

Financial Report

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

December 31, 2024



Financial Report

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New Orleans, Louisiana***

December 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Judges En Banc,
Civil District Court for the Parish of Orleans
Judicial District Court Building Commission,
New Orleans, Louisiana.

Reports on the Audit of the Financial Statements

Opinion

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, 2024, 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 financial position of the governmental activities and the major fund of JCBC as of December 31, 2024, and the respective changes in net position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audit contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's 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 related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

Auditor's 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 auditor's report that includes our opinion. 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 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, on pages 5 through 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information, on page 27, is presented for purposes of additional analysis and is required by Louisiana Revised Statute 24:513 (A)(3) 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. This 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 information 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 13, 2025, on our consideration of 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 JCBC's internal control over financial reporting and compliance.



Certified Public Accountants.

New Orleans, Louisiana,
June 13, 2025.

MANAGEMENT’S DISCUSSION AND ANALYSIS

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

December 31, 2024

Introduction to the Two Types of Financial Statements

The Management’s Discussion and Analysis of Civil District Court for the Parish of Orleans Judicial District Court Building Commission (JCBC) financial performance presents a narrative overview and analysis of JCBC’s financial activities for the year ended December 31, 2024. 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 that follow this section.

FINANCIAL HIGHLIGHTS

JCBC’s assets exceeded its liabilities as of December 31, 2024 by \$20,451,302 (net position), which represents approximately a 7% increase from last fiscal year. Of the \$20,451,302, \$19,548,663 is restricted for capital expenditures and none of which is unrestricted. Of the \$20,451,302, \$902,639 is invested in capital assets.

JCBC’s total net position increased \$1,278,031 (or 7%). The increase was due to recognizing revenue of \$1,292,362 and incurring expenses of only \$14,331.

JCBC’s revenues decreased \$170,636 (or 12%). The decrease was due to decreased court activity due to higher interest rates in 2024 which led to fewer home sales and mortgage refinancing. This caused fewer fees earned from the City of New Orleans Land Division.

JCBC’s expenses increased \$1,680.

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 three parts: (1) management’s discussion and analysis (this section), (2) financial statements, and (3) special reports by certified public accountants and management.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

The basic financial statements include two kinds of statements that present different views of JCBC:

Government-Wide 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 are offset by revenues. Direct expenses are those that are clearly identifiable with a specific function. Revenues consist of fees, court costs, and other charges.

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 Funds

Governmental fund financial statements are reported using the current financial focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collectible with the current period. For this purpose, JCBC considers 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 has only one governmental fund as described below:

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.

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 in Exhibit E of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Statement of Net Position provides information which shows how JCBC's net position 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 Statements of Net Position

	December 31,		
	2024	2023	Change
Assets	<u>\$ 20,451,660</u>	<u>\$ 19,173,271</u>	<u>\$ 1,278,389</u>
Liabilities	<u>\$ 358</u>	<u>\$ -</u>	<u>\$ 358</u>
Net position:			
Invested in capital assets	\$ 902,639	\$ 893,684	\$ 8,955
Restricted	<u>19,548,663</u>	<u>18,279,587</u>	<u>1,269,076</u>
Total net position	<u>\$ 20,451,302</u>	<u>\$ 19,173,271</u>	<u>\$ 1,278,031</u>

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

Condensed Statements of Activities

	For the years ended December 31,			Total Percentage Change
	2024	2023	Change	
Revenues:				
Fees collected	\$ 1,217,071	\$ 1,393,178	\$ (176,107)	-13%
Interest income	<u>75,291</u>	<u>69,820</u>	<u>5,471</u>	8%
Total revenues	1,292,362	1,462,998	(170,636)	-12%
Expenses:				
Planning and administrative services	331	301	30	10%
Professional fees	<u>14,000</u>	<u>12,350</u>	<u>1,650</u>	13%
Total expenditures/expenses	14,331	12,651	1,680	13%
Increase in net position	1,278,031	1,450,347	(172,316)	-12%
Net position beginning of year	<u>19,173,271</u>	<u>17,722,924</u>	<u>1,450,347</u>	8%
Ending net position	<u>\$ 20,451,302</u>	<u>\$ 19,173,271</u>	<u>\$ 1,278,031</u>	7%

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, 2024, JCBC's governmental fund, the Capital Projects Fund, reported an ending fund balance of \$19,548,663, an increase of \$1,269,076 in comparison with the prior year.

Capital Projects Fund Budgetary Highlights

During the year, revenues were less than budgetary estimates by approximately \$7,000 and expenditures were less than budgetary estimates by approximately \$164,000.

CAPITAL ASSETS

JCBC's investment in capital assets for its governmental activities as of December 31, 2024 and 2023 totaled \$902,639 and \$893,684, respectively. 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 put in service.

	<u>2024</u>	<u>2023</u>
Courthouse costs	<u>\$ 902,639</u>	<u>\$ 893,684</u>

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

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 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 Commissioner's expectations about the current level of expenditures. The budget was based on the assumption that certain expenses for 2025 would remain approximately the same as in 2024.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of JCBC's finances for all those with an interest in JCBC's finances. Questions concerning any of the information provided in this report or requests for additional financial 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.

**STATEMENT OF NET POSITION AND
GOVERNMENTAL FUND BALANCE SHEET**

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

New Orleans, Louisiana

December 31, 2024

	<u>Capital Projects Fund</u>	<u>Adjustments (Exhibit B)</u>	<u>Statement of Net Position</u>
Assets			
Cash	\$19,450,530	\$ -	\$ 19,450,530
Accounts receivable	98,491	-	98,491
Capital assets, net of accumulated depreciation	<u>-</u>	<u>902,639</u>	<u>902,639</u>
Total assets	<u><u>\$ 19,549,021</u></u>	<u><u>\$ 902,639</u></u>	<u><u>\$ 20,451,660</u></u>
Liabilities			
Accounts payable and accrued expenditures	<u>\$ 358</u>		<u>\$ 358</u>
Fund Balance/Net Position			
Fund balance:			
Restricted	<u>\$ 19,548,663</u>	<u>\$ (19,548,663)</u>	<u>\$ -</u>
Total liabilities and fund balance	<u><u>\$ 19,549,021</u></u>	<u><u>(19,548,663)</u></u>	<u><u>358</u></u>
Net position:			
Net invested in capital assets		902,639	902,639
Restricted		<u>19,548,663</u>	<u>19,548,663</u>
Total net position		<u><u>\$ 20,451,302</u></u>	<u><u>\$ 20,451,302</u></u>

See notes to financial statements.

**RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF NET POSITION**

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

New Orleans, Louisiana

December 31, 2024

Fund Balance - Governmental Fund	\$ 19,548,663
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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

902,639

Net Position of Governmental Activities

\$ 20,451,302

See notes to financial statements.

**STATEMENT OF ACTIVITIES AND STATEMENT OF
GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE**

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

For the year ended December 31, 2024

	<u>Capital Projects Fund</u>	<u>Adjustments (Exhibit D)</u>	<u>Statement of Activities</u>
Revenues			
Fees collected	\$ 1,217,071	\$ -	\$ 1,217,071
Interest income	75,291	-	75,291
	<u>1,292,362</u>	<u>-</u>	<u>1,292,362</u>
Expenditures			
Planning and administrative services	331	-	331
Professional fees	14,000	-	14,000
Capital outlay	8,955	(8,955)	-
	<u>23,286</u>	<u>(8,955)</u>	<u>14,331</u>
Excess of Revenues Over Expenditures	1,269,076	(1,269,076)	-
Change in Net Position	<u>-</u>	<u>1,278,031</u>	<u>1,278,031</u>
Net Change	1,269,076	8,955	1,278,031
Fund Balance/Net Position			
Beginning of year	<u>18,279,587</u>	<u>893,684</u>	<u>19,173,271</u>
End of year	<u><u>\$19,548,663</u></u>	<u><u>\$ 902,639</u></u>	<u><u>\$20,451,302</u></u>

See notes to financial statements.

**RECONCILIATION OF THE STATEMENT OF GOVERNMENTAL
FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE TO THE STATEMENT OF ACTIVITIES**

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

For the year ended December 31, 2024

Net Change in Fund Balance - Governmental Fund	\$ 1,269,076
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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 and reported as depreciation
expense, and the net book value of any disposed assets is
recorded as a loss on the disposal of assets. (No depreciation has
been recorded as of December 31, 2024 since no assets have
been placed into service as of that date.)

8,955

Change in Net Position of Governmental Activities	\$ 1,278,031
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\$ 1,278,031

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**Civil District Court for the Parish of Orleans
Judicial District Court Building Commission
New Orleans, Louisiana**

December 31, 2024

Note 1 - REPORTING ENTITY

The Civil District Court for the Parish of Orleans Judicial District Court Building Commission (JCBC) is designated by R.S. 13:3105(A) and re-enacted R.S. 13:996.67. JCBC was created pursuant to Act 900 enacted by the Legislature of Louisiana which amended R.S. 13:3105(A) and re-enacted R.S. 13:996.67.

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 C 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 Parish of Orleans Judicial 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:

a. The 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:

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's 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.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. The Financial Reporting Entity (Continued)

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

b. 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.

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.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Basis of Presentation (Continued)

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.

Measurement focus - 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.

Basis of accounting - 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.

c. 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 estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

d. 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, 2024.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. 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.

f. Stewardship, Compliance, and Accountability

Budget Expenditures Exceeding Actual Expenditures

The Capital Projects Fund had actual expenditures less than appropriations:

	<u>Budget</u>	<u>Actual</u>	<u>Favorable Variance</u>
Capital Projects Fund	<u>\$ 187,000</u>	<u>\$ 23,286</u>	<u>\$ 163,714</u>

Professional fees were budgeted to provide a space needs assessment, but that work did not occur until 2025. (See Note 12.)

g. Capital Assets

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

Government-Wide 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 is 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, 2024, no property and equipment has been put in service and no depreciation has been recorded.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Capital Assets (Continued)

Fund Financial Statements:

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.

h. Equity Classifications

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

- a. **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.
- b. **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.
- c. **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, 2024.

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, 2024.

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.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Equity Classifications (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, 2024.

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, 2024.

Unassigned - all other spendable amounts. There was no unassigned equity as of December 31, 2024.

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.

i. New Pronouncements

During the year ended December 31, 2024, JCBC implemented the following GASB Statements:

Statement No. 99, “*Omnibus 2022*” provides objectives to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements and accounting and financial report for financial guarantees. The requirements of this Statement apply to all financial statements at dates varying from upon issuance to fiscal periods beginning after June 15, 2023. This Statement did not affect the financial statements for the year ended December 31, 2024.

Statement No. 100, “*Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*” provides guidance to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. This Statement did not affect the financial statements for the year ended December 31, 2024.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. New Pronouncements (Continued)

Statement No. 101, “*Compensated Absences*” provides guidance to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. This Statement did not affect the financial statements for the year ended December 31, 2024.

The GASB has issued the following Statements which will become effective in future years as shown below:

Statement No. 102, “*Certain Risk Disclosures*” defines concentrations and constraints. The Statement also requires governments to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact and whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

Statement No. 103, “*Financial Reporting Model Improvements*” provides guidance to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. The Statement establishes new or modifies existing requirements related to Management’s Discussion and Analysis (MD&A), unusual or infrequent items, presentation of proprietary fund statement of revenues, expenses, and changes in fund net position, information about major component units in basic financial statements, and budgetary comparison information. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Management has yet to determine the effect of this Statement on the financial statements.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. New Pronouncements (Continued)

Statement No. 104, “*Disclosure of Certain Capital Assets*” provides guidance on the requirements of certain types of capital assets disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital as-sets note disclosure. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. The requirements of this Statement are effective for all fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Management has yet to determine the effect of this Statement on the financial statements.

k. Subsequent Events

Management evaluates events occurring subsequent to the date of financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through June 13, 2025, which is the date the financial statements were available to be issued.

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.

The year-end bank balance is as follows:

	<u>Bank Balances</u>	<u>Reported Amount</u>
Cash	<u>\$19,450,530</u>	<u>\$19,450,530</u>

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, 2024, JCBC's bank balance of \$19,450,530 was in excess of the federal deposit limit by \$19,200,530.

As of December 31, 2024, 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 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, 2024, accounts receivable of \$98,491 consisted of funds collected on behalf of JCBC and due from the Orleans Parish Clerk of Civil District Court (\$90,950) and Clerk of Court Orleans First City Court (\$7,541).

Note 5 - CHANGES IN CAPITAL ASSETS

Changes in capital assets for the year ended December 31, 2024 were as follows:

	Balance January 1, 2024	Additions	Dispositions	Balance December 31, 2024
Capital assets:				
Courthouse costs and and equipment	\$ 893,684	\$ 8,955	\$ -	\$ 902,639
Less accumulated depreciation for:				
Courthouse costs and equipment	-	-	-	-
Total capital assets, net	<u>\$ 893,684</u>	<u>\$ 8,955</u>	<u>\$ -</u>	<u>\$ 902,639</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 - LAND AGREEMENT

The New Orleans Building Corporation (NOBC), the City of New Orleans (the "City"), Assessor of Orleans Parish, and JCBC entered into a cooperative endeavor agreement April 2024 for the payment of cash consideration in connection with land acquisition by the City of New Orleans.

Note 8 - LAND AGREEMENT (Continued)

On March 27, 2024, the City acquired ownership of the state-owned portion of Duncan Plaza, State Exchange Land. The State Exchange Land, in combination with neighboring property owned by the City, may be used as the site of a future municipal complex serving the City of New Orleans, which would include a new courthouse building for the Civil District Court for the Parish of Orleans, in which the office of the Assessor would also be housed. The City is in the process of establishing an advisory commission to make recommendations regarding the planning and development of the future municipal complex, which will include development of a preliminary site plan depicting the location of the new courthouse building.

The amount paid on behalf of the JCBC was \$1,015,882 to reimburse NOBC for a portion of the cash payment paid to the State on behalf of the City as partial consideration for the City's acquisition of the State Exchange Land.

Note 9 - RESTRICTED NET POSITION

As of December 31, 2024, restricted net position consisted of funds for the design, planning, feasibility, acquisition, construction, equipping, operating, and maintaining a new courthouse facility.

Note 10 - PER DIEM TO COMMISSIONERS

For the year ended December 31, 2024, none of the Commissioners received per diem in their respective capacity as commissioners.

Note 11 - 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 Parish of Orleans.

Note 12 - COMMITMENTS

During the year, JCBC entered into an agreement with an architect to provide a space needs assessment for all departments comprising the City of New Orleans's Civil District Court, Parish Clerk of Court, and the Tax Assessor's Office. The contract has total payments of \$160,000. There were no payments for the contract as of December 31, 2024.

REQUIRED SUPPLEMENTARY INFORMATION

**STATEMENT OF GOVERNMENTAL FUND REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL**

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

For the year ended December 31, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Amended	Amounts	Final Budget Favorable (Unfavorable)
Revenues				
Building fees collected	\$ 1,325,000	\$ 1,225,500	\$ 1,217,071	\$ (8,429)
Interest income	70,000	74,000	75,291	1,291
Total revenues	1,395,000	1,299,500	1,292,362	(7,138)
Expenditures				
Planning and administrative services	13,500	173,000	331	172,669
Professional fees	-	14,000	14,000	-
Capital outlay	-	-	8,955	(8,955)
Total expenditures	13,500	187,000	23,286	163,714
Excess of Revenues Over Expenditures	1,381,500	1,112,500	1,269,076	<u>\$ 156,576</u>
Fund Balance				
Beginning of year	18,279,587	18,279,587	18,279,587	
End of year	<u>\$ 19,661,087</u>	<u>\$ 19,392,087</u>	<u>\$ 19,548,663</u>	

**NOTE TO REQUIRED SUPPLEMENTARY
INFORMATION - BUDGETARY REPORTING**

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

December 31, 2024

Budgetary Information

JCBC adheres to the following procedures in establishing the budgetary data reflected in the financial statements.

Budgetary Information

JCBC adopted a budget for its Governmental Fund for the year ended December 31, 2024 and it was made available for public inspection at JCBC's office on November 20, 2023. The proposed budget was prepared on the accrual basis of accounting and was published in the official journal on October 30, 2023. The budget hearing was held at JCBC's office on December 5, 2023. The budget is legally adopted and amended, as necessary, by JCBC. The budget for the year ended December 31, 2024 was amended once and was made available for public inspection at JCBC's office on November 25, 2024. The budget was published in the official journal on November 6, 2024. The budget hearing was held at JCBC's office on December 3, 2024. All appropriations lapse at year end.

Formal budget integration (within the accounting records) is employed as a management control device. Budget amounts included in the accompanying financial statements include the original and amended adopted budgets.

The budget was adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

SUPPLEMENTARY INFORMATION

**SCHEDULE OF COMPENSATION, BENEFITS,
AND OTHER PAYMENTS TO AGENCY HEAD**

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

New Orleans, Louisiana

For the year ended December 31, 2024

Commission Chair Name: Omar K. Mason, Commission Chair

Purpose

Salary	\$	0
Benefits - insurance		0
Benefits - retirement		0
Benefits - other		0
Car allowance		0
Vehicle provided by government		0
Per diem		0
Reimbursements		0
Travel		0
Registration fees		0
Conference travel		0
Continuing professional education fees		0
Housing		0
Unvouchered expenses		0
Special meals		0
		<hr/>
	\$	<u><u>0</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 their capacity on the Judicial District Court Building Commission or the En Banc.

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

**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 Judges En Banc,
Civil District Court for the Parish of Orleans
Judicial District Court Building Commission,
New Orleans, Louisiana.

We have audited, 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, the accompanying 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, 2024, and the related notes to the financial statements which collectively comprise the Civil District Court for the Parish of Orleans Judicial District Court Building Commission’s basic financial statements, and have issued our report thereon dated June 13, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of JCBC’s internal control. Accordingly, we do not express an opinion on the effectiveness of 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 JCBC’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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 JCBC'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.

A handwritten signature in black ink that reads "Bourgeois Bennett, L.L.C." in a cursive script.

Certified Public Accountants.

New Orleans, Louisiana,
June 13, 2025.

SCHEDULE OF FINDINGS AND RESPONSES

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

For the year ended December 31, 2024

Section I - Summary of Auditor's Report

a) Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None reported

Noncompliance material to financial statements noted? ☐ Yes ☒ No

b) 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 ended December 31, 2024 and therefore is exempt from the audit requirements under the *Uniform Guidance*.

Section II - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

There were no findings noted during the audit for the year ended December 31, 2024 related to internal control over financial reporting.

Compliance and Other Matters

There were no findings noted during the audit for the year ended December 31, 2024 related to compliance and other matters.

Section III - Federal Award Findings and Questioned Costs

Not applicable.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

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

For the year ended December 31, 2024

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

There were no findings reported during the audit for the year ended December 31, 2023 related to internal control over financial reporting.

Compliance and Other Matters

There were no findings reported during the audit for the year ended December 31, 2023 related to compliance and other matters.

Section II - Internal Control and Compliance Material to 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 ended December 31, 2023 and therefore is exempt from the audit requirements under the *Uniform Guidance*.

Section III - Management Letter

A management letter was not issued in connection with the audit of the basic financial statements for the year ended December 31, 2023.

MANAGEMENT'S CORRECTIVE ACTION PLAN

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

For the year ended December 31, 2024

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

There were no findings reported during the audit for the year ended December 31, 2024 related to internal control over financial reporting.

Compliance and Other Matters

There were no findings reported during the audit for the year ended December 31, 2024 related to compliance and other matters.

Section II - Internal Control and Compliance Material to 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 ended December 31, 2023 and therefore is exempt from the audit requirements under the *Uniform Guidance*.

Section III - Management Letter

A management letter was not issued in connection with the audit of the basic financial statements for the year ended December 31, 2024.