

**Civil District Court for the Parish of Orleans,  
Judicial District Court Building Commission**

**FINANCIAL STATEMENTS**

December 31, 2020





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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Commissioners,  
Civil District Court for the Parish of Orleans,  
Judicial District Court Building Commission,  
New Orleans, Louisiana

We have audited the accompanying financial statements of the governmental activities and the major fund of the Civil District Court for the Parish of Orleans, Judicial District Court Building Commission (JCBC), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the JCBC'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 from 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 entity'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 entity's internal 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 and the major fund of JCBC 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 on pages 6-9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the JCBC's basic financial statements. The schedule of compensation, benefits, and other payments to agency head is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of compensation, benefits, and other payments to agency head 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. 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 schedule of compensation, benefits, and other payments to agency head is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report, dated June 14, 2021, on our consideration of the JCBC'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 the results of that testing, and not to provide an opinion on the 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 JCBC's internal control over financial reporting and compliance.

*Car, Riggs & Ingram, L.L.C.*

Metairie, Louisiana  
June 14, 2021

## **Civil District Court for the Parish of Orleans, Judicial District Court Building Commission Management's Discussion and Analysis**

This management discussion and analysis of the Civil District Court for the Parish of Orleans, Judicial District Court Building Commission (JCBC) provides an overview and analysis of JCBC's financial activities as of and for the year ended December 31, 2020. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the financial statements, which follow this section.

### **FINANCIAL HIGHLIGHTS**

JCBC's assets exceeded its liabilities as of December 31, 2020 by \$14,451,092 (net position), which represents approximately a 12% increase from last fiscal year. Of the \$14,451,092, \$13,557,408 is restricted for capital expenditures, \$893,684 is invested in capital assets, and none is unrestricted.

JCBC's total assets increased \$1,588,418 (or 12%). The increase was due to recognizing revenue of \$1,606,680 and incurring expenses of only \$18,262.

JCBC's revenues decreased \$164,184 (or 9%). The decrease was due to closures and reduced activity due to the COVID-19 pandemic and reduced interest rates.

JCBC's expenses increased by \$7,527.

JCBC did not have any funds with deficit fund balances.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to JCBC's financial statements. JCBC's financial report consists of four parts: (1) management's discussion and analysis (this section), (2) financial statements, (3) supplementary information, and (4) the report on internal control and compliance matters.

#### **Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all activities of JCBC.

The Statement of Net Position presents information on all of JCBC's assets less liabilities which results in net position. This statement is designed to display the financial position of JCBC. You can think of JCBC's net position as one way to measure JCBC's financial health. Over-time, increases or decreases in JCBC's net position are an indicator of whether its financial health is improving or deteriorating.

JCBC's Statement of Activities demonstrates the degree to which the expenses of a given function are offset by function revenues. Direct expenses are those that clearly identify with a specific function. Program revenues consist of fees and court costs and other charges.

**Civil District Court for the Parish of Orleans,  
Judicial District Court Building Commission  
Management’s Discussion and Analysis**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Governmental fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are considered to be available when they are collectible within the current period. For this purpose, JCBC considered revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. JCBC has only one governmental fund as described below:

Capital Project Fund

The Capital Project Fund is used to account for all financial resources of JCBC to be used for the construction and funding of the new courthouse.

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 15.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The Statement of Net Position provides information that shows how JCBC’s net position has changed as a result of the current year’s activities. This allows users of the financial statements to determine the major factors that affected the current financial statements and may have a significant impact on financial statements in the future.

**Condensed Statement of Net Position**

<b>For the year ended December 31,</b>	<b>2020</b>	<b>2019</b>	<b>Change</b>	<b>% Change</b>
Assets	\$ 14,451,092	\$ 12,862,674	\$ 1,588,418	12.3%
Net Position:				
Net Investment in Capital Assets	893,684	893,684	-	-
Restricted	13,557,408	11,968,990	1,588,418	12.3%
Total Net Assets	<u>\$ 14,451,092</u>	<u>\$ 12,862,674</u>	<u>\$ 1,588,418</u>	<u>12.3%</u>

All net assets are restricted for the design, planning, feasibility, acquisition, construction, equipping, operating, and maintaining a new courthouse facility.

**Civil District Court for the Parish of Orleans,  
Judicial District Court Building Commission  
Management’s Discussion and Analysis**

**Condensed Statement of Activities**

<b>For the year ended December 31,</b>	<b>2020</b>	<b>2019</b>	<b>Change</b>	<b>Percentage Change</b>
<b>Revenues:</b>				
Fees collected	\$ 1,553,576	\$ 1,638,909	\$ (85,333)	-5%
Interest income	53,104	131,956	(78,852)	-60%
<b>Total Revenues</b>	<b>1,606,680</b>	<b>1,770,865</b>	<b>(164,185)</b>	<b>-9%</b>
<b>Expenses:</b>				
Professional services	18,262	10,735	7,527	70%
Increase in Net Position	1,588,418	1,760,130	(171,712)	-10%
Net position- Beginning of Year	12,862,674	11,102,544	1,760,130	16%
Net position- End of Year	<u>\$ 14,451,092</u>	<u>\$ 12,862,674</u>	<u>\$ 1,588,418</u>	<u>12%</u>

**FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUNDS**

As noted earlier, JCBC uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds**

The focus of JCBC’s governmental fund is to provide information on near-term inflows, outflows, and balances of spendable and restricted resources. Such information is useful in assessing JCBC’s financing requirements. In particular, restricted fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year on projects for which particular funds can be spent only for a specific purpose. As of December 31, 2020, JCBC’s governmental fund, the Capital Projects Fund, reported an ending fund balance of \$13,557,408, an increase of \$1,588,418 in comparison with the prior year.

**CAPITAL ASSETS**

JCBC’s investment in capital assets for its governmental activities as of December 31, 2020 and 2019 totaled \$893,684. This investment in capital assets includes professional fees and management consulting fees for the planning and design services for the new courthouse. The total cost of the courthouse will be depreciated over its useful life when it is placed in service.

	<u>2020</u>	<u>2019</u>
Courthouse Costs	\$ 893,684	\$ 893,684

Additional information on JCBC’s capital assets can be found in Note 5 of this report.



**Civil District Court for the Parish of Orleans,  
Judicial District Court Building Commission  
Management's Discussion and Analysis**

**OTHER INFORMATION**

At the present time, JCBC does not have any infrastructure assets, nor does it have any long-term debt.

**ECONOMIC FACTORS AND NEXT'S YEAR'S BUDGET AND RATES**

JCBC considers the following factors and indicators when setting next year's budget. These factors and indicators are as follows:

- Building fees collected are budgeted based on the assumption that fees will remain consistent unless there is a reason to expect an increase or decrease in the volume of court filings.
- Interest income is budgeted based on estimated interest rates times estimated average account balances.
- Expenses are budgeted based upon the prior year's activity, and adjusted based upon the Board of Commissioners' expectations about the current level of expenditures. The budget was based on the assumption that certain expenses for 2021 would decrease from 2020.

**REQUESTS FOR INFORMATION**

This financial report is designated to provide a general overview of the finances of the JCBC for all those of interest in JCBC's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Board of Commissioners of the Civil District Court for the Parish of Orleans, Judicial District Court Building Commission, 421 Loyola Avenue, Room 320, New Orleans, LA 70112.

**Civil District Court for the Parish of Orleans,  
Judicial District Court Building Commission**  
Basic Financial Statements

**Civil District Court for the Parish of Orleans,  
Judicial District Court Building Commission  
Statement of Net Position and Governmental Fund Balance Sheet**

<i>December 31, 2020</i>	Capital Projects Fund	Adjustments	Statement of Net Position
<b>Assets</b>			
Cash and cash equivalents	\$ 13,397,766	\$ -	\$ 13,397,766
Accounts receivable	159,642	-	159,642
Capital assets, net of accumulated depreciation	-	893,684	893,684
<b>Total assets</b>	<b>\$ 13,557,408</b>	<b>\$ 893,684</b>	<b>\$ 14,451,092</b>
<b>Fund Balance/ Net Position</b>			
Fund balances:			
Restricted	\$ 13,557,408	\$ (13,557,408)	\$ -
<b>Total liabilities and fund balance</b>	<b>\$ 13,557,408</b>	<b>\$ (13,557,408)</b>	<b>\$ -</b>
<b>Net Position</b>			
Net investment in capital assets		893,684	893,684
Restricted		13,557,408	13,557,408
<b>Total net position</b>		<b>\$ 14,451,092</b>	<b>\$ 14,451,092</b>

*The accompanying notes are an integral part of these financial statements.*

**Civil District Court for the Parish of Orleans,  
Judicial District Court Building Commission  
Reconciliation of the Governmental Fund Balance Sheet  
to the Statement of Net Position**

*December 31, 2020*

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Fund Balance - Governmental Fund	\$13,557,408
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Amounts reported for governmental activities in the statement  
of net position are different because:

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

Governmental capital assets	893,684
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Net position of Governmental Activities	\$14,451,092
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*The accompanying notes are an integral part of these financial statements.*

**Civil District Court for the Parish of Orleans,  
Judicial District Court Building Commission  
Statement of Activities and Statement of Governmental  
Fund Revenues, Expenditures, and Changes in Fund Balance**

<i>For the year ended December 31, 2020</i>	Capital Projects Fund	Adjustments	Statement of Activities
<b>Revenues</b>			
Fees collected	\$ 1,553,576	\$ -	\$ 1,553,576
Interest income	53,104	-	53,104
<b>Total Revenues</b>	<b>1,606,680</b>	<b>-</b>	<b>1,606,680</b>
<b>Expenditures</b>			
Planning and administrative services	62	-	62
Professional fees	18,200	-	18,200
<b>Total Expenditures</b>	<b>18,262</b>	<b>-</b>	<b>18,262</b>
Excess of Revenues Over Expenditures	1,588,418	(1,588,418)	-
<b>Change in Net Position</b>	<b>-</b>	<b>1,588,418</b>	<b>1,588,418</b>
<b>Net Change</b>	<b>1,588,418</b>	<b>-</b>	<b>1,588,418</b>
<b>Fund Balance/Net Position</b>			
Beginning of Year	11,968,990	893,684	12,862,674
<b>End of Year</b>	<b>\$ 13,557,408</b>	<b>\$ 893,684</b>	<b>\$ 14,451,092</b>

*The accompanying notes are an integral part of these financial statements.*

**Civil District Court for the Parish of Orleans,  
Judicial District Court Building Commission  
Reconciliation of the Statement of Governmental Fund  
Revenues, Expenditures, and Changes in  
Fund Balance to the Statement of Activities**

*For the year ended December 31, 2020*

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Net change in Fund Balance- Governmental Fund	\$	1,588,418
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Amounts reported for governmental activities  
in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceed depreciation in the current period.

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Change in Net Position of Governmental Activities	\$	1,588,418
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*The accompanying notes are an integral part of these financial statements.*

**Civil District Court for the Parish of Orleans,  
Judicial District Court Building Commission  
Notes to Financial Statements**

**Note 1: REPORTING ENTITY**

The Civil District Court for the Parish of Orleans, Judicial District Court Building Commission is designated by the enactment of R.S. 13:996.67 pursuant to Act 900 of the 2010 regular session of the Louisiana Legislature.

The amendment and re-enactment authorized the Civil District Court for the Parish of Orleans, Judicial District Court Building Commission to impose, by order of the Judges En Banc, additional cost of court and service charges. Such impositions are to continue until such time that the bonded indebtedness provided for in subsection D of Section 996.67 is paid. All funds generated shall be transferred at the discretion of JCBC to the Capital Projects Fund. These funds shall be dedicated to the design, planning, feasibility, acquisition, construction, equipping, operating, and maintaining a new facility to house the Civil District Court for the Parish of Orleans, offices of the Clerk of Court for Civil District for the Parish of Orleans, First City Court, Clerk of the First City Court, Constable of the First City Court, Office of the Civil Sheriff, Orleans Parish Juvenile Court, Mortgage Office, Conveyance Office, Notarial Archives and such other courts and parochial offices as may be necessary.

Further, if public bids are not let for the construction of a new facility as provided in Section 996.67 by August 15, 2031 (extended by Act 27 of the 2020 regular session of the Louisiana legislature from August 15, 2021 to August 15, 2031), then the authority provided in Section 996.67 to levy the additional costs and charges shall terminate and be null and void. Thereafter, no costs or charges authorized in Section 996.67 shall be imposed or collected. Should the authority to levy such costs and charges terminate as set forth herein, all funds collected and deposited in the separate account as provided in the referenced Section shall be used solely for capital improvements to the facility then housing the Civil District Court for the Parish of Orleans.

The Judges En Banc of the Civil District Court for the Parish of Orleans shall serve as the board of commissioners thereof. JCBC shall be a public corporation with power to contract, administer the proceeds of the costs and charges authorized in Section 996.67, lease, sublease, and otherwise provide for the construction, equipping, maintenance, and operation of a new courthouse for the Civil District Court for the Parish of Orleans and to pledge and dedicate the receipts of the courthouse construction fund created hereby for the payment of any lease or sublease obligation, loan agreement, or other financing agreement relative thereto.

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting policies of the Civil District Court for the Parish of Orleans, Judicial District Court Building Commission conform to accounting principles generally accepted in the United States of America as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing government accounting and financial reporting principles. The following is a summary of certain significant accounting policies:

***Financial Reporting Entity***

The GASB has established standards for defining and reporting on the financial entity. GASB standards indicate the focal point for identifying the financial reporting entity is the primary government, which is considered to be any state government or general purpose local government or a special purpose government that meets all of the following criteria:

**Civil District Court for the Parish of Orleans,  
Judicial District Court Building Commission  
Notes to Financial Statements**

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

1. Appointing a voting majority of an organization's governing body, and
  - a) the ability of the Primary Government to impose its will on that organization and/or,
  - b) the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Primary Government.
2. Organizations for which the Primary Government does not appoint a voting majority but are fiscally dependent on the Primary Government.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

The Louisiana State Legislature enacted Act 900 of the Louisiana 2010 regular session to create a public corporation. Included in the provisions for the Act was the collection of fees to JCBC. Specifically, the Act provides for the collection of fees and the deposit in an account held in the Courthouse's Construction Fund.

Because the Judicial Expense Fund for the Civil District Court for the Parish of Orleans ("Judicial Expense Fund") does not appoint the Commission, does not provide funding (other than the use of facilities), or have any control over JCBC, JCBC has determined that the office is not a component unit of the Judicial Expense Fund. The accompanying financial statements present information only on the funds maintained by JCBC and do not present information on the Judicial Expense Fund, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity of Judicial Expense Fund.

Accordingly, the accompanying financial statements present information only on JCBC and do not present any other information of the Judicial Expense Fund.

***Basis of Presentation***

JCBC's basic financial statements consist of the government-wide statements on all activities of JCBC and the governmental fund financial statements.

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all activities of JCBC. JCBC is considered to be a governmental activity of a special purpose government.

JCBC's Statement of Activities demonstrates the degree to which the expenses of a given function are offset by function revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenue consists of fees and court costs and other charges.

Separate financial statements are provided for the governmental fund. JCBC's government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.



**Civil District Court for the Parish of Orleans,  
Judicial District Court Building Commission  
Notes to Financial Statements**

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, JCBC considered revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

JCBC reports its governmental fund as follows:

*Capital Projects Fund* - The Capital Projects Fund is used to account for all financial resources of JCBC to be used for the construction and funding of the new courthouse.

***Measurement Focus and Basis of Accounting***

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

All governmental funds utilize a current financial resources measurement focus in the fund financial statements. Only current financial assets and liabilities are generally included on the balance sheet. Operating statements present sources and uses of available spendable financial resources during a given period. The fund balance is the measure of available spendable financial resources at the end of the period.

Governmental funds are presented on the modified accrual basis of accounting. Revenues are recognized when "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 be used to pay liabilities of the current period. Revenues include civil filing and recording fees imposed to finance the construction and related planning costs of the new courthouse.

Expenditures (including capital outlay) are recorded when the related fund liability is incurred.

***Uses of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make various estimates. 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 14, 2021, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**Civil District Court for the Parish of Orleans,  
Judicial District Court Building Commission  
Notes to Financial Statements**

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Cash and Cash Equivalents***

Cash includes amounts in interest-bearing demand deposits. Under state law, JCBC may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States. There were no cash equivalents as of December 31, 2020.

***Accounts Receivable***

The financial statements of JCBC contain no allowance for bad debts. Uncollectible receivables are recognized as bad debts at the time information becomes available, which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operation of the fund.

***Capital Assets***

The accounting treatment over capital assets depends on whether the assets are reported in the government-wide or fund financial statements.

In the government-wide financial statements, property and equipment are accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$500 or more are valued at historical cost or estimated historical cost if actual is unavailable. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation when the asset is placed in service. As of December 31, 2020, no property and equipment has been put in service and no depreciation has been recorded.

In the fund financial statements, the cost of capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

***Equity Classifications***

In the government-wide statements, equity is classified as net position and displayed in three components:

*Net investment in capital assets* - consists of capital assets including restricted capital assets, net of any accumulated depreciation and when applicable reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvements of those assets.

*Restricted* - consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use, either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

**Civil District Court for the Parish of Orleans,  
Judicial District Court Building Commission  
Notes to Financial Statements**

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Unrestricted* - net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position. There were no unrestricted net assets as of December 31, 2020.

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

*Nonspendable* - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. There was no nonspendable equity as of December 31, 2020.

*Restricted* - amounts that can be spent only for a specific purpose because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributions, or the laws or regulations of other governments.

*Committed* - amounts that can be used only for specific purposes determined by a formal decision of the Commission. The Commission is the highest level of decision-making authority for JCBC. There was no committed equity as of December 31, 2020.

*Assigned* - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for a specific purposes. There was no assigned equity as of December 31, 2020.

*Unassigned* - all other spendable amounts. There was no unassigned equity as of December 31, 2020.

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, JCBC considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, JCBC considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed unless JCBC has provided otherwise in its committed or assignment actions.

***Future Accounting Pronouncements***

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

Under this Statement, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

**Civil District Court for the Parish of Orleans,  
Judicial District Court Building Commission  
Notes to Financial Statements**

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

JCBC is evaluating the requirements of the above statements and the impact on reporting.

**Note 3: CASH**

State law requires deposits (cash) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and 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, JCBC's deposits may not be returned to it. JCBC has a written policy for custodial credit risk. As of December 31, 2020, JCBC's bank balance of \$13,397,766 was in excess of the federal deposit limit by \$13,147,766.

As of December 31, 2020, cash was adequately collateralized in accordance with state law by securities held by an unaffiliated financial institution for the account of JCBC but not in JCBC's name. The 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 Statement 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities for an amount sufficient to cover the deposit and accrued interest within ten days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

**Note 4: ACCOUNTS RECEIVABLE**

As of December 31, 2020, accounts receivable of \$159,642 consisted of funds collected on behalf of JCBC and due from the Orleans Parish Clerk of Civil District Court (\$143,817) and Clerk of Court Orleans First City Court (\$15,825).

**Civil District Court for the Parish of Orleans,  
Judicial District Court Building Commission  
Notes to Financial Statements**

**Note 5: CAPITAL ASSETS**

Changes in capital assets for the year ended December 31, 2020 were as follows:

	Beginning Balance	Additions	Dispositions	Ending Balance
Capital assets:				
Courthouse costs and equipment	\$ 893,684	\$ -	\$ -	\$ 893,684
Less accumulated depreciation for:				
Courthouse costs and equipment	-	-	-	-
Total capital assets, net	<u>\$ 893,684</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 893,684</u>

**Note 6: RISK MANAGEMENT**

JCBC is exposed to various risks of loss related to torts, theft for which JCBC carries no commercial insurance at the present time. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

**Note 7: CONCENTRATION OF CREDIT RISK**

JCBC's principal source of revenues consists mainly of filing fees. Such fees are partially dependent upon economic and financial conditions within Orleans Parish. If the amount of fees received falls below budgeted levels, JCBC's operating results could be adversely affected.

**Note 8: RESTRICTED NET POSITION**

As of December 31, 2020, restricted net position consisted of funds for the design, planning, feasibility, acquisition, construction, equipping, operating, and maintaining a new courthouse facility.

**Note 9: PER DIEM TO COMMISSIONERS**

For the year ended December 31, 2020, none of the Commissioners received per diem in their respective capacity as commissioners.

**Note 10: EXPENDITURES NOT INCLUDED IN THE ACCOMPANYING FINANCIAL STATEMENTS**

The accompanying financial statements do not include certain expenditures related to the use of facilities of JCBC's office paid out of the funds of the Civil District Court for the Parish of Orleans.

**Civil District Court for the Parish of Orleans,  
Judicial District Court Building Commission  
Notes to Financial Statements**

**Note 11: UNCERTAINTIES**

In March 2020, the World Health Organization made the assessment that the outbreak of the novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the ongoing operating activities and the future results of JCBC. 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.

**Civil District Court for the Parish of Orleans,  
Judicial District Court Building Commission  
Schedule of Compensation, Benefits, and Other Payments to Agency Head**

Chair of the Judicial District Court Building Commission: Chief Judge Christopher J. Bruno

<b>Purpose</b>	
Salary	\$ -
Benefits - insurance	-
Benefits - retirement	-
Benefits - other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
	<u>\$ -</u>

\*The salary and related benefits for the Chair of the Judicial District Court Building Commission are paid directly by the Supreme Court for their capacity as judge. As such, the judge receives no compensation for serving in his capacity on the Judicial District Court Building Commission or the En Banc.

**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 Board of Commissioners,  
Civil District Court for the Parish of Orleans,  
Judicial District Court Building Commission,  
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 the governmental activities and major fund of the Civil District Court for the Parish of Orleans, Judicial District Court Building Commission (JCBC) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the JCBC’s basic financial statements, and have issued our report thereon dated June 14, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the JCBC’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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the JCBC’s internal control. Accordingly, we do not express an opinion on the effectiveness of the JCBC’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 may exist that have not been identified.



## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the JCBC'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 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Car, Riggs & Ingram, L.L.C.*

Metairie, Louisiana  
June 14, 2021

**Civil District Court for the Parish of Orleans,  
Judicial District Court Building Commission  
Schedule of Findings and Responses  
For the Year Ended December 31, 2020**

**A. SUMMARY OF AUDITORS' RESULTS**

*Financial Statements*

- |  |            |
|--|------------|
| 1. Type of auditors' report issued   | Unmodified |
| 2. Internal control over financial reporting:                                    |            |
| a. Material weaknesses identified?   | No         |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| c. Noncompliance material to the financial statements noted?                     | No         |

*Federal Awards*

Civil District Court for the Parish of Orleans, Judicial District Court Building Commission did not expend federal awards in excess of \$750,000 during the year December 31, 2020 and therefore is exempt from the audit requirements under the Uniform Guidance.

**B. FINDINGS RELATED TO THE FINANCIAL STATEMENTS**

There were no findings related to the financial statements for the year ended December 31, 2020.

**C. FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS**

There were no findings related to compliance and other matters for the year ended December 31, 2020.

**D. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS**

Not applicable.

**Civil District Court for the Parish of Orleans,  
Judicial District Court Building Commission  
Schedule of Prior Audit Findings  
For the Year Ended December 31, 2020**

**A. FINDINGS RELATED TO THE FINANCIAL STATEMENTS**

There were no findings related to the financial statements for the year ended December 31, 2019.

**B. FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS**

There were no findings related to compliance and other matters for the year ended December 31, 2019.

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS**

Not applicable.