



LUTHER SPEIGHT & COMPANY, LLC

Certified Public Accountants and Consultants

**CRIMINAL DISTRICT COURT
FOR THE PARISH OF ORLEANS
NEW ORLEANS, LOUISIANA**

**FINANCIAL STATEMENTS
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2011**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **SEP 05 2012**

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**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2011**

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

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

GOVERNMENT - 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 Assets 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.

Continued,

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.

The Criminal District Court utilizes the governmental type of fund 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 Assets 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 assets were \$4,197,119. Net assets decreased sharply by \$738,415 as compared to the previous year net assets reported at \$4,935,534.
- Total net assets were comprised of the following:
 - (1) Invested in capital assets of \$1,278,313, the net book value of property and equipment.
 - (2) Unrestricted net assets of \$1,702,552 represent the portion available to maintain continuing obligations to citizens and creditors for the general fund.
 - (3) Restricted net assets of \$1,216,254 represent the portion available to maintain continuing obligations to citizens and creditors for the special revenue fund.
- Total spending for all activities was \$9,824,731, which was \$885,042 greater than the previous year.

FINANCIAL ANALYSIS OF THE CRIMINAL DISTRICT COURT AS A WHOLE

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

Condensed Statement of Net Assets

	2011	2010	Change
Current Assets	\$ 3,825,283	\$ 4,183,099	\$ (357,816)
Noncurrent Assets	1,278,313	1,436,892	(158,579)
Total Assets	<u>5,103,596</u>	<u>5,619,991</u>	<u>(516,395)</u>
Liabilities	906,477	684,457	222,020
Total Liabilities	<u>906,477</u>	<u>684,457</u>	<u>222,020</u>
Restricted	2,494,567	2,462,571	31,996
Unrestricted	1,702,552	2,472,963	(770,411)
Total Net Assets	<u>4,197,119</u>	<u>4,935,534</u>	<u>(738,415)</u>
Total Net Assets and Liabilities	<u>\$ 5,103,596</u>	<u>\$ 5,619,991</u>	<u>\$ (516,395)</u>

As a result of this year's operations, net assets decreased by \$738,415. The total balance in net assets; \$4,197,119 represents the accumulated results of the current and all past years' operations.

Continued,

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

Condensed Statement of Activities:

	<u>2011</u>	<u>2010</u>	<u>Change</u>
Total Program Expenses	<u>\$ (9,824,731)</u>	<u>\$ (8,939,689)</u>	<u>\$ 885,042</u>
Total Program Revenues	<u>9,085,345</u>	<u>9,069,987</u>	<u>15,358</u>
Net Program Income	<u>(739,386)</u>	<u>130,298</u>	<u>900,400</u>
General Revenues	<u>970</u>	<u>(37,260)</u>	<u>38,230</u>
Change in Net Assets	<u>(738,416)</u>	<u>93,038</u>	<u>831,454</u>
Net Assets			
Beginning of the Year	<u>4,935,535</u>	<u>4,842,496</u>	<u>93,039</u>
End of the Year	<u>\$ 4,197,119</u>	<u>\$ 4,935,535</u>	<u>\$ 738,416</u>

The total program revenues for the year in governmental activities were \$9,085,345. The components of the revenues were \$2,957,987 in charges for services and \$6,127,358 in operating and grant revenues.

BUDGETARY HIGHLIGHTS

The total of general fund budgeted revenues were \$4.7 million with actual revenues were reported at \$4.5 million. The total special revenue budget was \$3.9 million while actual revenues were reported at \$4.5 million.

Continued,

CAPITAL ASSETS

The investment in capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2011 and 2010 was \$1,278,313 and \$1,436,892 respectively.

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:

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



LUTHER SPEIGHT & COMPANY, LLC

Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT

To the Honorable Camille Buras, Chief Judge
of the Criminal District Court for the Parish of Orleans

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, 2011, which collectively comprise the Court's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Court's management. Our responsibility is to express opinions 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 opinions.

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, 2011, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Continued,

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 1 through 5 and 23 through 24 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



New Orleans, LA

June 26, 2012

BASIC FINANCIAL STATEMENTS

CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
Statement of Net Assets - Governmental Activities
December 31, 2011

ASSETS

Current Assets

Cash and cash equivalents	\$3,279,334
Due from other Government, net of allowance	241,880
Due from other funds	<u>304,069</u>
Total Current Assets	<u>3,825,283</u>

Noncurrent Assets

Capital assets, net of depreciation	<u>1,278,313</u>
Total Assets	<u><u>5,103,596</u></u>

LIABILITIES AND FUND EQUITY

Liabilities

Accounts payable	259,046
Salaries payable	96,058
Related benefits payable	247,304
Due to other funds	<u>304,069</u>
Total Liabilities	<u><u>906,477</u></u>

NET ASSETS

Restricted:

Invested in capital assets, net of depreciation	1,278,313
Special Revenue Fund	1,216,254

Unrestricted

General Fund	293,741
Judicial Expense Fund	<u>1,408,811</u>
Total Net Assets	<u>4,197,119</u>

Total Liabilities and Net Assets	<u><u>\$5,103,596</u></u>
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CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
Statement of Activities - Governmental Activities
For the Year Ended December 31, 2011

FUNCTIONS / PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants & Contributions	Net (Expenses) Revenue
Governmental activities:				
General government	\$ 9,824,731	\$2,957,987	\$ 6,127,358	\$ (739,386)
Total governmental activities:				<u>(739,386)</u>
General revenues:				
Interest income				970
Total general revenues and transfers				<u>970</u>
Changes in net assets				<u>(738,416)</u>
Net assets - beginning				4,935,535
Net assets - ending				<u>\$ 4,197,119</u>

See Accompanying Notes to Financial Statements

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

**Balance Sheet
December 31, 2011**

	General Fund	Special Revenue Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 255,272	\$ 3,024,062	\$ 3,279,334
Due from other Government	53,563	188,317	241,880
Due from other funds	304,069	-	304,069
Total Current Assets	<u>612,904</u>	<u>3,212,379</u>	<u>3,825,283</u>
Total Assets	<u>612,904</u>	<u>3,212,379</u>	<u>3,825,283</u>
 LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	81,462	177,584	259,046
Salaries payable	85,354	10,704	96,058
Related benefits payable	152,347	94,957	247,304
Due to other funds	-	304,069	304,069
Total Liabilities	<u>319,163</u>	<u>587,314</u>	<u>906,477</u>
 FUND BALANCES			
Assigned			
Special Revenue Fund		1,216,254	1,216,254
Unassigned			
General Fund	293,741	-	293,741
Special Revenue Fund		1,408,811	1,408,811
Total Fund Balances	<u>293,741</u>	<u>2,625,065</u>	<u>2,918,806</u>
Total Liabilities and Fund Balances	<u>\$ 612,904</u>	<u>\$ 3,212,379</u>	<u>\$ 3,825,283</u>

See Accompanying Notes to Financial Statements

CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
Statement of Revenues, Expenditures and Changes in Funds Balances
For the Year Ended December 31, 2011

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
REVENUES			
Charges for Services	\$2,576,872	\$381,115	\$2,957,987
Intergovernmental	1,544,225	4,583,133	6,127,358
Interest	355	615	970
Total Revenues	<u>4,121,452</u>	<u>4,964,863</u>	<u>9,086,315</u>
EXPENDITURES			
Salaries and related benefits	3,842,353	2,207,639	6,049,992
Travel	131	762	893
Legislative Expenses	3,670	0	3,670
Conferences and Legal Education	117,746	79,628	197,374
Ceremonies	2,179	136	2,315
Office Supplies	124,511	55,179	179,690
Cleaning Supplies	5,059	1,104	6,163
Law Books	50,459	0	50,459
Jury Expenses	33,153	296,440	329,593
Telephone	47,493	30,337	77,830
Postage	10,548	20,199	30,747
Pest Control	4,755	0	4,755
Dues and Subscriptions	13,548	690	14,238
Paper Supplies	35,997	17,869	53,866
Advertising	127	975	1,102
Building Maintenance & Repairs	14,157	20,674	34,831
Cleaning Services	4,175	400	4,575
Capital Outlay	25,708	10,338	36,046
Bad Debt Expense	106,000	0	106,000
Equipment Maintenance & Repairs	9,068	3,287	12,355
Lease Payments	24,454	1,546	26,000
Equipment Rentals	2,408	2,940	5,348
Professional & Contractual Exp	195,593	1,382,443	1,578,036
Drug Testing Supplies	-	315,699	315,699
Transcripts	-	186,402	186,402
Insurance	289,567	45,060	334,627
Miscellaneous	18,615	4,930	23,545
Total Expenditures	<u>\$ 4,981,474</u>	<u>4,684,677</u>	<u>\$9,666,151</u>
Excess/(deficiency) of Revenue			
Over/(under) expenditures	(860,022)	280,186	(579,836)
FUND BALANCES			
Beginning	<u>1,153,763</u>	<u>2,344,879</u>	<u>3,498,642</u>
Ending	<u>\$293,741</u>	<u>\$2,625,065</u>	<u>\$2,918,806</u>

See Accompanying Notes to Financial Statements

CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
December 31, 2011

Total Governmental Fund Balances	\$ 2,918,806
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Amounts reported in governmental activities in
the statement of net assets are different because:

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

<u>1,278,313</u>

Net Assets of Governmental Activities	<u><u>\$ 4,197,119</u></u>
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See Accompanying Notes to Financial Statements

CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2011

Net change in fund balances - total governmental funds (fund financial statements)	\$ (579,836)
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Amount reported for governmental activities in the statement of activities
are different because.

Governmental funds report capital outlays as expenditures in the individual fund
Governmental activities report depreciation expense to allocate the cost of those
capital assets over the estimated useful lives of the asset.

Capital asset purchases capitalized	(51,972)	
Depreciation expense	<u>210,552</u>	<u>158,580</u>

Change in net assets of governmental activities	<u><u>\$ (738,416)</u></u>
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CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
Statement of Fiduciary Net Assets - Agency Funds
December 31, 2011

ASSETS

Cash and cash equivalents	\$ 672,151
Due from other Government	19,804
Due from other funds	
Total Assets and other debits	<u>691,955</u>

LIABILITIES

Liabilities:

Accounts payable	4,879
Due to victims	<u>687,076</u>
Total Liabilities	<u>\$691,955</u>

See Accompanying Notes to 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, 2011**

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

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Continued,

A. FUND ACCOUNTING

The accounts of the Criminal Court are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. Revenues are accounted for in these individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The funds presented in the general purpose financial statements are described as follows:

GOVERNMENTAL FUNDS

General Fund

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

Special Revenue Fund

Grant Funds accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. In addition, the General Fund of the Board of Jury Commissioners and the Renaissance, Inc. are reported as specific programs within the Special Revenue 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.

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Continued,

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 Assets, 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 assets are reported in three parts 1.) invested in capital assets, net of related debt; 2.) restricted net assets; and 3.) unrestricted net assets.

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.

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 equity, 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.

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Continued,

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. Revenue, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Non-exchange Transactions."

Program revenue included in the Statement of Activities derive 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 General Fund and the Special Revenue Funds on a modified accrual basis of accounting. The original proposed budget is made available for public inspection and adopted no later than in December of the previous year.

funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Continued,

E. SALARIES, OFFICE SUPPLIES AND TRAVEL OF JUDGES

Salaries, office supplies, and travel of the judges that are paid directly by warrants drawn on the Louisiana Supreme Court are not included in the expenditures on the accompanying financial statements.

F. COMPENSATED ABSENCES

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

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

The liability for unused vacation leave payable at December 31, 2011 was \$247,304.

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. 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. Interfund elimination's have not been made in the aggregation of this data.

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Continued,

I. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

J. INCOME TAXES

Criminal Court is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

NOTE 2: CHANGES IN CAPITAL ASSET BALANCES

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

Beginning Balance, January 1, 2011	\$ 1,436,892
Additions	51,972
Deletions	<u>-0-</u>
Ending Balance, December 31, 2011	1,488,864
Less: Accumulated Depreciation	<u>210,552</u>
Capital Assets, (net of accumulated depreciation)	<u>\$ 1,278,312</u>

NOTE 3: PENSION PLANS

Plan description: The Criminal Court contributes to the Louisiana State Employees' Retirement System (LSERS) and Louisiana Clerks of Court Retirement and Relief Fund (LCCRR), a cost-sharing multiple-employer defined benefit pension plan administered by the Louisiana State Employees' Retirement System. LSERS and LCCRR provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Louisiana State Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for LSERS and LCCRR. These reports may be obtained by writing to Louisiana State Employees' Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213.

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Continued,

Funding policy: Plan members are required to contribute a portion of their annual covered salary and Criminal Court is required to contribute at actuarially determined rates as follows:

	<u>Employee</u>	<u>Employer</u>
LSERS <thru June 30, 2003>	7.50%	14.10%
LSERS<after June 30, 2003>	7.50%	15.80%
LCCRR<thru June 30, 2003>	8.25%	10.00%
LCCRR<after June 30, 2003>	8.25%	11.50%

The contribution requirements of plan members and Criminal Court are established and may be amended by the LSERS and LCCRR.

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, 2011, consist of office equipment such as copiers, which are included in the fixed assets. No additional leases were acquired in the year 2011.

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 AGENCY FUND BALANCE

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

Balance at beginning of year	\$672,231
Net Decrease in Cash	(80)
Balance at end of year	<u>\$672,151</u>

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Continued,

NOTE 6: COLLATERALIZATION OF DEPOSITS

At December 31, 2011, the Criminal Court had cash balances totaling \$ 3,297,334. These deposits were secured from risk by \$250,000 of federal deposit insurance at three institutions totaling \$750,000 and the balance in 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 7: 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.

SUPPLEMENTARY INFORMATION

CRIMINAL DISTRICT COURT for the PARISH OF ORLEANS
Budget Comparison Schedule - General Fund
For the Year Ended December 31, 2011

	Budget	Actual	Variance Under/(Over)
REVENUES			
Charges for Services	\$2,406,950	\$2,576,872	(\$169,922)
Intergovernmental	2,285,196	1,544,225	740,971
Interest	200	355	-155
• Total Revenues	<u>4,692,346</u>	<u>4,121,452</u>	<u>570,894</u>
EXPENDITURES			
Salaries and related benefits	3,561,180	3,842,353	(281,173)
Travel	2,000	131	1,869
Legislative Expenses	12,000	3,670	8,330
Conferences and Legal Education	93,100	117,746	(24,646)
Ceremonies	0	2,179	(2,179)
Bond Forfeitures	0	-	0
Office Supplies	61,000	124,511	(63,511)
Fines and Fees	0	-	0
Cleaning Supplies	4,000	5,059	(1,059)
Law Books	47,000	50,459	(3,459)
Bottle Water	15,200	-	15,200
Jury Expenses	37,300	33,153	4,147
Security Expenses	1,000	-	1,000
Telephone	41,000	47,493	(6,493)
Postage	11,500	10,548	952
Pest Control	5,000	4,755	245
Dues and Subscriptions	12,500	13,548	(1,048)
Paper Supplies	31,000	35,997	(4,997)
Advertising	500	127	373
Building Maintenance & Repairs	17,000	14,157	2,843
Cleaning Services	5,000	4,175	825
Capital Outlay	48,600	25,708	22,892
Bad Debt Expense	0	106,000	(106,000)
Equipment Maintenance & Repairs	18,500	9,068	9,432
Lease Payments	24,000	24,454	(454)
Equipment Rentals	3,100	2,408	692
Professional & Contractual Exp	205,000	195,593	9,407
Coffee	7,800	-	7,800
Insurance	425,000	289,567	135,433
Miscellaneous	2,000	18,615	(16,615)
Total Expenditures	<u>\$4,691,280</u>	<u>\$ 4,981,474</u>	<u>(\$290,194)</u>
Excess/(deficiency) of Revenue			
Over/(under) expenditures	<u>\$1,066</u>	<u>(\$860,022)</u>	<u>\$861,088</u>

See accompanying notes to financial statements

CRIMINAL DISTRICT COURT for the PARISH of ORLEANS
Budget Comparison Schedule - Special Revenue Fund
For the Year Ended December 31, 2011

	Budget	Actual	Variance Under/(Over)
REVENUES			
Charges for Services	\$331,650	\$381,115	(\$49,465)
Intergovernmental	3,551,809	4,583,133	(1,031,324)
Interest	300	615	(315)
Total Revenues	<u>3,883,759</u>	<u>4,964,863</u>	<u>(1,081,104)</u>
EXPENDITURES			
Salaries and related benefits	1,786,369	2,207,639	(421,270)
Travel	7,100	762	6,338
Conferences and Legal Education	55,800	79,628	(23,828)
Ceremonies	1,200	136	1,064
Office Supplies	43,100	55,179	(12,079)
Cleaning Supplies	800	1,104	(304)
Bottle Water	3,000	0	3,000
Jury Expenses	300,000	296,440	3,560
Telephone	27,000	30,337	(3,337)
Postage	15,000	20,199	(5,199)
Dues and Subscriptions	300	690	(390)
Paper Supplies	15,500	17,869	(2,369)
Advertising		975	(975)
Building Maintenance & Repairs	9,100	20,674	(11,574)
Cleaning Services	1,000	400	600
Capital Outlay	10,000	10,338	(338)
Equipment Maintenance & Repairs	1,600	3,287	(1,687)
Lease Payments	2,500	1,546	954
Equipment Rentals	2,400	2,940	(540)
Professional & Contractual Exp	1,295,000	1,382,443	(87,443)
Drug Testing Supplies	288,175	315,699	(27,524)
Coffee	3,650	0	3,650
Transcripts	148,000	186,402	(38,402)
Insurance	46,900	45,060	1,840
Miscellaneous	500	4,930	(4,430)
Total Expenditures	<u>4,063,994</u>	<u>4,684,677</u>	<u>(620,683)</u>
Excess/(deficiency) of Revenue			
Over/(under) expenditures	<u>(\$180,235)</u>	<u>\$280,186</u>	<u>\$3,783,808</u>

See accompanying notes to financial statements



LUTHER SPEIGHT & COMPANY, LLC

Certified Public Accountants and Consultants

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 Camille Buras, Chief Judge
Criminal District Court for the Parish of Orleans

We have audited 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, 2011, which collectively comprise the Court's basic financial statements and have issued our report thereon dated June 26, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Court's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Court's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. However, we identified deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as Finding# 11-01 that we considered to be a significant deficiency in internal control over financial reporting. 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 determined Finding# 11-01 to also be a material weakness, as defined above.

Continued,

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Court's financial statements are free of 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*.

This report is intended solely for the information and use of the management of the Court, others within the entity, federal and pass-through funding agencies, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Although, the intended use of these reports may be limited, "Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document."



Luther Speight & Company CPAs

June 26, 2012



LUTHER SPEIGHT & COMPANY, LLC

Certified Public Accountants and Consultants

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

To the Honorable Camille Buras, Chief Judge
Criminal District Court for the Parish of Orleans

Compliance

We have audited the compliance of the Criminal District Court for the Parish of Orleans (the Court) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2011. The Court's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Court's management. Our responsibility is to express an opinion on the Court's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Court's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Court's compliance with those requirements.

In our opinion, the Court complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2011.

Internal Control Over Compliance

Management of the Court is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Court's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Brotherhood's 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 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, others within the entity, the Court, federal awarding agencies, pass-through entities and the Legislative Auditor of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Although, the intended use of these reports may be limited, "Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document."

A handwritten signature in black ink, appearing to read "L. B. ...", is written over a horizontal line.

New Orleans, LA

June 26, 2012

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
DECEMBER 31, 2011**

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.

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

**Schedule of Findings and Questioned Costs
Year Ended December 31, 2011**

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

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

Internal control over major programs:

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

An unqualified opinion was issued on compliance.

Any audit findings disclosed that are required to be Reported in accordance with Circular A-133, Section 510(a)?	<u> </u> yes	<u> X </u> no
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The major programs for the year ended December 31, 2011 were as follows:

1. Temporary Assistance to Needy Families (TANF) - CFDA 93.558
2. Substance Abuse and Mental Health Services (SAMHSA) – CFDA 93.243

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

**FINDING# 11-01 FRAUDELENT CHECKS NEGOTIATED RELATED TO COURT'S
BANK ACCOUNT**

CONDITION

A theft of funds was discovered by the Court during April 2012. The theft occurred by fraudulent checks being presented and negotiated by one of the Court's bank accounts. The Court discovered 14 fraudulent checks that were relatively minor in individual amounts that totaled \$8,604. The theft has been reported to the local District Attorney's Office however the matter remains unresolved as of our report date.

Further review indicated that the referenced cancelled checks cleared the Court's bank account during November 2010; however the fraud was not discovered until April 2012.

CAUSE

The fraudulent activity appeared to be external to the Court's operations and personnel, however the fraud was not detected on a timely basis due to bank reconciliations were performed and exceptions noted but not researched on a timely basis by the Court.

EFFECT

The lack of timely research regarding bank reconciliations exceptions do not provide the Court with adequate internal controls that assure that errors and/or irregularities related to the Court's cash accounts are detected on a timely basis.

RECOMMENDATION

We recommend that the Court thoroughly research bank reconciliation exceptions monthly and resolve any items noted on a timely basis.

MANAGEMENT'S RESPONSE

In response to the auditor's finding, the Court has a system of checks and balances to prevent such incidents from occurring. The Court sees this matter as an isolated incident which has been rectified through the implementation of additional checks and balances.

**CRIMINAL DISTRICT COURT FOR THE PARISH OF ORLEANS
UPDATE OF PRIOR YEAR FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2011**

FINDING#	DESCRIPTION	Resolved	Unresolved
10-01	Funds Due To Victims Not Returned	X	
10-02	Audit Not Submitted Timely	X	