



**MUNICIPAL AND TRAFFIC COURT
OF NEW ORLEANS**

FINANCIAL STATEMENTS

December 31, 2022



REPORT

Independent Auditors’ Report	1
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REQUIRED SUPPLEMENTARY INFORMATION (PART I)

Management’s Discussion and Analysis	4
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FINANCIAL STATEMENTS

Government-Wide Financial Statements	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements	
Balance Sheet – Governmental Funds	13
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	14
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds	15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds to the Statement of Activities	16
Fiduciary Fund Financial Statements	
Statement of Fiduciary Net Position	17
Statement of Changes in Fiduciary Net Position	18
Notes to Financial Statements	19

REQUIRED SUPPLEMENTARY INFORMATION (PART II)

Budgetary Comparison Schedule – General Fund	28
Budgetary Comparison Schedule – Probation Fund	29

OTHER SUPPLEMENTARY INFORMATION

Combining Statement of Fiduciary Net Position	30
Combining Statement of Changes in Fiduciary Net Position	31
Schedule of Compensation, Benefits and Other Payments to Agency Head	32
Justice System Funding Schedule - Collecting/Disbursing Entity	33



REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	34
Schedule of Findings and Responses	36
Schedule of Prior Audit Findings	38
Corrective Action Plan	39

INDEPENDENT AUDITORS' REPORT

To the Honorable Judges en banc of
Municipal and Traffic Court of New Orleans
New Orleans, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Municipal and Traffic Court of New Orleans (the Court), as of and for the year ended December 31, 2022, and the related notes to 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, the major fund, and the aggregate remaining fund information of the Court as of December 31, 2022, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We are required to be independent of Municipal and Traffic Court of New Orleans and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Municipal and Traffic Court of New Orleans' 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.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipal and Traffic Court of New Orleans'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 Municipal and Traffic Court of New Orleans'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 on pages 4-10 and pages 28-29 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or

historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Municipal and Traffic Court of New Orleans's basic financial statements. The accompanying schedule of compensation, benefits and other payments to agency head and justice system funding schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June XX, 2023 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, 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.

Carr, Rigg & Ingram, L.L.C.

Metairie, Louisiana
June 28, 2023

MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2022

Management's discussion and analysis (MD&A) of the Municipal and Traffic Court of New Orleans' (MTCNO) financial performance is designed to provide an overview of the financial activities as of and for the year ended December 31, 2022. This information should be read in conjunction with the basic financial statements and the accompanying notes to financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

The MD&A is required information that provides an overview of the Municipal and Traffic Court of New Orleans' (MTCNO or Court) basic financial statements and financial activities. A user of this report should read the independent auditors' report carefully to ascertain the level of assurance being provided on these reports.

This annual report consists of a series of financial statements. The Court's basic financial statements consist of the following components: Government-Wide Financial Statements, Fund Financial Statements, and Agency Financial Statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position reflects the financial position of the MTCNO. The unrestricted net position for the Court as reflected in this statement consists of funds available (deficient) for future spending to meet the needs of the Court's operations.

The Statement of Net Position and the Statement of Activities report information on the Court as a whole and report about its activities in a way that shows the overall financial health of the office. 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

Fund financial statements report detailed information on the MTCNO funds maintained by the Court's office. The General Fund is established as mandated by Louisiana Revised Statute (LA RS) 13:2496.4.

The Court uses governmental funds for basic services. Governmental funds focus on how money flows into and out of the operating accounts and reflect the balances left at year-end that are available for spending. These funds are reported under the modified accrual accounting method, 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 assist in determining whether there are more or fewer financial resources that can be spent in the near future to finance the Court programs.

**MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022**

FINANCIAL HIGHLIGHTS

The financial statements provide details of the current year's operations:

Total assets as of December 31, 2022 were \$7,971,045 and total liabilities were \$857,985. As of December 31, 2022, the MTCNO had a net position of \$7,113,719, of which \$5,527,104 was unrestricted and represents the portion that is available to maintain the continuing obligations to citizens.

- The City of New Orleans appropriates funds in the City's budget for the support of the Court's payroll expenses of \$6,274,691. These on-behalf payments have been recorded as City Revenues.

- Program expenses were under program revenues in the current year by \$926,149.

In accordance with statutory requirements, the MTCNO has no bonded indebtedness or long-term notes. The most significant continuing revenue sources for governmental activities were ticket revenues and city revenues.

**MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022**

FINANCIAL ANALYSIS OF THE MTCNO AS A WHOLE (GWFS)

The Statement of Net Position and the Statement of Activities report only one type of activity – governmental activities. Most of the basic court services are reported as this type. Court costs and fees charged to the public finance most of these activities.

Our analysis below focuses on the net position of the governmental-type activities:

CONDENSED STATEMENT OF NET POSITION

	2022	2021	Difference	Percentage Change
Current and other assets	\$ 7,965,414	\$ 5,248,369	\$ 2,717,045	52%
Capital assets, net of accumulated depreciation	6,290	8,387	(2,097)	(25)%
Total assets	7,971,704	5,256,756	2,714,948	52%
Current liabilities	857,985	39,054	818,931	2097%
Total liabilities	857,985	39,054	818,931	2097%
Invested in capital assets	6,290	8,387	(2,097)	(25)%
Restricted net position	1,580,325	1,499,120	81,205	5%
Unrestricted net position	5,527,104	3,710,195	1,816,909	49%
Total net position	\$ 7,113,719	\$ 5,217,702	\$ 1,896,017	36%

**MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022**

The increase in current and other assets was due to an increase in cash reserves, and accounts receivable. There was no additions to capital assets in the current year.

Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, increased due to current year operating results.

CONDENSED STATEMENTS OF ACTIVITIES

	2022	2021	Difference	Percentage Change
Total program revenue	\$ 7,993,724	\$ 6,747,445	\$ 1,246,279	18%
Total program expense	7,068,406	6,730,255	338,151	5%
Net program income	925,318	17,190	908,128	5283%
Extinguishment of payable	-	257,665	(257,665)	(100)%
Interest earnings	831	248	583	235%
Change in net position	926,149	275,913	650,236	236%
Net position -beginning of year - Adjusted	6,187,570	4,942,599	1,244,971	25%
Net position - end of year	\$ 7,113,719	\$ 5,217,102	\$ 1,896,617	36%

The Program revenues have increased because the city reimbursed operating costs of the Court, which did not happen to the same extent in 2021. The Court also had a decrease in its ticket revenues because of a drop in the tickets issued in Traffic cases.

**MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
MANAGEMENT’S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022**

FINANCIAL ANALYSIS OF JUDICIAL EXPENSE FUND (GENERAL FUND)

As noted earlier, the MTCNO uses funds to control and manage money for particular purposes. Analyzing these funds helps to determine whether the Court is using resources in a responsible manner and maintaining the financial integrity of the office.

CONDENSED STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

	2022	2021	Difference	Percentage Change
Total revenues	\$ 7,896,900	\$ 6,648,171	\$1,249,729	19%
Expenditures:				
Current	7,055,859	6,724,417	331,442	5%
Capital outlay	-	-	-	-%
Total expenditures	7,055,859	6,724,417	331,442	5%
Net change in fund	841,041	(76,246)	917,287	(1204)%
Fund balance - beginning of year - Adjusted	4,680,063	3,786,442	893,621	24%
Fund balance – end of year	\$ 5,521,104	\$ 3,710,196	\$ 1,810,908	49%

The Judicial Expense Fund (JEF) continued to see a decline in ticket revenue. The primary driver was a result of a shift in focus by the New Orleans Police department and a reduction in traffic patrol officers. The JEF did see an increased in reimbursed expenses from the City of New Orleans, which helped make up for the loss in ticket revenue.

The expenditures are a reflection of significant reductions in personnel and operating expenses.

**MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022**

JUDICIAL EXPENSE FUND BUDGETARY HIGHLIGHTS

	Actual	Budgeted	Variance	Percent
Revenues				
City revenues - on-behalf payments	\$ 6,274,691	\$ 7,492,507	\$ (1,217,816)	(14)%
City revenue - general fund	969,868	969,868	-	-%
Court costs and fees	434,543	750,000	(315,457)	(42)%
Interest	831	600	231	39%
Grant revenues	112,017	62,017	50,000	81%
Other income	104,950	109,100	(4,150)	(5)%
Total revenue	7,896,900	9,380,592	(1,486,092)	(19)%
Expenditures				
Personnel services and related benefits	6,274,691	7,492,507	1,217,816	16%
Operating services	719,151	841,065	121,914	13%
Grant expenses	62,017	62,017	-	-%
Total expenditures	7,055,859	8,395,589	1,339,730	16%
Excess (deficit) of revenue over expenditures	\$ 841,041	\$ 987,403	\$ (146,362)	(15)%

The Municipal and Traffic Court of New Orleans' budget for January 1, 2022 to December 31, 2022 was proposed and made available for public inspection by the Municipal and Traffic Court of New Orleans and approved by the City Council.

CAPITAL ASSETS

The Court's investment in capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2022 was \$6,290. Summary of capital assets is detailed below:

Computer software	\$ 799,257
Vehicles	28,900
Furniture & fixtures	10,484
Machinery and equipment	20,853
Total cost	859,494
Accumulated depreciation	(853,204)
Net capital assets	\$ 6,290
Depreciation expense	\$ 2,097

**MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022**

LONG-TERM OBLIGATIONS

The Court is not allowed to incur long-term indebtedness for bonds or notes payable; therefore, the Court has no long-term debt outstanding.

ECONOMIC AND OTHER FACTORS AFFECTING OPERATIONS, LIQUIDITY AND 2023'S BUDGET

The Court is fiscally dependent on the City and payments from traffic violations. The City provides courthouse maintenance and pays for utilities.

Besides the factor of COVID-19, the natural disaster Hurricane Ida hit New Orleans on August 26, 2021 and also affected MTCNO operations. The office building at 727 South Broad Street was damaged and the normal operations were interrupted until October 18, 2021, when the MTCNO moved to the current building at 1601 Perdido Street.

CONTACTING FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Court's finances and to demonstrate accountability for the money it receives. Questions about this report should be referred to Monique M. Dejoie, Judicial Administrator, Municipal and Traffic Court of New Orleans Court, 1601 Perdido St, New Orleans, LA 70112.

BASIC FINANCIAL STATEMENTS

MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2022

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	6,493,059
Pooled cash from custodial funds		15,141
Account receivable		18,000
Due from other governments		1,432,881
Prepaid expenses		6,333

Total current assets		7,965,414
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CAPITAL ASSETS , net of accumulated depreciation		6,290
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TOTAL ASSETS		7,971,704
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LIABILITIES

Accounts payable		37,549
Miscellaneous payables		436
Unearned revenue		820,000

TOTAL LIABILITIES		857,985
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NET POSITION

Net investment in capital assets		6,290
Restricted for Probation		1,286,577
Restricted for Building and Maintenance		293,748
Unrestricted net position		5,527,104

TOTAL NET POSITION	\$	7,113,719
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The accompanying notes are an integral part of this financial statement.

MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

EXPENSES

General government:

Personnel services and related benefits	\$ 6,274,691
Court services - Support Court	252,936
Depreciation	2,097
Facilities/building expenses	4,833
Office equipment and furniture	28,709
Office supplies	19,382
Operating expenses	44,960
Operating services	32,363
Professional services	267,153
Other expenses	60,413
Travel and support expenses - Employee	7,269
Travel and support expenses - Judge	73,600

Total expenses	7,068,406
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PROGRAM REVENUES

Court costs	434,543
Grants received	112,017
Probation fees	54,910
Building and maintenance fees	36,745
City revenues - on-behalf payments	6,274,691
Operating budget reimbursements	975,868
Use of building and technology	102,000
Restitution	2,950
Miscellaneous fees	-

Total program revenues	7,993,724
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GENERAL REVENUES

Interest earnings	831
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Total general revenues	831
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CHANGE IN NET POSITION	926,149
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NET POSITION - Beginning of year	5,217,702
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Prior Period Restatement (Note 2)	969,868
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NET POSITION - Beginning of year, restated	6,187,570
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NET POSITION - End of year	\$ 7,113,719
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The accompanying notes are an integral part of this financial statement.

**MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
BALANCE SHEET - GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2022**

	Judicial Expense Fund (General Fund)	Probation Fund	Special Programs Fund	Nonmajor Governmental Fund - Building and Maintenance Fund	Total Governmental Funds
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$ 4,509,036	\$ 1,282,065	\$ 410,000	\$ 291,958	\$ 6,493,059
Pooled cash from custodial funds	8,839	4,512	-	1,790	15,141
Accounts receivable	18,000	-	-	-	18,000
Due from other governments	1,022,881	-	410,000	-	1,432,881
Prepaid expenses	6,333	-	-	-	6,333
TOTAL ASSETS	\$ 5,565,089	\$ 1,286,577	\$ 820,000	\$ 293,748	\$ 7,965,414
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 37,549	\$ -	\$ -	\$ -	\$ 37,549
Restitution liability	240	-	-	-	240
Ticket overpayment liability	196	-	-	-	196
Unearned revenue	-	-	410,000	-	410,000
TOTAL LIABILITIES	37,985	-	410,000	-	447,985
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	6,000	-	410,000	-	416,000
FUND BALANCE					
Nonspendable	6,333	-	-	-	6,333
Restricted for Probation	-	1,286,577	-	-	1,286,577
Restricted for Building and Maintenance	-	-	-	293,748	293,748
Unassigned balance	5,514,771	-	-	-	5,514,771
TOTAL FUND BALANCE	5,521,104	1,286,577	-	293,748	7,101,429
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 5,565,089	\$ 1,286,577	\$ 820,000	\$ 293,748	\$ 7,965,414

The accompanying notes are an integral part of this financial statement.

**MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2022**

FUND BALANCE - total governmental funds	\$	7,101,429
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Amounts reported for governmental activities in the statement of net position are different because:

Revenues not collected within sixty days after year-end are not available soon enough to pay for current period expenditures	6,000
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Capital assets used in governmental activities are not current financial resources; and therefore, are not reported at the fund financial reporting level	6,290
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NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	7,113,719
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The accompanying notes are an integral part of this financial statement.

**MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Judicial Expense Fund (General Fund)	Probation Fund	Special Programs Fund	Nonmajor Governmental Fund - Building and Maintenance Fund	Total Governmental Funds
REVENUES					
Court cost fees -JEF fees	\$ 304,276	\$ -	\$ -	\$ -	\$ 304,276
Criminal processing & admin fees	110,490	-	-	-	110,490
Criminal contempt & other fines	19,777	-	-	-	19,777
Special revenue fees - building and maintenance	-	-	-	36,745	36,745
State grants - non-LASC	112,017	-	-	-	112,017
City revenues - on-behalf payments	6,274,691	-	-	-	6,274,691
City revenues - general fund	969,868	-	-	-	969,868
Interest income	831	-	-	-	831
Supervision and special program fees	-	54,910	-	-	54,910
Use of building and technology	102,000	-	-	-	102,000
Restitution income	2,950	-	-	-	2,950
Total revenues	7,896,900	54,910	-	36,745	7,988,555
EXPENDITURES					
General government:					
Personnel services and related benefits	6,274,691	-	-	-	6,274,691
Court services - support court	252,936	-	-	-	252,936
Facilities/building expenses	4,833	-	-	-	4,833
Office equipment and furniture	28,709	-	-	-	28,709
Office supplies	19,382	-	-	-	19,382
Operating expenses	34,510	-	-	10,450	44,960
Operating services	32,363	-	-	-	32,363
Professional services	267,153	-	-	-	267,153
Other expenses	60,413	-	-	-	60,413
Travel and support expenses - employee support	7,269	-	-	-	7,269
Travel and support expenses - judge support	73,600	-	-	-	73,600
Total expenditures	7,055,859	-	-	10,450	7,066,309
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	841,041	54,910	-	26,295	922,246
FUND BALANCE - Beginning of year	3,710,195	1,231,667	-	267,453	5,209,315
Prior period restatement (Note 2)	969,868	-	-	-	969,868
FUND BALANCE - Beginning of year, restated	4,680,063	1,231,667	-	267,453	6,179,183
FUND BALANCE - End of year	\$ 5,521,104	\$ 1,286,577	\$ -	\$ 293,748	\$ 7,101,429

The accompanying notes are an integral part of this financial statement.

**MUNICIPAL AND TRAFFIC COURT OR NEW ORLEANS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022**

NET CHANGE IN FUND BALANCE - total governmental funds	\$	922,246
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Amounts reported for governmental activities in the statement of activities
(government-wide financial statements) are different because:

Governmental activities report depreciation expense to allocate the cost of those capital assets over the estimated useful lives of the asset.		(2,097)
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Change in deferral of revenues due to collection period beyond 60 days		6,000
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	926,149
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The accompanying notes are an integral part of this financial statement.

**MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
STATEMENT OF FIDUCIARY NET POSITION
AS OF DECEMBER 31, 2022**

	Custodial Funds
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 615,358
Due from other governments	8,540
TOTAL ASSETS	
	623,898
 LIABILITIES AND NET POSITION	
CURRENT LIABILITIES	
Accounts payable	-
TOTAL LIABILITIES	
	-
 NET POSITION	
Restricted for individuals and other governments	623,898
TOTAL NET POSITION	
	\$ 623,898

The accompanying notes are an integral part of this financial statement.

**MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Custodial Funds
ADDITIONS:	
Contributions:	
Individuals for bonds	\$ 8,900
Fines and fees collected for other agencies	1,524,553
Total Additions	1,533,453
DEDUCTIONS:	
Payments to City of New Orleans	1,017,448
Payments to other governments	554,236
Payments to individuals	45,295
Payments to State Treasury	18,948
Bond forfeitures	7,428
Total Deductions	1,643,355
CHANGE IN NET POSITION	(109,902)
Net position - Beginning of year	724,547
Prior period restatement (Note 2)	9,253
Net Position - Beginning of year, restated	733,800
Net Position - End of year	\$ 623,898

The accompanying notes are an integral part of this financial statement.

MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Overview – As provided by the Louisiana Legislature HB 600 (Act No. 631), effective January 1, 2017, the New Orleans Traffic Court and the Municipal Court of New Orleans consolidated, abolishing the individual Courts. The consolidated Court became the Municipal and Traffic Court of New Orleans (the Court). Accordingly, the Court began the process of combining the budget, funds, accounts and financial operations as components of the consolidated Court.

Basis of presentation – The accompanying financial statements of the Municipal and Traffic Court of New Orleans have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Reporting entity – The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Codifications 2100 *Defining the Financial Reporting Entity*, 2300 *Notes to Financial Statements*, and 2600 *Reporting Entity and Component Unit Presentation and Disclosure* in that the financial statements include all organizations, activities, and functions that compromise the Court. Component units are legally separate entities for which the Court (the primary entity) is financially accountable.

The Court is fiscally dependent on the City of New Orleans (the City) and payments from traffic and misdemeanor offences. The City maintains and operates the courthouse in which the Court's office is located and provides funds for equipment and furniture to the Court. However, the Court judges are independently elected officials, and the Court has separate corporate powers that establish it as being a legally separate unit. These separate powers and authority are established by State and City Ordinances. Additionally, the Court financial statements are not material to the financial statements of the City. Based on these factors, it was determined that the Court is not a component unit of the City, the financial reporting entity.

The accompanying financial statements present information of the Court's Judicial Expense Fund as established by Louisiana Revised Statute (LA RS) 13:2507.1 and on-behalf payments as described in the accompanying notes. They also present the information regarding the Probation Fund, Special Programs Fund and Building and Maintenance fund. The financial statements do not present information on the City, the general government services provided by that governmental unit, or the other governmental units.

Fund accounting – The Court uses funds and account groups to report on its financial position and the results of operations. Fund accounting is designed to demonstrate compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Funds - The general fund (Judicial Expense Fund) accounts for all the Court's general activities. This fund focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, the fund balance represents the accumulated expendable resources which may be used to finance future period programs and/or operations of the Court. The following are the Court's governmental funds:

Judicial Expense Fund – The Judicial Expense Fund (JEF) is the primary operating fund of the Court. It accounts for all financial resources, except those required to be accounted for in other funds. The Judicial Expense Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the Court policy. The Court's Judicial Expense Fund serves as the General Fund for the court.

Salaries of the judges of the Court, which are paid directly by the Supreme Court of Louisiana, are not included in the financial statements presented herein since such salaries are earned by the respective judges for serving in their capacities as state judges and not for compensation in their roles as management of the Judicial Expense Fund.

Probation Fund – The probation fund accounts for the program fees collected for Probation. The Probation Fund was established by the Louisiana Revised Statute 13:2500.1. A fee of \$15 shall be levied on each conviction and bond forfeiture. All fees for alternative sentencing program shall also be assessed.

Special Programs Fund – The special programs fund accounts for the proceeds of specific revenue sources that are restricted to expenditure for specified purposes related to special programs of the Court.

Building and Maintenance Fund - The Building and Maintenance Fund was established by the City of New Orleans Municipal Code 50-149. A fee of \$5 shall be levied on each conviction. This fund is to be used for the maintenance, upkeep, and security of the Municipal and Traffic Court building.

Fiduciary Funds – The fiduciary fund reporting focuses on net assets and changes in net assets. The only funds accounted for in this category are the agency funds. The agency funds account for assets held by the Court as an agent for litigants held in pending court action. The agency funds are custodial in nature and use the modified accrual basis of accounting. The Court maintains two agency funds: Fines and Fees Agency Fund and Cash Bond Agency Fund. The Fines and Fees Fund distributes monies collected on each case for state approved agencies. The Cash Bond Fund holds monies deposited by defendants until the defendant appears in court and a final disposition is determined on their case. The Court also holds surety bonds provided by bail bondsmen but does not maintain an account for the bonds. The Court has bond forfeiture proceeds but those amounts are not included in agency

MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

funds due to the nature of ownership in forfeiting a bond. Any forfeiture amounts which can be determined to belong to the Court are listed on the statement of activities as bond forfeitures.

Basis of accounting – Fund Financial Statements (FFS) – The amounts reflected in the Balance Sheet - Governmental Funds and Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds (FFS), are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of operations.

The amounts reflected in these statements (FFS), use 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 the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The governmental funds use the following practices in recording revenues and expenditures:

Revenues – Ticket fees, reinstate fees, rights fees, city revenue, probation, building and maintenance fees, and bond forfeitures are recorded in the year in which they are earned. Interest income on investments is recorded when the investments have matured and the income is available. Substantially all other revenues are recorded when received.

Expenditures – Expenditures are generally recorded under the modified accrual basis of accounting when the related fund liability is incurred.

Basis of accounting – Government-Wide Financial Statements (GWFS) – The Statement of Net Position and the Statement of Activities (GWFS) display information about the Court as a whole. These statements include all the financial activities of the Court. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting.

Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Codification.

Program Revenues – Program revenues included in the Statement of Activities are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from general revenues.

MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position Classifications – In accordance with GASB Codification, net position is classified into three components - net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows.

- a. *Net Investment in Capital Assets* – This component of net position consists of the historical cost of capital assets, including any restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets, plus deferred outflows of resources, less deferred inflows of resources, related to those assets.
- b. *Restricted* – This component of net position consists of assets that have constraints that are externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- c. *Unrestricted* – All other net position is reported in this category.

Fund Balance – The Court uses fund accounting to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

In fund financials, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Court is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

- *Nonspendable* – This component consists of amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.
- *Restricted* – This component consists of amounts that have constraints placed on them either externally by third-parties or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the Court to assess payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.
- *Committed* – This component consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Court. Those committed amounts cannot be used for any other purpose unless the Court removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed previously to commit those amounts. The Court had no committed funds for the year ended December 31, 2022.

MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- *Assigned* – This component consists of amounts that are constrained by the Court’s intent to be used for specific purposes, but are neither restricted nor committed. The Court had no assigned funds for the year ended December 31, 2022.
- *Unassigned* – This component consists of amounts that have not been restricted, committed or assigned to specific purposes within the fund.

Budget practices – The proposed budget, which is prepared on the modified accrual basis of accounting, must be approved by the Court Judges. The budget is legally adopted by the Court and all appropriations lapse at year end. For the Judicial Expense Fund, the Court has established a budget for service fees, court allocation of costs, and salaries. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. There were amendments to the budget in this fiscal year.

Cash and cash equivalents – Cash includes amounts in demand deposits, interest bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Court may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Capital assets – Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Court maintains a threshold level of \$5,000 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Position. Since surplus assets are turned over to the City of New Orleans when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land which is non-depreciable, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Computers and software	3 years
Machinery and equipment	3 years
Furniture & fixtures	5 years
Vehicles	5 years

Use of estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events - Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 28, 2023, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Future Accounting Pronouncements - In May 2020, the GASB issued Statement No. 96, Subscription-Based Information Technology Agreements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. The Court is evaluating the requirements of the above statements and the impact on reporting.

NOTE 2 – PRIOR PERIOD RESTATEMENT

The Court identified errors related to accruals and cash received that were incorrectly reported in the financial statements for the year ended December 31, 2021. The correction of the errors had the following effect on the beginning governmental fund balance:

Fund balance as previously reported - December 31, 2021	\$	5,209,315
Prior period adjustments:		
Account Receivable		50,000
Deferred Revenue		(50,000)
Due from other government		969,868
<hr/>		
Total prior period adjustments		969,868
<hr/>		
Fund Balance - December 31, 2021, as restated	\$	6,179,183

The correction of the above error had the following effect on the beginning net position:

Net Position as previously reported - December 31, 2021	\$	5,217,702
Prior period adjustments:		
Account Receivable		50,000
Deferred Revenue		(50,000)
Due from other government		969,868
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Total prior period adjustments		969,868
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Net Position - December 31, 2021, as restated	\$	6,187,570

**MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 2 – PRIOR PERIOD RESTATEMENT (CONTINUED)

The correction of errors had the following effect on the beginning fiduciary net position:

Net Position as previously reported - December 31, 2021	\$	724,547
Prior period adjustments:		
Cash bond liability		9,253
<hr/>		
Net Position - December 31, 2021, as restated	\$	733,800

NOTE 3 – CASH AND CASH EQUIVALENTS

At December 31, 2022, the Court had cash in checking accounts and certificate of deposit accounts (book balances) totaling \$7,123,558. The deposits are stated at cost, which approximates market. Under state law, the deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. As of December 31, 2022, \$7,039,996 of securities was pledged by the fiscal agent bank to collateralize the Court's deposits. As of December 31, 2022, the Court's total bank balances were fully insured and collateralized with the securities held in the name of the Court by the pledging financial institution's agency and, therefore, they were not exposed to custodial credit risk.

State law requires deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana, and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or with a trust company for the account of the political subdivision.

Custodial credit risk is the risk that in the event of a bank failure, the Court's deposits may not be returned to it. The Court has a written policy for custodial credit risk. As of December 31, 2022, cash and certificates of deposit were adequately collateralized by securities held by an unaffiliated bank for the account of the Court. GASB considers these securities subject to custodial credit risk. Even though the pledged securities are considered subject to custodial credit risk under the provisions of GASB Codification Section C20 *Cash Deposits with Financial Institutions*, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

**MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 4 – DUE FROM OTHER GOVERNMENTS

Due from other governments consisted of the following at December 31, 2022:

Due from City of New Orleans	\$	1,379,868
Due from State		50,000
Due from Orleans Parish Sheriff's Office (Custodial Funds)		8,540
Due from Department of Public Safety		3,013
		\$ 1,441,421

NOTE 5 – CAPITAL ASSETS

A schedule of changes in capital assets follows:

	January 01, 2022	Additions		December 31, 2022
Depreciable Assets:				
Computers and software	\$ 799,257	\$ -	\$	799,257
Vehicles	28,900	-		28,900
Furniture & fixtures	10,484	-		10,484
Machinery and equipment	20,853	-		20,853
Total Depreciable Assets	859,494	-		859,494
Accumulated Depreciation:				
Computers and software	(799,257)	-		(799,257)
Vehicles	(28,900)	-		(28,900)
Furniture & fixtures	(2,097)	(2,097)		(4,194)
Machinery and equipment	(20,853)	-		(20,853)
Total Accumulated Depreciation	(851,107)	(2,097)		(853,204)
Capital assets, net	\$ 8,387	\$ (2,097)		\$ 6,290

Depreciation expense for the year ended December 31, 2022 was \$2,097.

NOTE 6 – FACILITIES, FURNITURE, FIXTURES AND EQUIPMENT OWNED BY OTHER ENTITIES

The City of New Orleans is required by LA RS 13:2509 to provide suitable facilities, rooms, furniture, equipment and supplies required for the proper functioning of the Court. Assets purchased or provided by the City are listed on the City's physical asset listing instead of the Court.

NOTE 7 – LEASE COMMITMENTS

The Court leases office equipment on a month-to-month basis.

**MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 8 – ON-BEHALF PAYMENTS FOR SALARIES AND FRINGE BENEFITS

The City of New Orleans pays the salaries and benefits for the Court. The Court is not legally responsible for these salaries or the related benefits. Therefore, the basis for recognizing the revenue and expenditure payments is the actual contributions made by the City. For the year ended December 31, 2022, these on-behalf payments have been recorded in the accompanying financial statements, in accordance with Governmental Accounting Standards Board Statement 24 - *Accounting and Financial Reporting For Certain Grants and Other Financial Assistance*, as intergovernmental revenues and expenditures as follows:

Judicial Expense Fund:		
Salaries	\$	4,413,894
Benefits		1,860,797
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Total on-behalf payments	\$	6,274,691
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These expenditures are included in personnel services and related benefits expenditures on the Statement of Revenues, Expenditures, and Changes in Fund Balance. The related revenues are included in the City revenues – on-behalf payments on the Statement of Revenues, Expenditures, and Changes in Fund Balance.

REQUIRED SUPPLEMENTARY INFORMATION

**MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
BUDGETARY COMPARISON SCHEDULE - JUDICIAL EXPENSE FUND (GENERAL FUND)
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Adopted Budget	Amended Budget	Actuals	Variance Favorable/ (Unfavorable)
REVENUE				
City revenues - on-behalf payments	\$ 7,492,507	\$ 7,492,507	\$ 6,274,691	\$ (1,217,816)
City revenues - general fund	969,868	969,868	969,868	-
Criminal Court costs/fees	750,000	750,000	434,543	(315,457)
Interest	600	600	831	231
Grant revenue	62,017	62,017	112,017	50,000
Other income	108,000	108,000	104,950	(3,050)
Total Revenue	9,382,992	9,382,992	7,896,900	(1,486,092)
EXPENDITURES				
Personnel costs	7,492,507	7,492,507	6,274,691	1,217,816
Operating services	969,868	841,065	719,151	121,914
Grant expenses	62,017	62,017	62,017	-
Total Expenditures	8,524,392	8,395,589	7,055,859	1,339,730
EXCESS OF REVENUE OVER EXPENDITURES	858,600	987,403	841,041	(146,362)
FUND BALANCE - Beginning of year, restated	4,680,063	4,680,063	4,680,063	-
FUND BALANCE - End of year	\$ 5,538,663	\$ 5,667,466	\$ 5,521,104	\$ (146,362)

**MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
BUDGETARY COMPARISON SCHEDULE - PROBATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Adopted Budget</u>	<u>Amended Budget</u>	<u>Actuals</u>	<u>Variance Favorable/ Unfavorable</u>
REVENUE				-
Probation fees	\$ 70,000	\$ 70,000	\$ 54,910	\$ (15,090)
Total Revenue	70,000	70,000	54,910	(15,090)
EXPENDITURES				
Total Expenditures	-	-	-	-
NET CHANGES IN FUND BALANCE	70,000	70,000	54,910	(15,090)
FUND BALANCE- Beginning of year	1,231,667	1,231,667	1,231,667	-
FUND BALANCE-End of year	\$ 1,301,667	\$ 1,301,667	\$ 1,286,577	\$ (15,090)

**MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AS OF DECEMBER 31, 2022**

	Custodial Funds		
	Fines and Fees Fund	Cash Bonds Fund	Total Custodial Funds
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 76,529	538,829	\$ 615,358
Due from other governments	-	8,540	8,540
TOTAL ASSETS	76,529	547,369	623,898
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES			
Accounts payable	-	-	-
TOTAL LIABILITIES	-	-	-
NET POSITION			
Restricted for individuals and other governments	76,529	547,369	623,898
TOTAL NET POSITION	\$ 76,529	\$ 547,369	\$ 623,898

**MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Fines and Fees Fund</u>	<u>Cash Bonds Fund</u>	<u>Total Custodial Funds</u>
ADDITIONS:			
Contributions:			
Individuals for bonds	\$ -	\$ 8,900	\$ 8,900
Fines and fees collected for other agencies	1,524,553	-	1,524,553
Total Additions	1,524,553	8,900	1,533,453
DEDUCTIONS:			
Payments to City of New Orleans	1,017,448	-	1,017,448
Payments to other agencies	554,236	-	554,236
Payments to Individuals	-	45,295	45,295
Payments to State Treasury	-	18,948	18,948
Bond forfeitures	-	7,428	7,428
Total Deductions	1,571,684	71,671	1,643,355
CHANGE IN NET POSITION	(47,131)	(62,771)	(109,902)
Net position - Beginning of year	123,660	600,887	724,547
Prior period restatement	-	9,253	9,253
Net position - Beginning of year, restated	123,660	610,140	733,800
Net Position - End of year	\$ 76,529	\$ 547,369	\$ 623,898

OTHER SUPPLEMENTARY INFORMATION

**MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
SCHEDULE OF COMPENSATION, BENEFITS,
AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2022**

Agency Head Name: Judge Paul Sens

	Amount
Salary	\$ 108,064
Benefits-health insurance	9,000
Benefits-retirement	-
Deferred compensation	-
Workers comp	-
Benefits-life insurance	300
Benefits-long term disability	-
Benefits-Fica & Medicare	1,466
Car allowance	-
Vehicle provided by government	-
Cell phone	969
Dues	575
Vehicle rental	-
Per diem	277
Reimbursements	-
Travel	-
Registration fees	775
Conference travel	1,557
Unvouchered expenses	-
Meetings & conventions	-
Other	-
Total	\$ 122,983

**MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY
AS REQUIRED BY ACT 87 OF THE 2021 REGULAR LEGISLATIVE SESSION**

	First Six Month Period Ended 6/30/2022	Second Six Month Period Ended 12/31/2022
Beginning Balance of Amounts Collected (i.e. cash on hand)	\$ 161,838	\$ 173,201
Add: Collections		
Criminal Court Costs/Fees	647,363	361,279
Criminal Fines - Other	624,187	362,229
Subtotal Collections	1,271,550	723,508
Less: Disbursements To Governments & Nonprofits:		
CITY OF NEW ORLEANS - Fines Other	621,138	396,310
APPLIED TECHNOLOGY SECTION - Court fees	2,810	4,242
CORONER'S OFFICE - Court fees	730	570
CRIMESTOPPERS- Court fees	9,772	6,144
CRIMINAL DISTRICT COURT - Court fees	24,485	15,335
DHH-TH/SCI T.F - Court fees	3,955	3,097
DISTRICT ATTORNEY OFFICE - Court fees	33,775	21,611
INDIGENT DEFENDER PROGRAM - Court fees	235,811	145,720
LOUISIANA COMMISSION OF LAW ENFOR. - Court fees	10,938	7,441
LA DEPT OF WILDLIFE AND FISHERIES - Court fees	5	-
JUDICIAL COLLEGE - Court fees	2,403	1,529
SUPREME COURT OF LOUISIANA (CMIS) - Court fees	14,654	9,210
Less: Amounts Retained by Collecting Agency		
MTCNO JEF - Court fees	244,345	157,140
Building fund	23,063	14,875
Probation fund	32,305	22,355
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Payments to 3rd Party Collection/Processing Agencies		-
Subtotal Disbursements/Retainage	1,260,189	805,579
Total: Ending Balance of Amounts Collected but not Disbursed/Retained	\$ 173,199	\$ 91,130

**REPORTS REQUIRED BY
*GOVERNMENT AUDITING STANDARDS***



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**INDEPENDENT AUDITORS' 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 Judges en banc of
Municipal and Traffic Court of New Orleans
New Orleans, Louisiana

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 Municipal and Traffic Court of New Orleans (the Court), which comprise the governmental activities, each major fund, and the aggregate remaining fund information as of and for the year ended December 31, 2022, and the related notes to financial statements, which collectively comprise the Court's basic financial statements and have issued our report thereon dated June 28, 2023.

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 opinion 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 were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be material weaknesses.

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 financial statements. 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2022-002.

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 Court's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Carr, Riggs & Ingram, L.L.C.

June 28, 2023

New Orleans, LA

**MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2022**

We have audited the basic financial statements of Municipal and Traffic Court of New Orleans as of and for the year ended December 31, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2022 resulted in an unmodified opinion.

Section I: Summary of Auditors' Report

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control:

Material Weaknesses Yes

Significant Deficiencies No

Compliance:

NonCompliance Material to Financial Statements No

b. Federal Awards

There were no federal awards noted.

SECTION II – DEFICIENCIES IDENTIFIED DURING THE AUDIT

2022-001 Internal Control Over Financial Reporting

Criteria: Adequate internal controls over the preparation of financial statements in accordance with U.S. GAAP includes a detailed review of account balances at year-end to ensure all amounts are properly accrued.

Condition: In 2022, the Court received a reimbursement check for 2021 expenses paid by the Court that were ultimately reimbursable by the City of New Orleans. This check was not deposited until July 2022.

Cause: A change in administration resulted in the check not being deposited timely due to lack of information provided during the transition.

Effect: The Court recorded a prior period restatement to adjust the cash and cash equivalents and fund balance in the General Fund.

Recommendation: It is recommended that the Court perform a more detailed review for accruals at year-end.

2022-002 Budget Compliance

Criteria: Louisiana Revised Statute 39:1311 requires governments to amend their budgets when budgeted revenues exceed actual revenues by more than 5 percent.

Condition: For the year ended December 31, 2022, the General Fund and the Probation Fund both had budgeted revenues that exceeded actual revenues by more than 5 percent.

Cause: The Court's office did not appropriately amend the budgets to comply with LA Revised Statute 39:1311.

Effect: The Court is not in compliance with Louisiana Revised Statute 39:1311.

Recommendation: It is recommended that the Court amend budgets when the budgeted amount exceeds projected and actual amounts by more than 5%.

SECTION III – COMPLIANCE AND OTHER MATTERS

None noted.

**MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2022**

SECTION II – DEFICIENCIES IDENTIFIED DURING THE AUDIT

None noted.

SECTION III – COMPLIANCE AND OTHER MATTERS

None noted.



State of Louisiana

Municipal and Traffic Court of New Orleans



Honorable Robert E. Jones, III
Administrative Judge, Division B

Honorable Paul N. Sens
Judge, Division A

Honorable Charlene C. Larche-Mason
Judge, Division C

Honorable Mark J. Shea
Judge, Division D

Honorable Bobbie C. Smith
Judge, Division E

Honorable Joseph B. Landry
Judge, Division F

Honorable Steven M. Jupiter
Judge, Division G

Monique Boissiere
Judicial Administrator

Christopher P. Sens
Clerk Of Court

Responses to the 2022 Financial Statement Audit Findings:

2022-001 Internal Control Over Financial Reporting:

MTCNO experienced a change in administration when both the former Finance Operations Manager and Judicial Administrator left MTCNO. In addition, the shutdown of the Court due to Hurricane Ida's damaged working building impacted the Court's daily operations and staffing. The lack of information provided during the transaction resulted in the 2021 check not being deposited until July 2022 and the prior period fund balance adjustment in General fund. Despite these unfortunate incidents, going forward, the Court will make sure every transaction will be recorded in the accounting system and will perform a more detailed review for accruals at year-end.

Responsible Party: Minxia Yang, Finance Operations Manager

Anticipated Completion Date: June 2023

2022-002 Budget Compliance

Going forward, MTCNO will ensure that budget amendments are completed when the budgeted amount exceeds actual amounts by more than 5% in accordance with the Louisiana Local Government Budget Act.

Responsible Party: Minxia Yang, Finance Operations Manager

Anticipated Completion Date: June 2023

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Judges en banc of
Municipal and Traffic Court of New Orleans
New Orleans, Louisiana

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2022 through December 31, 2022. Municipal and Traffic Court of New Orleans (the Court) management is responsible for those C/C areas identified in the SAUPs.

Municipal and Traffic Court of New Orleans has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2022 through December 31, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated results are as follows:

Written Policies and Procedures

1. Obtain and inspect the Court's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the Court's operations:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
Results: No exceptions were found as a result of applying the above procedure.
 - 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.
Results: No exceptions were found as a result of applying the above procedure.

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

Results: No exceptions were found as a result of applying the above procedure.

- 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: No exceptions were found as a result of applying the above procedure.

- e) **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: No exceptions were found as a result of applying the above procedure.

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

Results: No exceptions were found as a result of applying the above procedure.

- 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: No exceptions were found as a result of applying the above procedure.

- h) **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 documentation is maintained to demonstrate that all employees and officials were notified of any changes to the Court's ethics policy.

Results: No exceptions were found as a result of applying the above procedure.

- i) **Information Technology 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: No exceptions were found as a result of applying the above procedure.

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

Results: No exceptions were found as a result of applying the above procedure.

Bank Reconciliations

3. Obtain a listing of Court's bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the Court's main operating account. Select the Court'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 each selected account, and observe that:

Results: No exceptions were found as a result of applying the above procedure.

- 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: No exceptions were found as a result of applying the above procedure.

- 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: No exceptions were found as a result of applying the above procedure.

- 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: No exceptions were found as a result of applying the above procedure.

Collections (excluding electronic funds transfers)

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: No exceptions were found as a result of applying the above procedure.

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

Results: No exceptions were found as a result of applying the above procedure.

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

Results: No exceptions were found as a result of applying the above procedure.

- 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: No exceptions were found as a result of applying the above procedure.

- 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: No exceptions were found as a result of applying the above procedure.

- 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 verifies the reconciliation.

Results: No exceptions were found as a result of applying the above procedure.

- 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: No exceptions were found as a result of applying the above procedure.

- 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). Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

Results: No exceptions were found as a result of applying the above procedure.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Results: No exceptions were found as a result of applying the above procedure.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

Results: No exceptions were found as a result of applying the above procedure.

- 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).

Results: Deposits were not made within one business day of receipt at the collection location.

- e) Trace the actual deposit per the bank statement to the general ledger.

Results: No exceptions were found as a result of applying the above procedure.

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: No exceptions were found as a result of applying the above procedure.

- 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:

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

Results: No exceptions were found as a result of applying the above procedure.

- b) At least two employees are involved in processing and approving payments to vendors.

Results: No exceptions were found as a result of applying the above procedure.

- 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.

Results: No exceptions were found as a result of applying the above procedure.

- 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.

Results: No exceptions were found as a result of applying the above procedures.

- e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

Results: No exceptions were found as a result of applying the above procedures.

- 10. For each location selected under #8 above, obtain the Court'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:

- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the Court.

Results: No exceptions were found as a result of applying the above procedure.

- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Results: No exceptions were found as a result of applying the above procedure.

11. Using the Court's main operating account and the month selected in Bank Reconciliations procedure #3, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the Court's policy, and (b) approved by the required number of authorized signers per the Court's policy. Note: If no electronic payments were made from the main operating account during the month selected, the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

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

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

Results: No exceptions were found as a result of applying the above procedure.

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

- a) Observe that 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) was reviewed and approved, in writing, by someone other than the authorized card holder.

Results: No exceptions were found as a result of applying the above procedure.

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

Results: No exceptions were found as a result of applying the above procedure.

14. Using the monthly statements or combined statements selected under #13 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 that 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 the missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Results: No exceptions were found as a result of applying the above procedure.

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

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

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: No exceptions were found as a result of applying the above procedure.

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

Results: No exceptions were found as a result of applying the above procedure.

c) Observe that 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: No exceptions were found as a result of applying the above procedure.

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

Results: No exceptions were found as a result of applying the above procedure.

Contracts

16. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. 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: No exceptions were found as a result of applying the above procedure.

- b) Observe whether the contract was approved by the governing body/board, if required by policy or law.

Results: No exceptions were found as a result of applying the above procedure.

- 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: No exceptions were found as a result of applying the above procedure.

- 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 exceptions were found as a result of applying the above procedure.

Ethics

- 17. Obtain a listing of officials employed during the fiscal period and management's representation that the listing is complete.

Results: No exceptions were found as a result of applying the above procedure.

- 18. Randomly select 5 officials from procedure #17 above, obtain ethics documentation from management, and:

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

Results: No exceptions were found as a result of applying the above procedure.

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

Results: No exceptions were found as a result of applying the above procedure.

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

Results: No exceptions were found as a result of applying the above procedures.

Fraud Notice

20. 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 Court reported the misappropriation(s) to the legislative auditor and the j attorney of the parish in which the Court is domiciled.

Results: No exceptions were found as a result of applying the above procedure.

21. Observe the Court 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 were found as a result of applying the above procedure.

IT Disaster Recovery

22. 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 Court'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 evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

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

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

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

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

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

Sexual Harassment

23. Using the 5 randomly selected employees/officials from procedure #17 under “Ethics” 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: No exceptions were found as a result of applying the above procedure.

24. 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: No exceptions were found as a result of applying the above procedure.

25. 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:

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

Results: No exceptions were found as a result of applying the above procedure.

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

Results: No exceptions were found as a result of applying the above procedure.

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

Results: No exceptions were found as a result of applying the above procedure.

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

Results: No exceptions were found as a result of applying the above procedure.

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

Results: No exceptions were found as a result of applying the above procedure.

We were engaged by the Court to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed

additional procedures, other matters might have come to our attention that would have been reported to you.

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

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

Carr, Riggs & Ingram, L.L.C.

June 28, 2023
Metairie, Louisiana



State of Louisiana

Municipal and Traffic Court of New Orleans



Honorable Robert E. Jones, III
Administrative Judge, Division B

Honorable Paul N. Sens
Judge, Division A

Honorable Charlene C. Larche-Mason
Judge, Division C

Honorable Mark J. Shea
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Judge, Division G

Monique Boissiere
Judicial Administrator

Christopher P. Sens
Clerk Of Court

June 28, 2023

Louisiana Legislative Auditor
1600 North 3rd Street
P.O. Box 94397
Baton Rouge, LA 70804-9397

And

Carr, Riggs & Ingram, LLC
111 Veterans Blvd.
Suite 350
Metairie, LA 70005

RE: Management's Response to Statewide Agreed-Upon Procedures
Municipal and Traffic Court of New Orleans

Dear Sirs and Madams:

The Municipal and Traffic Court of New Orleans will review policies and procedures regarding the comments for each financial function and make appropriate changes that will improve internal controls in each area that are cost effective and within our budget constraints.

Sincerely,

Handwritten signature of Minxia Yang in cursive.

Minxia Yang

Financial Operations Manager

Handwritten signature of Monique Boissiere in cursive.

Monique Boissiere
Judicial Administrator