

**District Court Funds of District No. 40  
City of St. Clair Shores, Michigan**

---

**Financial Report  
June 30, 2012**

# **District Court Funds of District No. 40**

## **City of St. Clair Shores, Michigan**

---

### **Contents**

<b>Report Letter</b>	<b>1</b>
<b>Basic Financial Statements</b>	
Governmental Funds Balance Sheet/Statement of Net Assets - Operating Account	2
Statement of Governmental Fund Revenue, Expenditures, and Changes in Fund Balance/Statement of Activities - Operating Account	3
Budgetary Comparison Statement - Operating Account	4
Statement of Net Assets - Fiduciary Funds	5
Notes to Financial Statements	6-8

## Independent Auditor's Report

To the Honorable Judges  
District Court No. 40  
City of St. Clair Shores, Michigan

We have audited the accompanying financial statements of the governmental activities, the Operating Fund, and the aggregate remaining fund information of the District Court Funds of District No. 40, City of St. Clair Shores, Michigan (the "District Court") as of June 30, 2012 and for the year then ended, which collectively comprise the District Court's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the District Court Funds of District No. 40, City of St. Clair Shores, Michigan. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the Operating Fund, and aggregate remaining fund information of the District Court Funds of District No. 40, City of St. Clair Shores, Michigan as of June 30, 2012 and the changes in its financial position and budgetary comparison for the operating account for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Management has not presented the management's discussion and analysis that governmental accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the GASB, which considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

*Plante & Moran, PLLC*

December 20, 2012

**District Court Funds of District No. 40  
City of St. Clair Shores, Michigan**

**Governmental Funds Balance Sheet/Statement of Net Assets  
Operating Account  
June 30, 2012**

	Operating Account - Modified Accrual Basis	Adjustments	Statement of Net Assets
<b>Assets - Cash and cash equivalents (Note 3)</b>	<b>\$ 24,883</b>	<b>\$ -</b>	<b>\$ 24,883</b>
<b>Liabilities - Due to District Control Unit</b>	<b>\$ 24,883</b>	<b>\$ -</b>	<b>\$ 24,883</b>

**District Court Funds of District No. 40  
City of St. Clair Shores, Michigan**

**Statement of Governmental Fund Revenue, Expenditures,  
and Changes in Fund Balance/Statement of Activities  
Operating Account  
Year Ended June 30, 2012**

	Operating Account - Modified Accrual Basis	Adjustments	Statement of Activities
<b>Revenue</b>			
Funding from District Control Unit	\$ 270,215	\$ -	\$ 270,215
Interest	71	-	71
Total revenue	270,286	-	270,286
<b>Expenditures</b>			
Office supplies	44,072	-	44,072
Operating supplies	21,720	-	21,720
Professional fees	112,595	-	112,595
Phones and communications	17,192	-	17,192
Travel	2,452	-	2,452
Printing	4,431	-	4,431
Utilities	5,634	-	5,634
Repairs and maintenance	44,569	-	44,569
Rentals	6,942	-	6,942
Miscellaneous	10,679	-	10,679
Total expenditures	270,286	-	270,286
<b>Excess of Revenue Over Expenditures/ Change in Net Assets</b>	-	-	-
<b>Fund Balance/Net Assets - Beginning of year</b>	-	-	-
<b>Fund Balance/Net Assets - End of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**District Court Funds of District No. 40  
City of St. Clair Shores, Michigan**

**Budgetary Comparison Schedule  
Operating Account  
Year Ended June 30, 2012**

	Original Budget - Unaudited	Amended Budget - Unaudited	Actual	Variance Favorable (Unfavorable)
<b>Revenue</b>				
Funding from District Control Unit	\$ 271,973	\$ 271,973	\$ 270,215	\$ (1,758)
Interest	-	-	71	71
Total revenue	271,973	271,973	270,286	(1,687)
<b>Expenditures</b>				
Office supplies	26,000	26,000	44,072	(18,072)
Operating supplies	20,400	20,400	21,720	(1,320)
Professional fees	165,984	165,984	112,595	53,389
Phones and communications	15,800	15,800	17,192	(1,392)
Travel	1,560	1,560	2,452	(892)
Printing	8,200	8,200	4,431	3,769
Utilities	10,350	10,350	5,634	4,716
Repairs and maintenance	15,979	15,979	44,569	(28,590)
Rentals	-	-	6,942	(6,942)
Miscellaneous	7,700	7,700	10,679	(2,979)
Total expenditures	271,973	271,973	270,286	1,687
<b>Excess of Revenue Over Expenditures</b>				
	-	-	-	-
<b>Fund Balance - Beginning of year</b>				
	-	-	-	-
<b>Fund Balance - End of year</b>				
	\$ -	\$ -	\$ -	\$ -

\* The District Court's budget is approved in total. The detail above is provided for illustration purposes only.

**District Court Funds of District No. 40  
City of St. Clair Shores, Michigan**

**Statement of Net Assets  
Fiduciary Funds  
June 30, 2012**

	Agency Funds	
	Bond Account	General Account
<b>Assets - Cash and cash equivalents (Note 3)</b>	<b><u>\$ 119,252</u></b>	<b><u>\$ 292,058</u></b>
<b>Liabilities</b>		
Due to:		
District Control Unit	\$ -	\$ 225,147
Macomb County	-	10,929
State of Michigan	-	55,982
Refundable bonds	<u>119,252</u>	<u>-</u>
Total liabilities	<b><u>\$ 119,252</u></b>	<b><u>\$ 292,058</u></b>

# **District Court Funds of District No. 40**

## **City of St. Clair Shores, Michigan**

---

### **Notes to Financial Statements**

#### **June 30, 2012**

#### **Note I - Significant Accounting Policies**

The accounting policies of the District Court Funds of District No. 40, City of St. Clair Shores, Michigan (the "District Court") conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The District Court is governed by two elected judges. There are no component units.

The following is a summary of the significant accounting policies used by the District Court Funds of District No. 40, City of St. Clair Shores, Michigan:

The District Court's basic financial statements present combined governmental fund modified accrual financial statements and government-wide full accrual financial statements.

The government-wide full accrual financial statements (the statement of net assets and the statement of activities) are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized in the accounting period in which it becomes susceptible to accrual, that is, when it becomes both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period, generally collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

As of and for the year ended June 30, 2012, no adjustments were necessary in order to arrive at the government-wide full accrual financial statements.

The 40th District Court of the City of St. Clair Shores, Michigan is a component unit of the City of St. Clair Shores, Michigan (the "City") and is included in the basic financial statements of the City at June 30, 2012.

The operating account of the District Court is a governmental fund. The financial activities of the fund are limited to collection of subsidies from the City's General Fund and payment of certain expenditures.

# **District Court Funds of District No. 40**

## **City of St. Clair Shores, Michigan**

---

### **Notes to Financial Statements**

#### **June 30, 2012**

#### **Note 1 - Significant Accounting Policies (Continued)**

The bond and general accounts of the District Court are agency funds. The financial activities of the funds are limited to collection of amounts that are subsequently returned or paid to third parties. The funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

#### **Note 2 - District Court Operations**

The payroll costs relating to the operation of the District Court are a budgeted item of the City of St. Clair Shores, Michigan's General Fund and, accordingly, such costs are paid by the City's General Fund. All other costs are paid from the operating account of the District Court.

#### **Note 3 - Deposits and Investments**

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes the District Court to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The District Court is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan. The District Court has designated one bank for the deposit of its funds. The District Court's deposits and investment policies are in accordance with statutory authority.

#### **Custodial Credit Risk of Bank Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the District Court's deposits may not be returned to it. The District Court does not have a deposit policy for custodial credit risk. At year end, the District Court had approximately \$192,000 of bank deposits (checking and savings accounts) that were uninsured and uncollateralized. The District Court believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the District Court evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

# **District Court Funds of District No. 40**

## **City of St. Clair Shores, Michigan**

---

### **Notes to Financial Statements**

#### **June 30, 2012**

#### **Note 4 - Budget Information**

The budget of the operating account is prepared by District Court management and adopted by the City Council; subsequent amendments are approved by the City Council. Unexpended appropriations lapse at year end; encumbrances are not included as expenditures. The amount of encumbrances outstanding at June 30, 2012 has not been calculated. During the year, the budget was amended in a legally permissible manner.

The budget has been prepared in accordance with accounting principles generally accepted in the United States of America.

The budget has been adopted on a total expenditure basis, which reflects the District Court's activity; expenditures at this level in excess of amounts budgeted are a violation of Michigan law. The budget statement has been presented on a line-item basis for informational purposes. Expenditures were incurred in excess of appropriated amounts due to unanticipated expenditures that became necessary during the year.

#### **Note 5 - Risk Management**

The District Court is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The District Court's operating activity is included in the General Fund of the City of St. Clair Shores, Michigan and all risks of loss are borne by the City.

December 20, 2012

To the Honorable Judges  
District Court No. 40

We have audited the financial statements of the District Court Funds of District Court No. 40, City of St. Clair Shores, Michigan (the "District Court") as of and for the year ended June 30, 2012 and have issued our report thereon dated December 20, 2012. Professional standards require that we provide you with the following information related to our audit which is divided into the following sections:

Section I - Communications Required Under SAS 115

Section II - Communications Required Under SAS 114

Section I includes any deficiencies we observed in the government's accounting principles or internal control that we believe are significant. Current auditing standards require us to formally communicate annually matters we note about the government's accounting policies and internal control.

Section II includes information that current auditing standards require independent auditors to communicate to those individuals charged with governance. We will report this information annually to the Honorable Judges of the District Court.

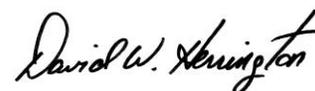
We would like to take this opportunity to thank the District Court's staff for the cooperation and courtesy extended to us during our audit. Their assistance and professionalism are invaluable.

This report is intended solely for the use of the Honorable Mayor of the City of St. Clair Shores, Michigan, the City Council, and the Honorable Judges and management of District Court No. 40 and is not intended to be and should not be used by anyone other than these specified parties.

We welcome any questions you may have regarding the following communications and we would be willing to discuss any of these or other questions that you might have at your convenience.

Very truly yours,

**Plante & Moran, PLLC**



David W. Herrington

## **Section I - Communications Required Under SAS 115**

In planning and performing our audit of the financial statements of District Court No. 40 as of and for the year ended June 30, 2012, in accordance with auditing standards generally accepted in the United States of America, we considered the government's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the government's internal control. Accordingly, we do not express an opinion on the effectiveness of the government'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 significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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 following deficiencies in the government's internal control to be material weaknesses:

- **Bond and Trust and Agency Subsidiary Ledger Reconciliation**

During the year ended June 30, 2012, we noted unreconciled differences between the bond bank account and the bond subsidiary ledger (open bond listing) and the trust and agency account and the trust/restitution subsidiary ledger (open trust and restitution fee listing). During prior years and the current year, the District Court began updating the bond listing to address these issues. We recommend that the District Court continue updating the listings to ensure that all unreconciled differences are resolved.

- **Financial Reporting**

The District Court's financial statements do not present a management's discussion and analysis. While this analysis of financial performance is not a required part of the basic financial statements, the Governmental Accounting Standards Board has determined that this analysis is necessary to supplement the basic financial statements. The District Court should consider including this analysis in subsequent years.

## **Section II - Communications Required Under SAS 114**

### **Our Responsibility Under U.S. Generally Accepted Auditing Standards**

As stated in our engagement letter dated August 8, 2012, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of our audit, we considered the internal control of the District Court. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

### **Planned Scope and Timing of the Audit**

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on September 11, 2012.

### **Significant Audit Findings**

#### ***Qualitative Aspects of Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the District Court are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2012.

We noted no transactions entered into by the government during the year for which there is a lack of authoritative guidance or consensus.

There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimate affecting the financial statements was the estimate to accrue for court-appointed attorney fees. Management's estimate of the court-appointed attorney fee accrual is based on the average monthly expense for the prior 12 months, less the invoices received during the current month. We evaluated the key factors and assumptions used to develop the court-appointed attorney fee accrual in determining that it is reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear.

### ***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### ***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

### ***Disagreements with Management***

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### ***Management Representations***

We have requested certain representations from management that are included in the management representation letter dated December 20, 2012.

### ***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the government's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts.

To our knowledge, there were no such consultations with other accountants.

***Other Audit Findings or Issues***

In the normal course of our professional association with the District Court, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the District Court, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition of our retention as the District Court's auditors.

December 20, 2012

To the Honorable Judges  
District Court No. 40

We have audited the financial statements of the District Court Funds of District Court No. 40, City of St. Clair Shores, Michigan (the "District Court") as of and for the year ended June 30, 2012 and have issued our report thereon dated December 20, 2012. Professional standards require that we provide you with the following information related to our audit which is divided into the following sections:

Section I - Communications Required Under SAS 115

Section II - Communications Required Under SAS 114

Section I includes any deficiencies we observed in the government's accounting principles or internal control that we believe are significant. Current auditing standards require us to formally communicate annually matters we note about the government's accounting policies and internal control.

Section II includes information that current auditing standards require independent auditors to communicate to those individuals charged with governance. We will report this information annually to the Honorable Judges of the District Court.

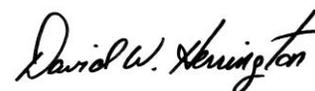
We would like to take this opportunity to thank the District Court's staff for the cooperation and courtesy extended to us during our audit. Their assistance and professionalism are invaluable.

This report is intended solely for the use of the Honorable Mayor of the City of St. Clair Shores, Michigan, the City Council, and the Honorable Judges and management of District Court No. 40 and is not intended to be and should not be used by anyone other than these specified parties.

We welcome any questions you may have regarding the following communications and we would be willing to discuss any of these or other questions that you might have at your convenience.

Very truly yours,

**Plante & Moran, PLLC**



David W. Herrington

## **Section I - Communications Required Under SAS 115**

In planning and performing our audit of the financial statements of District Court No. 40 as of and for the year ended June 30, 2012, in accordance with auditing standards generally accepted in the United States of America, we considered the government's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the government's internal control. Accordingly, we do not express an opinion on the effectiveness of the government'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 significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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 following deficiencies in the government's internal control to be material weaknesses:

- **Bond and Trust and Agency Subsidiary Ledger Reconciliation**

During the year ended June 30, 2012, we noted unreconciled differences between the bond bank account and the bond subsidiary ledger (open bond listing) and the trust and agency account and the trust/restitution subsidiary ledger (open trust and restitution fee listing). During prior years and the current year, the District Court began updating the bond listing to address these issues. We recommend that the District Court continue updating the listings to ensure that all unreconciled differences are resolved.

- **Financial Reporting**

The District Court's financial statements do not present a management's discussion and analysis. While this analysis of financial performance is not a required part of the basic financial statements, the Governmental Accounting Standards Board has determined that this analysis is necessary to supplement the basic financial statements. The District Court should consider including this analysis in subsequent years.

## **Section II - Communications Required Under SAS 114**

### **Our Responsibility Under U.S. Generally Accepted Auditing Standards**

As stated in our engagement letter dated August 8, 2012, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of our audit, we considered the internal control of the District Court. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

### **Planned Scope and Timing of the Audit**

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on September 11, 2012.

### **Significant Audit Findings**

#### ***Qualitative Aspects of Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the District Court are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2012.

We noted no transactions entered into by the government during the year for which there is a lack of authoritative guidance or consensus.

There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimate affecting the financial statements was the estimate to accrue for court-appointed attorney fees. Management's estimate of the court-appointed attorney fee accrual is based on the average monthly expense for the prior 12 months, less the invoices received during the current month. We evaluated the key factors and assumptions used to develop the court-appointed attorney fee accrual in determining that it is reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear.

### ***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### ***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

### ***Disagreements with Management***

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### ***Management Representations***

We have requested certain representations from management that are included in the management representation letter dated December 20, 2012.

### ***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the government's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts.

To our knowledge, there were no such consultations with other accountants.

***Other Audit Findings or Issues***

In the normal course of our professional association with the District Court, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the District Court, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition of our retention as the District Court's auditors.