

**MUNICIPAL AND TRAFFIC COURT
OF NEW ORLEANS**

FINANCIAL STATEMENTS

December 31, 2020



CRI CARR
RIGGS &
INGRAM

CPAs and Advisors

CRICpa.com

MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
TABLE OF CONTENTS
DECEMBER 31, 2020



REPORT

Independent Auditors' Report	1
------------------------------	---

REQUIRED SUPPLEMENTARY INFORMATION (PART I)

Management's Discussion and Analysis	4
--------------------------------------	---

FINANCIAL STATEMENTS

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

REQUIRED SUPPLEMENTARY INFORMATION (PART II)

Budgetary Comparison Schedule – General Fund	29
Budgetary Comparison Schedule – Probation Fund	30

OTHER SUPPLEMENTARY INFORMATION

Combining Statement of Fiduciary Net Position	31
Combining Statement of Changes in Fiduciary Net Position	32
Schedule of Compensation, Benefits and Other Payments to Agency Head	33
Justice System Funding Schedule - Collecting/Disbursing Entity	34

MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
TABLE OF CONTENTS
DECEMBER 31, 2020



REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	35
Schedule of Findings and Responses	37
Schedule of Prior Audit Findings	38



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

(504) 837-9116
(504) 837-0123 (fax)
www.CRIcpa.com

INDEPENDENT AUDITORS' REPORT

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

Report on Financial Statements

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, 2020, and the related notes to financial statements, which collectively comprise the Court's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Court's preparation and fair presentation of the financial statements 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 control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Court as of December 31, 2020, 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.

Other Matters

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 through 10 and pages 29 and 30 be presented to supplement the basic financial statements. Such information, although not 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Court's basic financial statements. The combining statements of fiduciary net position, combining statements of changes in fiduciary net position, schedule of compensation, benefits, and other payments to agency head and justice system funding schedule – collecting/dispersing entity is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining statements of fiduciary net position, combining statements of changes in fiduciary net position, schedule of compensation, benefits, and other payments to agency head, and justice system funding schedule – collecting/dispersing entity are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 statements of fiduciary net position, combining statements of changes in fiduciary net position, schedule of compensation, benefits, and other payments to agency head, and justice system funding schedule – collecting/disbursing entity 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 June 4, 2021 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.

Cam, Riggs & Ingram, L.L.C.

Metairie, Louisiana
June 4, 2021

**MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

Management's discussion and analysis (MD&A) of the Municipal and Traffic Court of New Orleans' (MTCNO) financial performance is designed to provide an overview of the financial activities as of and for the year ended December 31, 2020. This information should be read in conjunction with the basic financial statements and the accompanying notes to financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

The City of New Orleans experienced a cyberattack on December 13, 2019 which had a large scale effect on operations and data at the Municipal and Traffic Court of New Orleans (MTCNO) through 2020. The City's Information Technology and Innovation (ITI) division had been backing up the Case Management system as well as the financial information systems for the Court. These systems were affected and all activities were in disarray through the end of the year. There was no system availability and collections were reduced drastically. The City's ITI was unable to retrieve the backups for the financial system at the MTCNO. After evaluating the situation, MTCNO decided to implement a Cloud based application from Intuit Corporation which is backed up by them on a daily basis. The financial system was rebuilt by taking the audited statements from 2018 and adding the transactional data from 2019. This effort ran well into 2020 and was exacerbated by the onset of COVID -19 which reduced operational capabilities from March 2020 which continues to date (June 2021).

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

Government-Wide Financial Statements

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

**MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

The Statement of Net Position and the Statement of Activities report information on the Court as a whole and report about its activities in a way that shows the overall financial health of the office. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Fund Financial Statements

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

The Court uses governmental funds for basic services. Governmental funds focus on how money flows into and out of the operating accounts and reflect the balances left at year-end that are available for spending. These funds are reported under the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash.

The governmental fund statements provide a detailed, short-term view of the general government operations and the basic services it provides. Governmental fund information helps assist in determining whether there are more or fewer financial resources that can be spent in the near future to finance the Court programs.

FINANCIAL HIGHLIGHTS

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

Total assets as of December 31, 2020 were \$5,275,509 and total liabilities were \$332,910. As of December 31, 2020, the MTCNO had a net position of \$4,942,599, of which \$3,786,442 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 \$6,134,921. These on-behalf payments have been recorded as City Revenues.
- Program expenses were under program revenues in the current year by \$108,532. Ticket revenues were down significantly because of a significant drop in the tickets issued in Traffic cases, and significant reduction in operations due to the Cyberattack on the city and the onset of the COVID-19 Pandemic.

**MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

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

FINANCIAL ANALYSIS OF THE MTCNO AS A WHOLE (GWFS)

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

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

Condensed Statements of Net Position

	2020	2019	Difference	Percentage Change
Current and other assets	\$ 5,273,009	\$ 5,086,918	\$ 186,091	4%
Capital assets, net of accumulated depreciation	2,500	53,847	(51,347)	(96)%
Total assets	5,275,509	5,140,765	134,744	3%
Current liabilities	332,910	307,556	25,354	9%
Total liabilities	332,910	307,556	25,354	9%
Invested in capital assets	2,500	53,847	(51,347)	(96)%
Restricted net position	1,153,657	1,035,167	118,490	12%
Unrestricted net position	3,786,442	3,744,195	42,247	2%
Total net position	\$ 4,942,599	\$ 4,833,209	\$ 109,390	3%

**MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

The increase in current and other assets was due to an increase in cash reserves, and accounts payable.

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 minimally due to current year operating results.

Condensed Statement of Activities

	2020	2019	Difference	Percentage Change
Total program revenue	\$ 7,133,717	\$ 8,015,371	\$ (881,654)	(11)%
Total program expense	7,025,185	7,231,898	(206,716)	(3)%
Net program income	108,532	783,473	(674,938)	(86)%
Interest earnings	858	954	(96)	(10)%
Change in net position	109,390	784,427	(675,034)	(86)%
Net position -beginning of year	4,833,209	4,048,782	784,427	19%
Net position - end of year	\$ 4,942,599	\$ 4,833,209	\$ 109,393	2%

The Program revenues have decreased because the city revenues decreased due to attrition in personnel. The Court also had a decrease in its ticket revenues because of a significant drop in the tickets issued in Traffic cases, and the reduction in operations because of the Cyberattack and the COVID-19 Pandemic.

**MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
MANAGEMENT’S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

FINANCIAL ANALYSIS OF JUDICIAL EXPENSE FUND (GENERAL FUND)

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

Condensed Statements of Revenues, Expenditures and Changes in Fund Balance

	2020	2019	Difference	Percentage Change
Total revenues	\$ 7,016,084	\$ 7,795,531	\$(779,447)	(10)%
Expenditures:				
Current	6,973,838	7,174,555	(200,717)	(3)%
Capital outlay	-	6,000	(6,000)	(100)%
Total expenditures	6,973,838	7,180,555	(206,717)	(3)%
Other financing sources (uses)				
Transfers In	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund	42,246	614,976	(572,727)	(94)%
Fund balance - beginning of year	3,744,195	3,129,219	657,373	21%
Fund balance – end of year	\$ 3,786,441	\$ 3,744,195	\$ 84,646	3%

The Judicial Expense Fund (JEF) continued to see a decline in ticket revenue. The primary driver was a result of a shift in focus by the New Orleans Police department and a reduction in traffic patrol officers. Also, there were no revenue collections after the cyberattack on the city on December 13, 2019 until the end of the year. The onset of the COVID-19 Pandemic also reduced operations. This was discussed in detail earlier in the report.

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

**MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

JUDICIAL EXPENSE FUND BUDGETARY HIGHLIGHTS

	Actual	Budgeted	Variance	Percent
Revenues				
City revenues - on-behalf payments	\$ 6,134,921	\$ 6,134,921	\$ -	0%
Fines and fees	720,805	720,000	805	1%
Interest	858	600	258	43%
Grant Revenues	51,500	51,500	-	0%
Other income	108,000	108,000	-	0%
Total revenue	7,016,084	7,015,021	1,063	1%
Expenditures				
Personnel services and related benefits	6,134,921	6,134,921	-	0%
Operating services	838,917	934,500	95,583	11%
Capital outlay		-		
Total expenditures	6,973,838	7,069,421	95,583	2%
Excess (deficit) of revenue over expenditures	\$ 42,246	\$ (54,400)	\$ 96,646	229%

The Municipal and Traffic Court of New Orleans' budget for January 1, 2020 to December 31, 2020 was proposed and made available for public inspection by the Municipal and Traffic Court of New Orleans and approved by the City Council. The budget was amended and made available for public inspection. The amended budget for the JEF was approved during an en banc meeting on October 8, 2020.

CAPITAL ASSETS

The Court's investment in capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2020 was \$2,500. Summary of capital assets is detailed below:

Computer software	\$ 799,257
Vehicles	28,900
Machinery and equipment	20,853
Total cost	849,010
Accumulated depreciation	(846,510)
Net capital assets	\$ 2,500
Depreciation expense	\$ 51,347

**MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

LONG TERM OBLIGATIONS

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

ECONOMIC AND OTHER FACTORS AFFECTING OPERATIONS, LIQUIDITY AND 2021'S BUDGET

The Court is fiscally dependent on the City and payments from traffic violations. The City provides courthouse maintenance and pays for utilities. The cyberattack and the restrictions in operations due to the COVID-19 situation are all affecting the operations and liquidity of the Court as well as the budget for 2021 and forward. Also, the gubernatorially declared disaster due to COVID-19 outbreak in Louisiana resulted in reduced operations from the early part of 2020 and affected the return to normal operations.

CONTACTING FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Court's finances and to demonstrate accountability for the money it receives. Questions about this report should be referred to Edward M. Walters, Judicial Administrator, Municipal and Traffic Court of New Orleans Court, 727 South Broad Street, New Orleans, LA 70119.

**MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2020**

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	5,226,882
Pooled cash from custodial funds		42,713
Due from others		1,750
Due from agency funds		1,664

Total current assets		5,273,009
----------------------	--	-----------

CAPITAL ASSETS, net of accumulated depreciation		2,500
---	--	-------

TOTAL ASSETS		5,275,509
--------------	--	-----------

LIABILITIES

Accounts payable		263,422
Due to others		69,488

TOTAL LIABILITIES		332,910
-------------------	--	---------

NET POSITION

Net investment in capital assets		2,500
Restricted for Probation		915,097
Restricted for Building and Maintenance		238,560
Unrestricted net position		3,786,442

TOTAL NET POSITION	\$	4,942,599
--------------------	----	-----------

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, 2020**

EXPENSES

General government:	
Personnel services and related benefits	\$ 6,134,921
Operating services	890,264
<hr/>	
Total expenses	7,025,185

PROGRAM REVENUES

Ticket charges	667,029
Bond forfeitures	500
Grants received	51,500
Reinstate fees	52,525
Probation fees	69,309
Building fee	49,182
City revenues - on-behalf payments	6,134,921
Rights fees	108,000
Miscellaneous fees	751
<hr/>	
Total program revenues	7,133,717

GENERAL REVENUES

Interest earnings	858
<hr/>	
Total general revenues	858

CHANGE IN NET POSITION 109,390

NET POSITION - Beginning of year 4,833,209

NET POSITION - End of year \$ 4,942,599

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

**MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
BALANCE SHEET - GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2020**

	Judicial Expense Fund (General Fund)	Probation Fund	Nonmajor Governmental Fund - Building and Maintenance Fund	Total Governmental Funds
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 3,823,628	\$ 1,167,549	\$ 235,705	\$ 5,226,882
Pooled cash from custodial funds	34,645	5,213	2,855	42,713
Due from others	1,750	-	-	1,750
Deposit	1,664	-	-	1,664
TOTAL ASSETS	\$ 3,861,687	\$ 1,172,762	\$ 238,560	\$ 5,273,009
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts payable	\$ 5,757	\$ 257,665	\$ -	\$ 263,422
Due to others	69,488	-	-	69,488
TOTAL LIABILITIES	75,245	257,665	-	332,910
FUND BALANCE				
Restricted for Probation	-	915,097	-	915,097
Restricted for Building and Maintenance	-	-	238,560	238,560
Unassigned balance	3,786,442	-	-	3,786,442
TOTAL FUND BALANCE	3,786,442	915,097	238,560	4,940,099
TOTAL LIABILITIES AND FUND BALANCE	\$ 3,861,687	\$ 1,172,762	\$ 238,560	\$ 5,273,009

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

**MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2020**

FUND BALANCE - total governmental funds **\$ 4,940,099**

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

Capital assets used in governmental activities are not current
financial resources; and therefore, are not reported at
the fund financial reporting level **2,500**

NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 4,942,599**

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

**MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Judicial Expense Fund (General Fund)	Probation Fund	Nonmajor Governmental Fund - Building and Maintenance Fund	Total Governmental Funds
REVENUES				
Ticket fees	\$ 667,029	\$ -	\$ -	\$ 667,029
Bond forfeitures	500	-	-	500
Building and maintenance fees	-	-	49,182	49,182
Grants received	51,500	-	-	51,500
Reinstate fees	52,525	-	-	52,525
City revenues - on-behalf payments	6,134,921	-	-	6,134,921
Interest earnings	858	-	-	858
Probation fees	-	69,308	-	69,308
Rights fees	108,000	-	-	108,000
Other miscellaneous	752	-	-	752
Total revenues	7,016,085	69,308	49,182	7,134,575
EXPENDITURES				
General government:				
Personnel services and related benefits	6,134,921	-	-	6,134,921
Operating services	838,917	-	-	838,917
Total expenditures	6,973,838	-	-	6,973,838
EXCESS OF REVENUES OVER EXPENDITURES	42,247	69,308	49,182	160,737
FUND BALANCE - Beginning of year	3,744,195	845,789	189,378	4,779,362
FUND BALANCE - End of year	\$ 3,786,442	\$ 915,097	\$ 238,560	\$ 4,940,099

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

**MUNICIPAL AND TRAFFIC COURT OR NEW ORLEANS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020**

NET CHANGE IN FUND BALANCE - total governmental funds **\$ 160,737**

Amounts reported for governmental activities in the statement of activities
(government-wide financial statements) are different because:

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

Depreciation expense	(51,347)
<hr/>	
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 109,390
<hr/>	

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

**MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
STATEMENT OF FIDUCIARY NET POSITION
AS OF DECEMBER 31, 2020**

	Custodial Funds
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 789,082
Due from other governments	100
TOTAL ASSETS	
	789,182
 LIABILITIES AND NET POSITION	
CURRENT LIABILITIES	
Accounts payable	1,767
TOTAL LIABILITIES	
	1,767
 NET POSITION	
Restricted for individuals and other governments	787,415
TOTAL NET POSITION	
	\$ 787,415

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, 2020**

	Custodial Funds
ADDITIONS:	
Contributions:	
Individuals for bonds	\$ 77,702
Fines and fees collected for other agencies	2,228,188
Total Additions	2,305,890
 DEDUCTIONS:	
Payments to City of New Orleans	1,446,487
Payments to other governments	781,428
Payments to Individuals	53,220
Total Deductions	2,281,135
CHANGE IN NET POSITION	24,755
Net position - Beginning of year	762,660
Net Position - End of year	\$ 787,415

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

MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 and the City of New Orleans, 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.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fiduciary Funds – Fiduciary funds are used to report assets held in a trustee or agency capacity for others that cannot be used to support the government’s own programs. Custodial funds are purely custodial and do not involve measurement of results of operations. The Court maintains two custodial funds: Fines and Fees Fund and Cash Bond Fund. The Fines and Fees Fund distributes monies collected on each case for state and city 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 custodial funds due to the nature of ownership in forfeiting a bond.

During the course of operations, the Court has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and fiduciary funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

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

The amounts reflected in these statements (FFS), use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The governmental funds use the following practices in recording revenues and expenditures:

Revenues – Ticket fees, 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.

MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 (a) not in spendable form or (b) legally or contractually required to be maintained intact. The Court had no nonspendable funds for the year ended December 31, 2020.
- *Restricted* – This component consists of amounts that have constraints placed on them either externally by third-parties (bond creditors) 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, 2020.
- *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, 2020.
- *Unassigned* – This component consists of amounts that have not been restricted, committed or assigned to specific purposes within the fund.

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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:

Description	Estimated Lives
Computers and software	3 years
Machinery and equipment	3 years
Furniture & fixtures	3 years
Vehicles	5 years
Leasehold Improvements	20 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.

Subsequent Events - Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 4, 2021 and determined there were no events that occurred that required disclosure.

New Accounting Pronouncement - In January 2017, the GASB issued Statement No. 84 – Fiduciary Activities. The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. Greater consistency and comparability enhances the value provided by the information reported in financial statements for assessing government accountability and stewardship. The Court adopted this pronouncement for the year ended December 31, 2020. See Note 2.

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

NOTE 2 – RESTATEMENT DUE TO CHANGE IN ACCOUNTING PRINCIPLE

For the year ended December 31, 2020, the Court implemented GASB Statement No. 84, *Fiduciary Activities*. The Court has a prior period adjustment of \$762,620 which was required for restating the prior period balance of fiduciary net position.

		Custodial Funds
Net position, January 1, 2020, as previously reported	\$	-
Change in Accounting Principle		762,620
Net Position January 1, 2020 as Restated	\$	762,620

NOTE 3 – CASH AND CASH EQUIVALENTS

At December 31, 2020, the Court had cash in checking accounts and certificate of deposit accounts (book balances) totaling \$5,211,882. 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, 2020, \$5,783,174 of securities was pledged by the fiscal agent bank to collateralize the Court's deposits. As of December 31, 2020, 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.

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

NOTE 3 – CASH AND CASH EQUIVALENTS (CONTINUED)

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, 2020, 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.

NOTE 4 – DUE FROM OTHERS

Due from others consisted of the following at December 31, 2020:

Due from Department of Public Safety	\$	1,750
		<hr/>
	\$	1,750

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

NOTE 5 – CAPITAL ASSETS

A schedule of changes in capital assets follows:

	January 1, 2020	Additions	December 31, 2020
Depreciable Assets:			
Computers and software	\$ 799,257	\$ -	\$ 799,257
Vehicles	28,900	-	28,900
Machinery and equipment	20,853	-	20,853
Total Depreciable Assets	849,010	-	849,010
Accumulated Depreciation:			
Computers and software	(745,410)	(51,347)	(796,757)
Vehicles	(28,900)	-	(28,900)
Machinery and equipment	(20,853)	-	(20,853)
Total Accumulated Depreciation	(795,263)	(51,347)	(846,510)
Capital assets, net	\$ 53,747	\$ (51,347)	\$ 2,500

Depreciation expense for the year ended December 31, 2020 was \$51,347

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

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

NOTE 7 – LEASE COMMITMENTS

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

MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS

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

The City of New Orleans pays the salaries and benefits for the Court. The Court is not legally responsible for these salaries or the related benefits. Therefore, the basis for recognizing the revenue and expenditure payments is the actual contributions made by the City. For the year ended December 31, 2020, 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	\$	4,221,509
Benefits		1,913,412
<hr/>		
Total on-behalf payments	\$	6,134,921
<hr/>		

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.

NOTE 9 – UNCERTAINTIES

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that have had a significant negative impact on the operating activities and results of the Court. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.

**MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
BUDGETARY COMPARISON SCHEDULE -
JUDICIAL EXPENSE FUND (GENERAL FUND)
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Adopted Budget	Amended Budget	Actuals	Variance Favorable/ (Unfavorable)
REVENUE				
City revenues - on-behalf payments	\$ 6,751,677	\$ 6,134,921	\$ 6,134,921	\$ -
JEF collections	1,500,000	720,000	720,806	806
Interest	600	600	858	258
Grant revenues	-	51,500	51,500	-
Other income	108,000	108,000	108,000	-
Total Revenue	8,360,277	7,015,021	7,016,085	1,064
EXPENDITURES				
Salaries and benefits	6,751,677	6,134,921	6,134,921	-
Advertising expense	3,000	1,000	514	486
Bank service charges	16,000	10,000	7,385	2,615
Building and maintenance	15,000	3,000	1,541	1,459
Case/bond expense	-	15,000	12,970	2,030
Computer Equipment/ Maintenance	168,000	168,000	168,311	(311)
Dues and subscriptions	15,000	15,000	8,532	6,468
Insurance	75,000	35,000	29,489	5,511
Meetings and conferences	75,000	25,000	6,259	18,741
Office equipment	30,000	20,000	27,946	(7,946)
Office supplies	26,000	21,000	9,304	11,696
Pandemic - nursing staff	-	75,000	63,822	11,178
Pandemic - supplies	-	24,000	70,672	(46,672)
Parking	50,000	32,000	26,888	5,112
Postage and delivery/telephone	40,000	28,000	23,662	4,338
Printing and reproduction	20,000	10,000	5,392	4,608
Professional development	7,000	3,500	1,270	2,230
Accounting fees	40,000	40,000	32,963	7,037
Professional fees	444,160	375,000	317,515	57,485
Repairs and maintenance	10,000	3,000	81	2,919
Storage	35,000	28,000	23,745	4,255
Uniforms	15,000	1,000	456	544
Witness fees	10,000	2,000	200	1,800
Total Expenditures	7,845,837	7,069,421	6,973,838	95,583
EXCESS OF REVENUE OVER EXPENDITURES	514,440	(54,400)	42,247	96,647
FUND BALANCE - Beginning of year	3,744,193	3,744,193	3,744,195	(2)
FUND BALANCE - End of year	\$ 4,258,633	\$ 3,689,793	\$ 3,786,442	\$ (96,649)

**MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
BUDGETARY COMPARISON SCHEDULE - PROBATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Adopted Budget	Amended Budget	Actuals	Variance Favorable/ (Unfavorable)
REVENUE				
Probation fees	\$ 140,000	\$ 70,000	\$ 69,308	\$ (692)
Total revenue	140,000	70,000	69,308	(692)
EXPENDITURES				
Total expenditures	-	-	-	-
EXCESS OF REVENUE OVER EXPENSES	140,000	70,000	69,308	(692)
NET CHANGES IN FUND BALANCE	140,000	70,000	69,308	(692)
FUND BALANCE - Beginning of year	845,788	845,788	845,789	(692)
FUND BALANCE - End of year	\$ 985,788	\$ 915,788	\$ 915,097	\$ (1,384)

OTHER SUPPLEMENTARY INFORMATION

**MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AS OF DECEMBER 31, 2020**

	<u>Custodial Funds</u>		
	Fines and Fees Fund	Cash Bonds Fund	Total Custodial Funds
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 130,739	\$ 658,343	\$ 789,082
Due from other governments	-	100	100
TOTAL ASSETS	130,739	658,443	789,182
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES			
Accounts payable	-	1,767	1,767
TOTAL LIABILITIES	-	1,767	1,767
NET POSITION			
Restricted for individuals and other governments	130,739	656,676	787,415
TOTAL NET POSITION	\$ 130,739	\$ 656,676	\$ 787,415

**MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Fines and Fees Fund</u>	<u>Cash Bonds Fund</u>	<u>Total Custodial Funds</u>
ADDITIONS:			
Contributions:			
Individuals for bonds	\$ -	\$ 77,702	\$ 77,702
Fines and fees collected for other agencies	2,228,188		2,228,188
Total Additions	2,228,188	77,702	2,305,890
DEDUCTIONS:			
Payments to City of New orleans	1,446,487	-	1,446,487
Payments to other agencies	781,428	-	781,428
Payments to Individuals	-	53,220	53,220
Total Deductions	2,227,915	53,220	2,281,135
CHANGE IN NET POSITION	273	24,482	24,755
Net position - Beginning of year	130,466	632,194	762,660
Net Position - End of year	\$ 130,739	\$ 656,676	\$ 787,415

**MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
SCHEDULE OF COMPENSATION, BENEFITS,
AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2020**

Agency Head Name: Judge Sean P. Early

	Amount
Salary	\$ 106,615
Benefits-health insurance	8,750
Benefits-retirement	45,260
Deferred compensation	-
Workers comp	-
Benefits-life insurance	300
Benefits-long term disability	-
Benefits-Fica & Medicare	1,464
Car allowance	-
Vehicle provided by government	-
Cell phone	996
Dues	285
Vehicle rental	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	225
Conference travel	-
Unvouchered expenses	-
Meetings & conventions	-
Other	-
Total	\$ 163,895

**MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY
AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION**

	First Six Month Period Ended 6/30/2020	Second Six Month Period Ended 12/31/2020
Beginning Balance of Amounts Collected (i.e. cash on hand)	\$ 183,258	\$ 314,106
Add: Collections		
Criminal Court Costs/Fees	826,976	581,261
Criminal Fines - Other	801,175	798,444
Subtotal Collections	1,628,151	1,379,705
Less: Disbursements To Governments & Nonprofits:		
CITY OF NEW ORLEANS - Fines Other	734,468	712,218
APPLIED TECHNOLOGY SECTION - Court fees	2,017	3,815
CORONER'S OFFICE - Court fees	1,699	1,910
CRIMESTOPPERS- Court fees	11,201	10,848
CRIMINAL DISTRICT COURT - Court fees	27,592	27,418
DHH-TH/SCI T.F - Court fees	6,260	4,880
DISTRICT ATTORNEY OFFICE - Court fees	44,581	40,460
INDIGENT DEFENDER PROGRAM - Court fees	259,759	273,781
LOUISIANA COMMISSION OF LAW ENFOR. - Court fees	12,698	13,575
LA DEPT OF WILDLIFE AND FISHERIES - Court fees	5	-
JUDICIAL COLLEGE - Court fees	2,743	2,606
SUPREME COURT OF LOUISIANA(CMIS) - Court fees	16,454	16,346
Less: Amounts Retained by Collecting Agency		
MTCNO JEF - Court fees	318,437	350,720
Building fund	26,020	23,780
Probation fund	30,659	37,425
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Payments to 3rd Party Collection/Processing Agencies	2,710	-
Subtotal Disbursements/Retainage	1,497,303	1,519,780
Total: Ending Balance of Amounts Collected but not Disbursed/Retained	\$ 314,106	\$ 174,031



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

(504) 837-9116
(504) 837-0123 (fax)
www.CRIcpa.com

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Municipal and Traffic Court of New Orleans (the Court), which comprise the governmental activities, each major fund, and the aggregate remaining fund information as of and for the year ended December 31, 2020, and the related notes to financial statements, and have issued our report thereon dated June 4, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Court's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the Court's internal control.

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 Court'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 significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Court's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matter that is 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.

Cary Riggs & Ingram, L.L.C.

Metairie, Louisiana
June 4, 2021

**MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2020**

We have audited the basic financial statements of Municipal and Traffic Court of New Orleans as of and for the year ended December 31, 2020. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2020 resulted in an unmodified opinion.

Section I: Summary of Auditors' Report

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

Internal Control:

Material Weaknesses None noted

Significant Deficiencies None noted

Compliance:

NonCompliance Material to Financial Statements None noted

b. Federal Awards

There were no federal awards noted.

SECTION II – DEFICIENCIES IDENTIFIED DURING THE AUDIT

None noted.

SECTION III – COMPLIANCE AND OTHER MATTERS

None noted.

**MUNICIPAL AND TRAFFIC COURT OF NEW ORLEANS
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020**

SECTION II – DEFICIENCIES IDENTIFIED DURING THE AUDIT

2019-001 Material Weakness: Internal Control Over Financial Reporting

Criteria: The entity should maintain proper backups and recovery testing of financial data and an appropriate Disaster Recovery Policy to ensure recovery is performed appropriately.

Condition: Resolved.

SECTION III – COMPLIANCE AND OTHER MATTERS

None noted.