02	Timesheets Not Maintained for Employees Assigned to Sections of Court	Unresolved
2020-03	Controls Over Capital Asset Inventory Not Adequate	Unresolved
2020-04	Improper Bank Reconciliation Procedures	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, 2021**

Purpose	Judge White	Judge Flemings-Davillier	Judge Willard	Judge Holmes	Judge Goode-Douglas	Judge Pittman	Judge Campbell	Judge Buras	Judge Herman	Judge Derbigny	Judge DeLarge	Judge Harris	Judge Lombard
Salary	\$ 161,662	\$ 161,662	\$ 161,662	\$ 161,662	\$ 161,662	\$ 161,662	\$ 161,662	\$ 161,662	\$ 161,662	\$ 161,662	\$ 161,662	\$ 161,662	\$ 161,662
Benefits- Medical	6,765	12,357	12,357	8,170	117	12,357	7,032	12,633	12,846	7,323	12,393	7,068	6,981
Benefits - Life (OGB)	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefits- Retirement	-	69,688	69,688	69,994	69,994	69,688	69,994	69,688	69,688	69,688	69,984	69,994	69,688
Benefits-Liability Ins.	12,596	4,415	3,270	3,270	3,270	11,590	3,270	10,059	3,270	15,876	3,270	3,270	3,270
Medicare	2,313	2,230	2,232	2,278	2,301	2,217	2,310	2,210	2,227	2,265	2,228	2,303	2,306
Travel	-	-	-	-	-	-	-	-	-	-	-	-	-
Car Allowance	-	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursements	-	-	-	-	-	-	-	-	-	-	-	-	-
Registration Fees & Continuing Education Travel	1,044	510	4,630	5,400	3,540	4,228	426	485	650	3,226	3,726	1,200	5,521
Cell Phones	1,458	1,105	-	645	129	517	220	440	517	1,715	180	692	1,332
Special Meals	-	-	-	-	-	-	-	-	-	-	-	-	-
Dues	1,065	1,300	450	775	825	1,465	550	200	445	240	200	200	250
	\$ 186,903	\$ 253,267	\$ 254,289	\$ 252,194	\$ 241,838	\$ 263,724	\$ 245,464	\$ 267,377	\$ 251,306	\$ 261,995	\$ 253,653	\$ 246,389	\$ 251,010

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, 2021**

	First Six Month Period Ended 06/30/21	Second Six Month Period Ended 12/31/21
Beginning Balance of Amounts Collected	356,996	580,543
Add: Collections		
Criminal Court Costs/Fees	10,054	8,400
Criminal Fines - Other	77,357	38,969
Restitution	149,846	81,955
Probation/Parole/Supervision Fees	3,071	1,057
Subtotal Collections	240,328	130,381
Less: Disbursements To Governments & Nonprofits:		
Orleans Public Defender - Court Cost	7,033	4,326
Supreme Court Justice College - Court Cost	43	44
LA Commission on Law Enforcement-DATF - Court Cost	944	685
LA Commission on Law Enforcement -Law Enforcement - Court Cost	167	188
LA Commission on Law Enforcement -Victim Reparation - Court Cost	1,602	1,890
Crime Stoppers, Inc. - Court Cost	234	186
Clerk of Court, Orleans - Court Cost	1,160	899
District Attorney's Office - Court Cost	2,265	1,683
Orleans Criminal Sheriff's Office - Court Cost	1,842	1,206
New Orleans Coroner's Office - Court Cost	1,140	877
LA Supreme Court - Court Cost	351	282
Less: Amounts Retained by Collecting Agency	-	-
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies	-	-
Subtotal Disbursements/Retainage	16,781	12,266
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	580,543	698,658
Ending Balance of "Partial Payments" Collected but not Disbursed	-	-
Other Information:		
Ending Balance of Total Amounts Assessed but not yet Collected (i.e. receivable balance)	-	-
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, 2021

	First Six Month Period Ended 06/30/21	Second Six Month Period Ended 12/31/21
Receipts From:		
<i>Orleans Criminal Sheriff's Office - Fines</i>	5,226	3,183
<i>Municipal & Traffic Court of New Orleans - Fees</i>	27,683	17,484
Subtotal Receipts	32,909	20,667
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, 2021



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, which were agreed to by Criminal District Court for the Parish of Orleans (entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

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 appear to 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 400/Memphis, TN 38120/(901) 202-4688

Atlanta Office: Five Concourse Pkwy/Atlanta, GA 30328/(770) 399-8808

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

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

Results: *The policies and procedures appear to 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 appear to 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 appear to 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 appear to 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 appear to 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 appear to 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 appear to 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.*

- 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 appear to 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 appear to 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:

Results: *We noted the court does not keep meeting minutes for their Judges Meetings.*

Management's Response: *The Court does not maintain minutes of its Executive Sessions.*

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
- 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.*
- 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.

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.*

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

Results: *We noted no exceptions to the above requirement.*

- 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 management approval.*

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

Results: *We noted no outstanding checks greater than a year in the selected reconciliations.*

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: *Listing of locations and managements' representation were obtained.*

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:

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

Results: *We inquired with client about employee duties and noted no exceptions.*

- 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 client about employee duties and noted no exceptions.*

- 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 client about employee duties and noted no exceptions.*

- 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 client about employee duties and noted no exceptions.*

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 client and received their representation that employees with access to cash are bonded.*

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:

Results: *We noted that the client's collections were supported by proper documentation. We noted that each deposit was made one business day after collection. We also noted no exceptions found when tracing the deposit to the deposit slip, general ledger and to the bank statement.*

- 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.

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: *Listing of locations and managements' representation were obtained.*

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 came with 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. No exceptions noted. There is no procedure documented for adding/modifying vendor files. We also noted the employee/official responsible for signing checks is not responsible for processing payments.

- 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.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

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 noted the original invoice/billing and all the supporting information agreed, including evidence of segregation of duties with no exceptions.

- 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.

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

11. 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: LSC received a listing of all active cards including card numbers and the names of the persons who maintained possession of the cards. The listing consisted of three credit cards.

12. 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 no exception. There is evidence showing the statements were reviewed and approved.

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

Results: There were finance charges assessed on the December 2021 statement for one of the Court's credit card accounts.

Management Response: The late fees and finance charges are usually related to us not paying the credit card charges until we receive the supporting documentation (vendor invoice and approval of receipt of the item ordered) for the charges. We rarely incur late fees.

13. Using the monthly statements or combined statements selected under #12 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: Client supplied receipts and documentation for the selected transactions. We noted no exceptions.

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

14. 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: Listing of all travel expenses and management's representation was obtained.

- 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 used in our sample selection.

- 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 itemized receipts. No exceptions 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: Business purpose was documented for each transaction in the sample. No findings noted.

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

Results: All travel expense reimbursements were approved by appropriate personnel.

Contracts

15. 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 all 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: *The Court does not maintain minutes of its Executive Sessions so evidence of approval was not obtained.*

Management's Response: *The Chief Judge has the authority to sign all Contracts. Thus there is no need to bring all contracts before EnBanc for a vote. Therefore the comment regarding the minutes of the Executive Sessions is not appropriate for this observation.*

- 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: *No findings noted.*

Payroll and Personnel

16. 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 requested and obtained paid salaries and personnel files for a selection of five (5) employees. The paid salaries agreed to the authorized salaries in each employee's personnel file. We noted no exceptions.*

17. 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 requested attendance records and leave documentation for 2021 for the five (5) selected employees. We did not receive all of the requested documentation for three (3) of the employees.*

Management's Response: *Please note that the Court was still operating on a Covid schedule until the end of 2021. The three (3) exceptions noted do not ordinarily submit attendance records nor leave documentation (they do not accumulate leave). Their time and attendance is at the discretion of each individual Judge.*

- 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: *As mentioned previously, the three (3) exceptions noted do not ordinarily submit attendance records and do not accumulate leave.*

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

Results: *We noted no exception. All selected employees' attendance and leave, if applicable, is approved by a supervisor.*

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

Results: *We noted no exception. Client provided documents showing each employee's leave accrued or taken.*

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

Results: *We noted no exception. The rate paid to the selected employees agree to the authorized salary found within the personnel files.*

18. 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: LSC noted no exception. We obtained a list of two former employees that were terminated in 2021, HR Director, and Secretary Section F. The latter did not accrue vacation time, while the HR Director accrued vacation time and was compensated for it. The hours agree to the employees' cumulative leave records, pay rates agree to the employees' authorized pay rates in the employees' personnel files, and the termination payment agree to the policy.

19. 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: No exceptions were noted regarding this requirement.

Ethics

20. 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: No exceptions were noted regarding this requirement

- 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: No changes to the ethics policies were noted that required personnel notifications.

Debt Service

Results: The Court does not have debt. Section is not applicable for the year ended December 31, 2021.

Fraud Notice

21. 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: No misappropriations of public funds and assets were noted.

22. 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 above is present on client's website.

Information Technology Disaster Recovery/Business Continuity

23. 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 noted no exceptions. LSC obtained documents showing the client has backed up its critical data with the most recent date being 6/22/2022.

- 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 noted no exceptions. LSC obtained documents showing the client has verified that its backups can be restored with the most recent date being 6/22/2022.

- 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.

- d) 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 noted no exceptions. LSC obtained a listing of the client's computers currently in use along with their locations. All 5 selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported.

Sexual Harassment

24. 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: LSC obtained sexual harassment training certificates for a selection of five (5) personnel. No exception were noted.

25. 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 exception. The client has posted its sexual harassment policy and complaint procedure on its website.

26. 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 report from management.

- a) Number and percentage of public servants in the agency who have completed the training requirements;

Results: 112 public servants (75%)

- b) Number of sexual harassment complaints received by the agency;

Results: 1

c) Number of complaints which resulted in a finding that sexual harassment occurred;

Results: *The complaint did not result in a finding.*

d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

Results: *No discipline was noted as a result of the complaint.*

e) Amount of time it took to resolve each complaint.

Results: *The time required to resolve the complaint was not available.*

We were not engaged to and did not conduct an examination or review, 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.

The purpose of this report is 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", is written over the printed name of the firm.

Luther Speight & Company CPAs
New Orleans, Louisiana
June 27, 2022