

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

**FINANCIAL STATEMENTS**

December 31, 2021





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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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and the major fund of the Judicial District Court Building Commission of the Civil District Court for the Parish of Orleans (JCBC), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise JCBC's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of JCBC, as of December 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of JCBC, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about JCBC's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

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

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

## ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the

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

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule 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 29, 2022, 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.

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

Metairie, Louisiana  
June 29, 2022

## **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, 2021. 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, 2021 by \$16,174,548 (net position), which represents approximately a 12% increase from last fiscal year. Of the \$16,174,548, \$15,280,864 is restricted for capital expenditures, \$893,684 is invested in capital assets, and none is unrestricted.

JCBC's total net position increased \$1,723,456 (or 11%). The increase was due to recognizing revenue of \$1,733,486 and incurring expenses of only \$10,030.

JCBC's revenues increased \$126,806 (or 7%). The increase was due increased court activity in 2021 as the courts reopened following the closures in 2020 due to the Covid-19 Pandemic.

JCBC's expenses decreased by \$8,232.

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 years ended December 31,</b>	<b>2021</b>	<b>2020</b>	<b>Change</b>	<b>% Change</b>
Assets	\$ 16,174,548	\$ 14,451,092	\$ 1,723,456	10.7%
Net Position:				
Net Investment in Capital Assets	893,684	893,684	-	-
Restricted	15,280,864	13,557,408	1,723,456	11.2%
Total Net Assets	<u>\$ 16,174,548</u>	<u>\$ 14,451,092</u>	<u>\$ 1,723,456</u>	<u>10.7%</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>2021</b>	<b>2020</b>	<b>Change</b>	<b>Percentage Change</b>
<b>Revenues:</b>				
Fees collected	\$ 1,719,158	\$ 1,553,576	\$ 165,582	11%
Interest income	14,328	53,104	(38,776)	-73%
<b>Total Revenues</b>	<b>1,733,486</b>	<b>1,606,680</b>	<b>126,806</b>	<b>8%</b>
<b>Expenses:</b>				
Professional services	10,030	18,262	(7,527)	-41%
<b>Increase in Net Position</b>	<b>1,723,456</b>	<b>1,588,418</b>	<b>135,038</b>	<b>9%</b>
<b>Net position- Beginning of Year</b>	<b>14,451,092</b>	<b>12,862,674</b>	<b>1,588,418</b>	<b>12%</b>
<b>Net position- End of Year</b>	<b>\$ 16,174,548</b>	<b>\$ 14,451,092</b>	<b>\$ 1,723,456</b>	<b>12%</b>

**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, 2021, JCBC’s governmental fund, the Capital Projects Fund, reported an ending fund balance of \$15,280,864, an increase of \$1,723,456 in comparison with the prior year.

**CAPITAL ASSETS**

JCBC’s investment in capital assets for its governmental activities as of December 31, 2021 and 2020 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 cumulative cost of the courthouse will be depreciated over its useful life when it is placed in service.

	<b>2021</b>	<b>2020</b>
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 2022 would increase from 2021.

### **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, 2021</i>	Capital Projects Fund	Adjustments	Statement of Net Position
<b>Assets</b>			
Cash and cash equivalents	\$ 15,138,040	-	\$ 15,138,040
Accounts receivable	142,824	-	142,824
Capital assets, net of accumulated depreciation	-	893,684	893,684
<b>Total assets</b>	<b>\$ 15,280,864</b>	<b>893,684</b>	<b>16,174,548</b>
<b>Fund Balance/ Net Position</b>			
Fund balances:			
Restricted	\$ 15,280,864	(15,280,864)	-
<b>Total liabilities and fund balance</b>	<b>\$ 15,280,864</b>	<b>(15,280,864)</b>	<b>-</b>
Net Position			
Net investment in capital assets		893,684	893,684
Restricted		15,280,864	15,280,864
<b>Total net position</b>		<b>16,174,548</b>	<b>\$ 16,174,548</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, 2021*

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Fund Balance - Governmental Fund	\$15,280,864
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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	\$16,174,548
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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, 2021</i>	Capital Projects Fund	Adjustments	Statement of Activities
<b>Revenues</b>			
Fees collected	\$ 1,719,158	\$ -	\$ 1,719,158
Interest income	14,328	-	14,328
<b>Total Revenues</b>	<b>1,733,486</b>	<b>-</b>	<b>1,733,486</b>
<b>Expenditures</b>			
Planning and administrative services	30	-	30
Professional fees	10,000	-	10,000
<b>Total Expenditures</b>	<b>10,030</b>	<b>-</b>	<b>10,030</b>
Excess of Revenues Over Expenditures	1,723,456	(1,723,456)	-
Change in Net Position	-	1,723,456	1,723,456
Net Change	1,723,456	-	1,723,456
Fund Balance/Net Position			
Beginning of Year	13,557,408	893,684	14,451,092
End of Year	\$ 15,280,864	\$ 893,684	\$ 16,174,548

*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, 2021*

Net change in Fund Balance - Governmental Fund	\$	1,723,456
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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 exceeded depreciation in the current period.

Change in Net Position of Governmental Activities	\$	-
Change in Net Position of Governmental Activities	\$	1,723,456

*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 for 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 JCBC, 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 the 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.

***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, 2021.

***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.

**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)**

***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, 2021, 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.

*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, 2021.

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, 2021.

*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, contributors, or the laws or regulations of other governments.

**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)**

*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, 2021.

*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, 2021.

*Unassigned* - all other spendable amounts. There was no unassigned equity as of December 31, 2021.

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 assigned actions.

***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 29, 2022, 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.

***Recent Issued and Implemented Accounting Pronouncements***

JCBC has implemented GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The implementation of this statement did not result in any changes to JCBC's financial statements. 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.

**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)**

The Governmental Accounting Standards Board has issued a statement that will become effective in future years. This statement is as follow:

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.

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, 2021, JCBC's bank balance of \$13,397,766 was in excess of the federal deposit limit by \$13,147,766.

As of December 31, 2021, 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, 2021, accounts receivable of \$142,824 consisted of funds collected on behalf of JCBC and due from the Orleans Parish Clerk of Civil District Court (\$131,719) and Clerk of Court Orleans First City Court (\$11,105).

**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, 2021 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 and 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, 2021, 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, 2021, 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: Chair Paulette R. Irons

**Purpose**

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 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 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, 2021, 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 29, 2022.

**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.

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

Metairie, Louisiana  
June 29, 2022

**Civil District Court for the Parish of Orleans,  
Judicial District Court Building Commission  
Schedule of Findings and Responses  
For the Year Ended December 31, 2021**

**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, 2021 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, 2021.

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

There were no findings related to compliance and other matters for the year ended December 31, 2021.

**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, 2021**

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

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

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

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

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

Not applicable.



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

(504) 833-2436  
(504) 484-0807 (fax)  
www.CRIcpa.com

## **INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Control  
Orleans Parish Civil District - JCBC  
New Orleans, Louisiana  
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. The Judicial District Court Building (JCBC) Commission of the Civil District Court for the Parish of Orleans management is responsible for those C/C areas identified in the SAUPs.

The Judicial District Court Building Commission (JCBC) of the Civil District Court for the Parish of Orleans has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated results are as follows:

### ***Written Policies and Procedures***

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1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.  
**Results: No exceptions were found as a result of applying the above procedure.**
  - b) **Purchasing** including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase

orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

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

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

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

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue.

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

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

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

- f) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

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

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

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

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

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

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

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

- j) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

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

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

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

### ***Board***

---

2. Obtain and inspect the Board meeting minutes for the fiscal period, as well as the board's enabling legislation in effect during the fiscal period, and:

- a) Observe that the Board met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation.

**Results: Not applicable.**

- b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds<sup>7</sup>, and semi-annual budget-to-actual, at a minimum, on all special revenue funds<sup>7</sup>. Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds<sup>8</sup> if those public funds comprised more than 10% of the entity's collections during the fiscal period.

**Results: Not applicable.**

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

**Results: Not applicable.**

### ***Bank Reconciliations***

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

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

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

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

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

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

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

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

### ***Collections (excluding electronic funds transfers)***

---

- 4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

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

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

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

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

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

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

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

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

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

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

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

- 6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

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

- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:

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

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

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

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

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

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

- d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

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

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

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

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

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- 8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

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

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

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

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

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

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

c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

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

d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

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

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

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

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

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

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

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

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

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

**Results: Not applicable.**

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.

**Results: Not applicable.**

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

**Results: Not applicable.**

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

**Results: Not applicable.**

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

---

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

**Results: Not applicable.**

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

**Results: Not applicable.**

- c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

**Results: Not applicable.**

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

**Results: Not applicable.**

### ***Contracts***

---

- 15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

**Results: Not applicable.**

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

**Results: Not applicable.**

- c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

**Results: Not applicable.**

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

**Results: Not applicable.**

### ***Ethics***

---

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

**Results: Not applicable.**

- 17. Randomly select 5 officials from procedure #16 above, obtain ethics documentation from management, and:

- a. Observe whether the documentation demonstrates each official completed one hour of ethics training during the fiscal period.

**Results: Not applicable.**

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

**Results: Not applicable.**

### ***Fraud Notice***

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18. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the JCBC reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the JCBC is domiciled.

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

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

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

### ***IT Disaster Recovery***

---

20. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."

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

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported).

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

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

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

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

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

### ***Sexual Harassment***

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- 21. Using the 5 randomly selected officials from procedure #17 under "Ethics" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each official completed at least one hour of sexual harassment training during the calendar year.

**Results: Not applicable.**

- 22. Observe the JCBC has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the JCBC's premises if the JCBC does not have a website).

**Results: Not applicable.**

- 23. Obtain the JCBC's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

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

**Results: Not applicable.**

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

**Results: Not applicable.**

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

**Results: Not applicable.**

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

**Results: Not applicable.**

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

**Results: Not applicable.**

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

We are required to be independent of the Judicial District Court Building Commission (JCBC) of the Civil District Court for the Parish of Orleans and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

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

June 29, 2022  
Metairie, LA