
MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS

FINANCIAL STATEMENTS

DECEMBER 31, 2024



MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS

FINANCIAL STATEMENTS

DECEMBER 31, 2024

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S 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, 2024, 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, 2024, 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 the Court and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Court's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-9 and pages 30-32 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries,

the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Court's basic financial statements. The accompanying combining fiduciary fund financial statements, schedule of compensation, benefits and other payments to agency head and justice system funding schedule 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 combining fiduciary fund financial statements, schedule of compensation, benefit and other payments to agency head and justice system funding schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 4, 2025, on our consideration of the Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Court's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Court's internal control over financial reporting and compliance.

Richard CPAS

Metairie, Louisiana
April 4, 2025

REQUIRED SUPPLEMENTARY INFORMATION (PART 1)

MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2024

Management's discussion and analysis (MD&A) of the Municipal and Traffic Court of New Orleans' financial performance is designed to provide an overview of the financial activities as of and for the year ended December 31, 2024. This information should be read in conjunction with the basic financial statements and the accompanying notes to financial statements.

FINANCIAL HIGHLIGHTS

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

Total government-wide assets as of December 31, 2024, were \$9,894,572 and total liabilities were \$1,237,745. As of December 31, 2024, the Court had a net position of \$8,656,827 of which \$6,910,585 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 \$6,318,159. These on-behalf payments have been recorded as city revenues.

In the Statement of Activities, program expenses were less than program revenues in the current year by \$848,501.

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

OVERVIEW OF THE FINANCIAL STATEMENTS

The MD&A is required information that provides an overview of the Municipal and Traffic Court of New Orleans (the Court) basic financial statements and financial activities. A user of this report should read the independent auditor's 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 and General Fund Financial Statements.

MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2024

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position reflects the financial position of the Court. The unrestricted net position for the Court as reflected in this statement consists of funds available 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 Court's 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, 2024

GOVERNMENT WIDE FINANCIAL STATEMENT ANALYSIS

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 government-type activities:

CONDENSED STATEMENT OF NET POSITION

	<u>2024</u>	<u>2023</u>	<u>Dollar Variance</u>	<u>Percent Variance</u>
Current and other assets	\$ 9,876,899	\$ 9,047,914	\$ 828,985	9.16%
Capital assets, net of Accumulated Depreciation	<u>17,673</u>	<u>21,647</u>	<u>(3,974)</u>	<u>-18.36%</u>
Total Assets	<u>9,894,572</u>	<u>9,069,561</u>	<u>825,011</u>	<u>9.10%</u>
 Current liabilities	 <u>1,237,745</u>	 <u>1,262,080</u>	 <u>(24,335)</u>	 <u>-1.93%</u>
Total Liabilities	<u>1,237,745</u>	<u>1,262,080</u>	<u>(24,335)</u>	<u>-1.93%</u>
 Net Position:				
Net investment in capital assets	17,673	21,647	(3,974)	-18.36%
Restricted	1,728,569	1,633,020	95,549	5.85%
Unrestricted	<u>6,910,585</u>	<u>6,152,814</u>	<u>757,771</u>	<u>12.32%</u>
Total Net Position	<u>\$ 8,656,827</u>	<u>\$ 7,807,481</u>	<u>\$ 849,346</u>	<u>10.88%</u>

The increase in current and other assets was primarily due to current year operating results and federal grants; therefore, increasing cash balances and accounts receivable.

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.

MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2024

GOVERNMENT-WIDE FINANCIAL STATEMENT ANALYSIS (CONTINUED)

CONDENSED STATEMENTS OF ACTIVITIES

	2024	2023	Dollar Variance	Percent Variance
Program revenue	\$ 8,195,684	\$ 7,911,538	\$ 284,146	3.59%
Interest earnings	845	833	12	1.44%
Total revenue	8,196,529	7,912,371	284,158	5.03%
Total program expense	7,347,183	7,218,609	128,574	1.78%
Change in net position	849,346	693,762	155,584	18%
Net position - beginning of the year	7,807,481	7,113,719	693,762	9.75%
Net position - end of the year	<u>\$ 8,656,827</u>	<u>\$ 7,807,481</u>	<u>\$ 849,346</u>	<u>10.88%</u>

The program revenues have increased due to the increase in the intergovernmental revenues from the City of New Orleans. The Court also had increased ticket revenues because of an increase in the tickets issued in traffic cases.

The increase in program expenses was primarily due to employee pay raises from the increase in intergovernmental expenses, paid by the City of New Orleans.

MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2024

FINANCIAL STATEMENT ANALYSIS ON THE GENERAL FUND (JUDICIAL EXPENSE FUND)

The Court 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. The most significant major fund balance is the General Fund.

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

	2024	2023	Dollar Variance	Percent Variance
Ticket revenue	\$ 479,772	\$ 374,690	\$ 105,082	28.05%
Other revenue	7,400,180	7,376,751	23,429	0.32%
Total revenue	7,879,952	7,751,441	128,511	1.66%
Total expenditures	7,138,012	7,103,900	34,112	0.48%
Net change in fund balance	741,940	647,541	94,399	14.58%
Net position - beginning of the year	6,168,645	5,521,104	647,541	11.73%
Net position - end of the year	<u>\$ 6,910,585</u>	<u>\$ 6,168,645</u>	<u>\$ 741,940</u>	<u>12.03%</u>

Ticket revenue is primarily driven by the number of citations issued. The volume of citations is influenced by the number of commissioned officers and the department's traffic enforcement objectives. For the fiscal year December 31, 2024, the ticket revenue increased by \$105,082. There was also an increase in intergovernmental revenues related to the City of New Orleans for the payment of increased salary wages.

The increase in expenditures was due to an increase in professional services related to the Court and an increase in intergovernmental expenses from the City of New Orleans for payment of salaries.

MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2024

CAPITAL ASSETS AND DEPRECIATION

As of December 31, 2024 and 2023, the Court's investment in capital assets, net of accumulated depreciation, for governmental activities was \$17,673 and \$21,647, respectively. As of December 31, 2024 and 2023, the Court recorded disposals of \$457,720 with a net book value of \$0. As of December 31, 2023, the Court recorded no disposals. Summary of capital assets is detailed below:

	2024	2023	Dollar Variance	Percent Variance
Computer software	\$ 368,316	\$ 805,183	\$ (436,867)	-54.26%
Vehicles	28,900	28,900	-	0.00%
Furnitures & Fixtures	25,511	25,511	-	0.00%
Machinery and equipment	3,990	20,853	(16,863)	-80.87%
Total cost	<u>426,717</u>	<u>880,447</u>	<u>(453,730)</u>	<u>-51.53%</u>
Accumulated depreciation	(409,044)	(858,800)	(7,964)	0.93%
Net capital assets	<u>\$ 17,673</u>	<u>\$ 21,647</u>	<u>\$ (461,694)</u>	<u>-2132.83%</u>
Depreciation expense	<u>\$ 7,964</u>	<u>\$ 5,596</u>	<u>\$ 5,596</u>	<u>100.00%</u>

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 FACTORS AND NEXT YEAR'S BUDGET

The Court is fiscally dependent on the City of New Orleans and payments from traffic violations. The City of New Orleans provides all the salaries for the Court's employees.

CONTACTING THE COURT'S FINANCIAL MANAGEMET

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. Boissiere, Judicial Administrator, Municipal and Traffic Court of New Orleans Court, 1601 Perdido St, New Orleans, LA 70112.

BASIC FINANCIAL STATEMENTS
GOVERNMENT-WIDE FINANCIAL STATEMENTS

MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2024

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Current assets:	
Cash and cash equivalents	\$ 9,764,322
Due from custodial funds (pooled cash)	49,851
Accounts receivable	17,490
Prepaid expenses	26,105
Due from other governments	19,131
Total current assets	<u>9,876,899</u>
Capital assets, net of accumulated depreciation	<u>17,673</u>
Total assets	<u><u>\$ 9,894,572</u></u>
<u>LIABILITIES</u>	
Accounts payable	\$ 22,232
Due to other governments	15,513
Unearned revenue	1,200,000
Total liabilities	<u>1,237,745</u>
<u>NET POSITION</u>	
Net investment in capital assets	17,673
Restricted for probation	1,384,337
Restricted for building and maintenance	344,232
Unrestricted net position	<u>6,910,585</u>
Total net position	<u><u>\$ 8,656,827</u></u>

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, 2024

<u>FUNCTIONS/PROGRAMS</u>	<u>Program Revenues</u>			Net Revenue (Expense) and Changes in Net Position
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants</u>	
Governmental activities:				
General - fees/services	<u>\$ 7,347,183</u>	<u>\$ 688,291</u>	<u>\$ 7,507,393</u>	<u>\$ 848,501</u>
				-
Total governmental activities	<u><u>\$ 7,347,183</u></u>	<u><u>\$ 688,291</u></u>	<u><u>\$ 7,507,393</u></u>	<u>848,501</u>
<u>GENERAL REVENUES</u>				
				845
Interest income				845
Total general revenues				<u>845</u>
Change in net position				<u>849,346</u>
Net position, beginning of the year				<u>7,807,481</u>
Net position, end of year				<u><u>\$ 8,656,827</u></u>

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

BASIC FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENTS
GOVERNMENTAL FUNDS

MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
BALANCE SHEET - GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2024

	Judicial Expense Fund (General Fund)	Probation Fund	Special Programs Fund	Nonmajor Governmental Fund - Building and Maintenance Fund	Total Governmental Funds
<u>ASSETS</u>					
Cash and cash equivalents	\$ 6,845,011	\$ 1,379,449	\$ 1,200,000	\$ 339,862	\$ 9,764,322
Due from custodial funds (pooled cash)	40,593	4,888	-	4,370	49,851
Accounts receivable	17,490	-	-	-	17,490
Prepaid expenses	26,105	-	-	-	26,105
Due from other governments	3,678	-	15,453	-	19,131
Due from other funds	-	-	-	-	-
<u>TOTAL ASSETS</u>	<u>\$ 6,932,877</u>	<u>\$ 1,384,337</u>	<u>\$ 1,215,453</u>	<u>\$ 344,232</u>	<u>\$ 9,876,899</u>
<u>LIABILITIES AND FUND BALANCES</u>					
<u>LIABILITIES</u>					
Accounts payable	\$ 22,232	\$ -	\$ -	\$ -	\$ 22,232
Due to other governments	60	-	15,453	-	15,513
Unearned revenue	-	-	1,200,000	-	1,200,000
<u>TOTAL LIABILITIES</u>	<u>22,292</u>	<u>-</u>	<u>1,215,453</u>	<u>-</u>	<u>1,237,745</u>
<u>FUND BALANCES</u>					
Nonspendable	26,105	-	-	-	26,105
Restricted for probation	-	1,384,337	-	-	1,384,337
Restricted for building and maintenance	-	-	-	344,232	344,232
Unassigned balance	6,884,480	-	-	-	6,884,480
<u>TOTAL FUND BALANCES</u>	<u>6,910,585</u>	<u>1,384,337</u>	<u>-</u>	<u>344,232</u>	<u>8,639,154</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 6,932,877</u>	<u>\$ 1,384,337</u>	<u>\$ 1,215,453</u>	<u>\$ 344,232</u>	<u>\$ 9,876,899</u>

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

MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2024

Total governmental fund balances	\$	8,639,154
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets are not reported in the fund financial statements because they are not current financial resources, but they are reported in the government-wide statement of net position

Cost of capital assets	\$	426,717	
Less: Accumulated depreciation		<u>(409,044)</u>	<u>17,673</u>

Net position of governmental activities	\$	<u><u>8,656,827</u></u>
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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 BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Judicial Expense Fund (General Fund)	Probation Fund	Special Programs Fund	Nonmajor Governmental Fund - Building and Maintenance Fund	Total Governmental Funds
<u>REVENUES</u>					
Court cost fees	\$ 385,485	\$ -	\$ -	\$ -	\$ 385,485
Criminal processing fees and admin fees	82,130	-	-	-	82,130
Criminal contempt fines and other fines	12,157	-	-	-	12,157
Special revenue fees - building and maintenance	-	-	-	46,197	46,197
Federal grants	-	-	219,366	-	219,366
City revenues - on-behalf payments	6,318,159	-	-	-	6,318,159
City revenues - general fund	969,868	-	-	-	969,868
Interest income	845	-	-	-	845
Supervision and special program fees	-	51,014	-	-	51,014
Use of building and technology	108,000	-	-	-	108,000
Restitution income	3,156	-	-	-	3,156
Credit, refunds, reimbursement	152	-	-	-	152
Total revenues	<u>7,879,952</u>	<u>51,014</u>	<u>219,366</u>	<u>46,197</u>	<u>8,196,529</u>
<u>EXPENDITURES</u>					
General government:					
Personnel services and related benefits	6,318,159	-	155,738	-	6,473,897
Court services - support court	257,590	-	-	-	257,590
Facilities/buildings expenses	2,208	-	-	474	2,682
Office equipment and furniture	7,146	-	-	-	7,146
Office supplies	23,706	-	-	242	23,948
Operating expenses	33,280	-	-	946	34,226
Operating services	81,966	-	-	-	81,966
Professional services	318,667	-	47,797	-	366,464
Travel and support expenses - employee support	20,628	-	-	-	20,628
Travel and support expenses - judge support	70,672	-	-	-	70,672
Capital outlay	3,990	-	-	-	3,990
Total expenditures	<u>7,138,012</u>	<u>-</u>	<u>203,535</u>	<u>1,662</u>	<u>7,343,209</u>
<u>NET CHANGE IN FUND BALANCE</u>	741,940	51,014	15,831	44,535	853,320
<u>FUND BALANCES, BEGINNING OF YEAR</u>	<u>6,168,645</u>	<u>1,333,323</u>	<u>(15,831)</u>	<u>299,697</u>	<u>7,785,834</u>
<u>FUND BALANCES, END OF YEAR</u>	<u>\$ 6,910,585</u>	<u>\$ 1,384,337</u>	<u>\$ -</u>	<u>\$ 344,232</u>	<u>\$ 8,639,154</u>

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

MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

Net change in fund balances - total governmental funds \$ 853,320

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

Capital assets are not reported in the fund financial statements because they are not current financial resources, but they are reported in the government-wide statement of net position

Capital outlays	3,990	
Current year depreciation expense	(7,964)	(3,974)
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Change in net position of governmental activities	<u>\$ 849,346</u>
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The accompanying notes are an integral part of this financial statement.

BASIC FINANCIAL STATEMENTS
FIDUCIARY FUND FINANCIAL STATEMENTS

MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
STATEMENT OF FIDUCIARY NET POSITION
AS OF DECEMBER 31, 2024

	<u>Custodial Funds</u>
<u>ASSETS</u>	
Current assets:	
Cash and cash equivalents	\$ 680,172
Total assets	<u>\$ 680,172</u>
<u>LIABILITIES</u>	
Due to other funds	\$ -
Total liabilities	<u>-</u>
<u>NET POSITION</u>	
Restricted for individuals and other governments	680,172
Total net position	<u>680,172</u>
Total liabilities and net position	<u>\$ 680,172</u>

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, 2024

	<u>Custodial Funds</u>
<u>ADDITIONS</u>	
Contributions:	
Individual for bonds	\$ 13,126
Fines and fees collected for other agencies	<u>1,735,573</u>
Total additions	<u>1,748,699</u>
<u>DEDUCTIONS</u>	
Payments to City of New Orleans	1,059,742
Payments to other governments	637,971
Payments to individuals	18,249
Bonds applied to fines	<u>3,533</u>
Total liabilities	<u>1,719,495</u>
<u>CHANGE IN NET POSITION</u>	29,204
Net position - beginning of the year	<u>650,968</u>
Net position - end of the year	<u><u>\$ 680,172</u></u>

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

MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

1. Summary of Significant Accounting Policies

History and Organization

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.

MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

1. Summary of Significant Accounting Policies (continued)

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.

Governmental 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.

MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

1. Summary of Significant Accounting Policies (continued)

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 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

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

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.

MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

1. Summary of Significant Accounting Policies (continued)

Basis of accounting – Government Wide Financial Statements (continued)

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.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Court does not have any items that meet the criteria for this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Court does not have any items that meet the criteria for this category.

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:

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.

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.

Unrestricted – All other net position is reported in this category.

MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

1. Summary of Significant Accounting Policies (continued)

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, 2024.

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, 2024.

Unassigned – This component consists of amounts that have not been restricted, committed or assigned to specific purposes within the fund.

MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

1. Summary of Significant Accounting Policies (continued)

Budget

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 Special Programs Fund, the budget is presented on a budgetary basis. Since accounting principles applied for purposes of developing data on a budgetary basis differ from those used to present financial statements in conformity with GAAP, a reconciliation of the resulting basis, timing, and differences is presented at the bottom of the budget schedule. 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>
Computer and software	3 years
Machinery and equipment	3 years
Furnitures and 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, and those estimates could be material.

MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

1. Summary of Significant Accounting Policies (continued)

Recent Pronouncements –Adopted

The GASB issued Statement No. 87, *Leases*. The objective of GASB 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The adoption of this standard had no material impact on the financial statements.

In May 2020, the GASB issued Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance, postponing the effective date of Statement No. 87 to reporting periods beginning after June 15, 2021. The adoption of this standard had no material impact on the financial statements.

The GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements. The Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. The Statement is effective for fiscal years beginning after June 15, 2022. The adoption of this standard had no material impact on the financial statements.

The GASB issued Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. The requirements of this Statement related to the accounting and financial reporting for Internal Revenue Code Section 457 plans are effective for periods beginning after June 15, 2021. The adoption of these standards did not have a material impact on the financial statements of the Court.

The Court has adopted GASB Statement No. 99, Omnibus 2022. This standard establishes or amends accounting and financial reporting requirements for specific issues related to financial guarantees, derivative instruments, leases, public - public and public - private partnerships (PPPs), subscription - based information technology arrangements (SBITAs), the transition from the London Interbank Offered Rate (LIBOR), the Supplemental Nutrition Assistance Program (SNAP) (formerly, food stamps), nonmonetary transactions, pledges of future revenues, the focus of government - wide financial statements, and terminology. Requirements related to leases, PPPs, and SBITAs were implemented in the prior year report. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for this report. The Statement did not have a material impact on the Court.

MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

1. Summary of Significant Accounting Policies (continued)

Recent Pronouncements –Adopted (continued)

The Statement is effective for fiscal years beginning after December 15, 2023. The GASB has released Statement No. 101, Compensated Absences (Statement 101), which replaces GASB Statement No. 16, Accounting for Compensated Absences. Statement 101 requires liabilities for compensated absences to be recognized for: Leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. Under the new Statement a liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered; (b) the leave has accumulated; and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits is not included in the compensated absences liability. The Statement also addresses the timing of the recognition of a liability for certain types of compensated absences, such as sabbatical leave, parental leave, military leave, jury duty leave and other specific types of compensated balances. The adoption of this standard did not have a material impact on the financial statements of the Court.

Future Pronouncement

GASB Statement No. 103, Financial Reporting Model Improvements, establishes new accounting and financial reporting requirements – or modifies existing requirements – related to the following: (a) Management’s discussion and analysis (MD&A), (b) Unusual or infrequent items, (c) Presentation of the Proprietary fund statement of revenues, expenses, and changes in fund net position, (d) Information about major component units in basic financial statements, (e) Budgetary comparison information and (f) Financial trends information in the statistical section. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

GASB Statement 104, Disclosure of Certain Capital Assets, requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by GASB Statement 34, including leases and subscription - based information technology arrangements. This Statement also requires additional disclosures for capital assets held for sale. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. The Court has not yet determined the effect these Statements will have on the Court’s financial statements and disclosures.

MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

2. Cash and Cash Equivalents

At December 31, 2024, the Court had cash in checking accounts and certificate of deposit accounts (bank balances) totaling \$10,510,349. 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, 2024, \$10,416,691 of securities was pledged by the fiscal agent bank to collateralize the Court's deposits. As of December 31, 2024, 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, 2024, 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 FINANCIAL STATEMENTS

DECEMBER 31, 2024

3. Due From/Due to Other Governments

Due from other governments consisted of the following as of December 31, 2024:

Due from federal government	\$ 15,453
Due from Department of Public Safety	<u>3,678</u>
	<u><u>\$ 19,131</u></u>

Due to other governments consisted of the following as of December 31, 2024

Due to LA State Treasury	\$ 60
Due to City of New Orleans	<u>15,453</u>
	<u><u>\$ 15,513</u></u>

The major and non-major funds report amounts due from custodial funds primarily related to traffic tickets and court fees. These amounts represent deposits collected by the custodial funds that had not yet been distributed to the appropriate governmental funds as of year-end. The balances are short-term in nature and were settled shortly after the close of the fiscal year. The due from custodial funds balances as of December 31, 2024, are as follows:

	<u>Due from Custodial Funds</u>
Major funds:	
General fund	\$ 40,593
Probation fund	<u>4,888</u>
Total major funds	<u>45,481</u>
Non-major funds:	
Building and maintenance fund	<u>4,370</u>
Total non-major funds	<u>4,370</u>
Total	<u><u>\$ 49,851</u></u>

MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

4. Capital Assets

	Balance at January 1, 2024	Additions	Deletions	Balance at December 31, 2024
Governmental Activities				
Depreciable Assets:				
Computers and software	\$ 805,183	\$ -	\$ (436,867)	\$ 368,316
Vehicles	28,900	-	-	28,900
Furnitures and fixtures	25,511	-	-	25,511
Machinery and equipment	20,853	3,990	(20,853)	3,990
Total depreciable assets	<u>880,447</u>	<u>3,990</u>	<u>(457,720)</u>	<u>426,717</u>
Accumulated depreciation:				
Computers and software	(799,751)	(1,975)	436,867	(364,859)
Vehicles	(28,900)	-	-	(28,900)
Furnitures and fixtures	(9,296)	(5,102)	-	(14,398)
Machinery and equipment	<u>(20,853)</u>	<u>(887)</u>	<u>20,853</u>	<u>(887)</u>
Total accumulated depreciation	<u>(858,800)</u>	<u>(7,964)</u>	<u>457,720</u>	<u>(409,044)</u>
Capital Assets, Net	<u>\$ 21,647</u>	<u>\$ (3,974)</u>	<u>\$ -</u>	<u>\$ 17,673</u>

Depreciation expense for the year ended December 31, 2024 was \$7,964. As of December 31, 2024, the Court recorded disposals of \$457,720 with a net book value of \$0.

MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

5. 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.

6. Operating Leases

The Court leases twelve office copy machines and one postage machine on a month-to-month basis. For the year ending December 31, 2024, the total amount paid for the twelve office copy machines and one postage machine is \$12,756 and \$3,528

7. 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, 2024, 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	\$ 4,465,203
Benefits	1,852,956
Total On-Behalf Payments	<u>\$ 6,318,159</u>

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.

8. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, April 4, 2025, and determined the following events require additional disclosure. No events after this date have been evaluated for inclusion in these financial statements.

Subsequent to year-end, the Court authorized the Judicial Administrator to move forward with entering into a \$1,200,000 contract with a vendor for the development of software related to the Online Case Resolution Project. The agreement is expected to be paid using funds received from the City of New Orleans that are recorded as unearned revenues in the Court's financial statements at December 31, 2024.

REQUIRED SUPPLEMENTARY INFORMATION (PART II)

MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<u>REVENUES</u>				
City revenues - on-behalf payments	\$ 6,597,020	\$ 6,475,450	\$ 6,318,159	\$ (157,291)
City revenues - general fund	969,868	969,868	969,868	-
Criminal court costs/fees	344,800	398,800	479,772	80,972
Interest income	800	800	845	45
Other income	109,800	109,300	111,308	2,008
Total revenues	<u>8,022,288</u>	<u>7,954,218</u>	<u>7,879,952</u>	<u>(74,266)</u>
<u>EXPENDITURES</u>				
Personnel costs	6,597,020	6,475,450	6,318,159	157,291
Operating services	998,288	1,008,513	819,853	188,660
Total expenditures	<u>7,595,308</u>	<u>7,483,963</u>	<u>7,138,012</u>	<u>345,951</u>
<u>NET CHANGE IN FUND BALANCE</u>	426,980	470,255	741,940	<u>271,685</u>
<u>FUND BALANCE, BEGINNING OF YEAR</u>	<u>6,168,645</u>	<u>6,168,645</u>	<u>6,168,645</u>	
<u>FUND BALANCE, END OF YEAR</u>	<u>\$ 6,595,625</u>	<u>\$ 6,638,900</u>	<u>\$ 6,910,585</u>	

See Independent Auditor's Report.

MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - PROBATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget			Variance
	Original	Final	Actual	Favorable (Unfavorable)
<u>REVENUES</u>				
Probation fees	\$ 43,000	\$ 44,000	\$ 51,014	\$ 7,014
Total revenues	43,000	44,000	51,014	7,014
<u>EXPENDITURES</u>				
Total expenditures	-	-	-	-
<u>NET CHANGE IN FUND BALANCE</u>	43,000	44,000	51,014	7,014
<u>FUND BALANCE, BEGINNING OF YEAR</u>	1,333,323	1,333,323	1,333,323	
<u>FUND BALANCE, END OF YEAR</u>	\$ 1,376,323	\$ 1,377,323	\$ 1,384,337	

See Independent Auditor's Report.

MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - SPECIAL PROGRAMS FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<u>REVENUES</u>				
Grant revenue	\$ 201,639	\$ 218,530	\$ 219,366	\$ 836
Total revenues	201,639	218,530	219,366	836
<u>EXPENDITURES</u>				
Personnel services and related benefits	159,171	160,000	155,738	4,262
Professional services	42,468	42,700	47,797	(5,097)
Total expenditures	201,639	202,700	203,535	(835)
<u>NET CHANGE IN FUND BALANCE</u>	-	15,830	15,831	(1)
<u>FUND BALANCE, BEGINNING OF YEAR</u>	(15,831)	(15,831)	(15,831)	
<u>FUND BALANCE, END OF YEAR</u>	\$ (15,831)	\$ (1)	\$ -	

See Independent Auditor's Report.

OTHER SUPPLEMENTARY INFORMATION

MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AS OF DECEMBER 31, 2024

	Fines and Fees Fund	Cash Bonds Fund	Total Custodial Funds
<u>ASSETS</u>			
Current assets:			
Cash and cash equivalents	\$ 154,002	\$ 526,170	\$ 680,172
Total assets	<u>\$ 154,002</u>	<u>\$ 526,170</u>	<u>\$ 680,172</u>
<u>LIABILITIES</u>			
Due to other funds	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
<u>NET POSITION</u>			
Restricted for individuals and other governments	154,002	526,170	680,172
Total net position	<u>154,002</u>	<u>526,170</u>	<u>680,172</u>
Total liabilities and net position	<u>\$ 154,002</u>	<u>\$ 526,170</u>	<u>\$ 680,172</u>

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

MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Fines and Fees Fund</u>	<u>Cash Bonds Fund</u>	<u>Total Custodial Funds</u>
<u>ADDITIONS</u>			
Contributions:			
Individual for bonds	\$ -	\$ 13,126	\$ 13,126
Fines and fees collected for other agencies	1,735,573	-	1,735,573
Total additions	<u>1,735,573</u>	<u>13,126</u>	<u>1,748,699</u>
<u>DEDUCTIONS</u>			
Payments to City of New Orleans	1,059,742	-	1,059,742
Payments to other governments	635,385	2,586	637,971
Payments to individuals	-	18,249	18,249
Bonds applied to fines	-	3,533	3,533
Total liabilities	<u>1,695,127</u>	<u>24,368</u>	<u>1,719,495</u>
<u>CHANGE IN NET POSITION</u>	40,446	(11,242)	29,204
Net position - beginning of the year	<u>113,556</u>	<u>537,412</u>	<u>650,968</u>
Net position - end of the year	<u><u>\$ 154,002</u></u>	<u><u>\$ 526,170</u></u>	<u><u>\$ 680,172</u></u>

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

MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO THE AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2024

AGENCY HEAD:

Judge Robert Jones

<u>Purpose</u>	<u>Amount Paid by Court's Office</u>	<u>Amount Paid by City of New Orleans</u>	<u>Total</u>
Salary	\$ -	\$ 130,577	\$ 130,577
Benefits - health insurance	-	9,000	9,000
Benefits - retirement	-	55,818	55,818
Workers compensation	-	300	300
Benefits - FICA and Medicare	-	1,829	1,829
Cell phone	1,286	-	1,286
Dues	910	-	910
Per diem	944	-	944
Registration fees	900	-	900
Conference travel	3,352	-	3,352
	<u>\$ 7,392</u>	<u>\$ 197,524</u>	<u>\$ 204,916</u>

See Independent Auditor's Report.

MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
SCHEDULE REQUIRED BY ACT 87 OF THE 2021 REGULAR LEGISLATIVE SESSION
JUDICIAL SYSTEM FUNDING SCHEDULE-RECEIVING ENTITY
FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND DECEMBER 31, 2024

	First Six Month Period Ended 6/30/2024	Second Six Month Period Ended 12/31/2024
Beginning Balance of Amounts Collected	\$ 147,902	\$ 166,468
Add: Collections		
Criminal court costs/fees	524,534	660,762
Criminal fines - other	498,556	584,116
Total collections	<u>1,023,090</u>	<u>1,244,878</u>
Less: disbursements to governments & non-profits		
Court fees:		
Applied technology section	1,767	1,945
Coroner's office	1,530	977
Crimestoppers	8,092	10,236
Criminal district court	20,193	25,745
DHH-TH/SCI T.F.	3,097	3,924
District attorney office	26,534	30,052
Indigent defender program	197,640	250,623
Louisiana commission of law enforcement	9,577	11,253
LA Department of Wildlife and Fisheries	45	5
Judicial college	2,019	2,550
Supreme Court of Louisiana	12,137	15,444
Total court fees	<u>282,631</u>	<u>352,754</u>
Other Fines:		
City of New Orleans	487,439	572,303
Total other fines	<u>487,439</u>	<u>572,303</u>
Total disbursements to governments & non-profits	<u>770,070</u>	<u>925,057</u>
Less: amounts retained by collecting agency		
MTCNO JEF court fees	191,240	231,206
Building fund	19,694	25,074
Probation fund	23,520	26,430
Total amounts retained by collecting agency	<u>234,454</u>	<u>282,710</u>
Subtotal disbursements/retainage	<u>1,004,524</u>	<u>1,207,767</u>
Total: ending balance of amounts collected, but not disbursed/retained	<u>\$ 166,468</u>	<u>\$ 203,579</u>

See Independent Auditor's Report

REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*



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

To the Honorable 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, 2024, and the related notes to financial statements, which collectively comprise the Court's basic financial statements and have issued our report thereon dated April 4, 2025.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the Court's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Court's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 Court'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.

Richard CPAS

Metairie, Louisiana
April 4, 2025

MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS

SUMMARY OF SCHEDULE FINDINGS AND REPOSSES

FOR THE YEAR ENDED DECEMBER 31, 2024

1. Summary of Auditor's Results

Financial Statements:	<u>Unmodified</u>
Type of auditor's report issued:	<u>Unmodified</u>
Internal control over financial reporting	<u>None reported</u>
• Material weakness(es) identified:	<u>None reported</u>
• Significant deficiency(ies) identified that are not considered to be material weakness	<u>None reported</u>
Noncompliance material to the financial statements	<u>No</u>
Other matter:	<u>No</u>

2. Findings relating to the basic financial statements reported in accordance with *Government Auditing Standards*

None noted

3. Prior Year Audit Findings

None noted

MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
NEW ORLEANS, LOUISIANA

LOUISIANA LEGISLATIVE AUDITOR – STATEWIDE
AGREED-UPON PROCEDURES REPORT

DECEMBER 31, 2024



MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
NEW ORLEANS, LOUISIANA

LOUISIANA LEGISLATIVE AUDITOR – STATEWIDE
AGREED-UPON PROCEDURES REPORT

DECEMBER 31, 2024

MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS

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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES
FOR THE YEAR ENDED DECEMBER 31, 2024.

To the Municipal and Traffic Court of New Orleans and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2024, through December 31, 2024. The Municipal and Traffic Court of New Orleans's management is responsible for those C/C areas identified in the SAUPs.

The 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, 2024, through December 31, 2024. 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 we performed, and the associated findings are summarized in the attached Schedule A, which is an integral part of this report.

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

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

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

Richard CPAS

Metairie, Louisiana
April 4, 2025

PROCEDURES (SCHEDULE A)

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read “*no exception noted*” or for step 25 “*we performed the procedure and discussed the results with management*”. If not, then a description of the exception ensues.

1) Written Policies and Procedures

A. Obtain and inspect the entity’s written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity’s operations:

- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

- ii. ***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.

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

- iii. ***Disbursements***, including processing, reviewing, and approving.

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

- iv. ***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).

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

- v. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

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

MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2024

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

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

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

- viii. ***Credit Cards (and debit cards, fuel cards, purchase 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).

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

- ix. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

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

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

- xi. ***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.

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

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

MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2024

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and

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

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

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

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

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

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and

MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2024

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

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

No exceptions were found as a result of this procedure.

- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the conciliation was prepared (e.g., initialed and dated, electronically logged); and

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

4) Collections (excluding electronic funds transfers)

- A. 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).

No exceptions were found as a result of this procedure.

- B. 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 there are no written policies or procedures, then 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

- i. Employees responsible for cash collections do not share cash drawers/registers;

No exceptions were found as a result of this procedure.

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FOR THE YEAR ENDED DECEMBER 31, 2024

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

No exceptions were found as a result of this procedure.

- iii. Each employee responsible for collecting cash is not also 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; and

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- C. 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 in force during the fiscal period.

Exception noted. The Court does not have a bond insurance policy covering employees who have access to cash.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- i. Observe that receipts are sequentially pre-numbered.

No exceptions were found as a result of this procedure.

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

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FOR THE YEAR ENDED DECEMBER 31, 2024

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- iv. 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).

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

5) *Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)*

- A. 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).

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

- B. For each location selected under procedure #5A 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, then inquire of employees about their job duties), and observe that job duties are properly segregated such that.

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

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

- ii. At least two employees are involved in processing and approving payments to vendors;

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

- iii. The employee responsible for processing payments is prohibited from adding/modifying

MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2024

vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

- iv. 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; and

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

- v. 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.

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity, and

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

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

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2024

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

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

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

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

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

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

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

- C. Using the monthly statements or combined statements selected under #7B 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 (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2024

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

A. 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 and 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

- i. 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);

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

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

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

- iii. Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

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

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

8) Contracts

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

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g.,

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solicited quotes or bids, advertised), if required by law;

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

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

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

- iii. 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, the documented approval); and

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

- iv. 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.

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

9) Payroll and Personnel

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

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and:

- i. Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

- ii. Observe whether supervisors approved the attendance and leave of the selected employees

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or officials;

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

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

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

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

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

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

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

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

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and

- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

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

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

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

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

11) Debt Service

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

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

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

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

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

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N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

13) Information Technology Disaster Recovery/Business Continuity

A. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**

- i. Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe 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.

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

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

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

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

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

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

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

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- C. Using the randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S.42:1267. The requirements are as follows:
- Hired before June 9,2020 - completed the training; and
 - Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.
 -

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, 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 as required by R.S. 42:343.

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

- B. 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).

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1,2024 and observe that the report includes the applicable requirements of R.S. 42:344; effective January 1, 2019:

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

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

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

- ii. Number of sexual harassment complaints received by the agency;

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

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- iii. Number of complaints which resulted in a finding that sexual harassment occurred;

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

- v. Amount of time it took to resolve each complaint.

N/A - procedure was not tested due to 2-year testing cycle, approved by the LLA.

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4) Collections (excluding electronic funds transfers)

The Court agrees with the exceptions and will purchase cash bond insurance for all employees who have received cash.