

Financial Report

*New Orleans City Park
Improvement Association*

June 30, 2022

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FINANCIAL SECTION

INDEPENDENT AUDITOR’S REPORT

To the Board of Commissioners,
New Orleans City Park Improvement Association,
New Orleans, Louisiana.

Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units and each major fund of the New Orleans City Park Improvement Association (the “Park”), as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the New Orleans City Park Improvement Association’s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, and each major fund, of the Park as of June 30, 2022 and 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the years 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 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 Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Park 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 opinion.

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 the Park'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 the Park'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 Park'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 15, and the Schedule of Changes in the Park's Total OPEB Liability and Related Ratios on page 51, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Park's basic financial statements. The accompanying Schedule of Operating Expenses on page 52, and the Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Office, on page 53, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards on page 59, is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is also 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 February 28, 2023 on our consideration of the Park's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Park's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Park's internal control over financial reporting and compliance.

Correction of Error

As discussed in Note 2 to the financial statements, certain endowments recorded as assets of the Park, which were held by a third party were determined to not be assets of the Park. Accordingly, amounts reported for net position have been restated on the June 30, 2021 financial statements now presented, and an adjustment has been made to net position as of June 30, 2020 to correct the error. Our opinion is not modified with respect to that matter.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
February 28, 2023.

MANAGEMENT'S DISCUSSION AND ANALYSIS

New Orleans City Park Improvement Association New Orleans, Louisiana

June 30, 2022

This section of the New Orleans City Park Improvement Association's (the "Park") financial report presents a discussion and analysis of the Park's financial performance during the years ended June 30, 2022 and 2021. Please read it in conjunction with the Park's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

2022 Highlights

The Park's net position represents approximately 76% of total assets of approximately \$91 million as of June 30, 2022. As of June 30, 2021, the Park's net position approximated 76% of total assets of approximately \$91 million.

The Park's increase in net position was approximately \$564,000 for the year ended June 30, 2022 as compared to an increase of approximately \$2.8 million for the year ended June 30, 2021. In addition, the Park's cash used in operating activities was approximately \$1.1 million in 2022 as compared to approximately \$2.7 million in 2021.

2021 Highlights

The Park's net position represents approximately 76% of total assets of approximately \$91 million as of June 30, 2021. As of June 30, 2020, the Park's net position approximated 75% of total assets of approximately \$66 million.

The Park's increase in net position was approximately \$2.8 million for the year ended June 30, 2021 as compared to a decrease of approximately \$1.6 million for the year ended June 30, 2020. In addition, the Park's cash used in operating activities was approximately \$2.7 million in 2021 as compared to approximately \$2.9 million in 2020.

OVERVIEW OF THE FINANCIAL STATEMENTS

This financial report consists of four parts: management's discussion and analysis (this section), the basic financial statements (including the notes to the financial statements), required supplementary information, and other supplementary information.

The financial statements provide both long-term and short-term information about the Park's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplemental information and other supplemental information that further explains and supports the information in the financial statements.

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The financial statements provide both long-term and short-term information about the Park's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplemental information and other supplemental information that further explains and supports the information in the financial statements.

The Park's financial statements are prepared on an accrual basis in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. Under this basis of accounting, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, and depreciation of assets is recognized in the Statements of Revenue, Expenses, and Changes in Net Position. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of the Park are included in the Statements of Net Position.

FINANCIAL ANALYSIS OF THE PARK - 2022

The Statements of Net Position reports the Park's net position. Net position, the difference between the Park's assets, liabilities and deferred inflows of resources, is one way to measure the Park's financial health or position. The Park's net position increased approximately \$564,000 in 2022 compared to an increase of \$2.8 million in 2021. Current assets exceed current liabilities by approximately \$16.4 million as of June 30, 2022.

FINANCIAL ANALYSIS OF THE PARK - 2022 (Continued)**Condensed Statements of Net Position**

	As of June 30,		
	<u>2022</u>	<u>2021</u> <u>(As Restated)</u>	<u>Increase</u> <u>(Decrease)</u>
<u>ASSETS</u>			
Current assets	\$ 19,530,020	\$ 14,608,298	\$ 4,921,722
Capital assets	<u>71,232,373</u>	<u>75,862,406</u>	<u>(4,630,033)</u>
Total assets	90,762,393	90,470,704	291,689
Deferred outflows of resources	<u>543,875</u>	<u>223,139</u>	<u>320,736</u>
Total assets and deferred outflows	<u>\$ 91,306,268</u>	<u>\$ 90,693,843</u>	<u>\$ 612,425</u>
<u>LIABILITIES</u>			
Current liabilities	\$ 3,134,872	\$ 2,950,021	\$ 184,851
Long-term liabilities	<u>5,586,451</u>	<u>6,199,933</u>	<u>(613,482)</u>
Total liabilities	<u>8,721,323</u>	<u>9,149,954</u>	<u>(428,631)</u>
Deferred inflows of resources	<u>12,931,453</u>	<u>12,454,146</u>	<u>477,307</u>
Net position:			
Net investment in capital assets	70,067,422	74,301,326	(4,233,904)
Restricted	798,057	436,116	361,941
Unrestricted (deficit)	<u>(1,211,987)</u>	<u>(5,647,699)</u>	<u>4,435,712</u>
Total net position	<u>69,653,492</u>	<u>69,089,743</u>	<u>563,749</u>
Total liabilities, deferred inflows, and net position	<u>\$ 91,306,268</u>	<u>\$ 90,693,843</u>	<u>\$ 612,425</u>

Net Position

The Park's total net position as of June 30, 2022 increased approximately \$564,000 to approximately \$69.7 million. Total assets increased approximately \$292,000 to approximately \$90.8 million, and total liabilities decreased approximately \$429,000 to approximately \$8.7 million. In addition, the Park reported deferred inflows of resources of approximately \$12.9 million as of June 30, 2022, which represents an approximate \$477,000 increase from the amount reported as of June 30, 2021. The deferred inflow of resources relates to capital contribution made by the Bayou District Foundation (BDF) to fund a portion of the improvements to the South Course at Bayou Oaks under a service concession arrangement between the Park and the BDF (Note 13), the implementation of GASB Statement No. 75 related to the accounting for other post-retirement benefits (Note 11), and the implementation of GASB Statement No. 87 related to leases (Note 9).

FINANCIAL ANALYSIS OF THE PARK - 2022 (Continued)

Net Position (Continued)

Total current assets increased by approximately \$4.9 million and current liabilities increased by approximately \$185,000 which resulted in an increase in working capital of approximately \$4.7 million. Receivables increased approximately \$1.2 million compared to 2021 due to disaster payments to be reimbursed from FEMA and the State Office of Risk Management related to Hurricane Ida. Unrestricted bank account cash increased by approximately \$3 million due to successful fundraising events, and revenue generating programs open for a complete year without Coronavirus (COVID-19) restrictions.

Sales tax collected by the City Park Taxing District (TIF), a blended component unit of the Park (Note 1), exceeded funds used for capital projects by the Park, resulting in an increase of approximately \$362,000 in restricted cash. Non-current assets decreased by approximately \$4.6 million.

Total liabilities decreased by approximately \$429,000, attributed to the reduction of the golf course complex equipment lease liability.

Net investments in capital assets reflect capital assets, net of accumulated depreciation. Restricted assets reflect assets restricted by a donor and/or contractual agreements for specific purposes.

Changes in Net Position

The change in net position for the year ended June 30, 2022 was an increase of approximately \$564,000 compared to an increase in net position of approximately \$2.8 million for the year ended June 30, 2021.

FINANCIAL ANALYSIS OF THE PARK - 2022 (Continued)**Statements of Revenues, Expenses and Changes in Net Position**

	Year Ended June 30,		Increase (Decrease)
	2022	2021 (As Restated)	
Operating Revenues			
Amusements, concerts, and other events	\$ 6,844,076	\$ 3,552,966	\$ 3,291,110
Catering and gift shop	3,325,368	906,343	2,419,025
Golf operations	743,360	520,180	223,180
Horticulture, grounds and pavilion rental	1,138,275	869,983	268,292
Athletic services	1,212,064	1,016,536	195,528
Total operating revenues	<u>13,263,143</u>	<u>6,866,008</u>	<u>6,397,135</u>
Operating Expenses			
Amusements, concerts, and other events	3,374,069	1,888,354	1,485,715
Catering, restaurant, and gift shop	2,495,653	965,082	1,530,571
Horticulture, grounds and pavilion rental	1,043,366	964,273	79,093
Athletic services and tennis	977,898	846,168	131,730
General park	6,198,412	6,069,482	128,930
Depreciation	4,669,184	4,651,208	17,976
Amortization - leases	396,129	126,180	269,949
Other postretirement benefit expense	50,294	201,066	(150,772)
Total operating expenses	<u>19,205,005</u>	<u>15,711,813</u>	<u>3,493,192</u>
Net operating loss	(5,941,862)	(8,845,805)	2,903,943
Nonoperating income	6,505,611	10,074,264	(3,568,653)
Capital contributions	-	1,618,956	(1,618,956)
Changes in net position	563,749	2,847,415	(2,283,666)
Total net position, beginning of the year	<u>69,089,743</u>	<u>66,242,328</u>	<u>2,847,415</u>
Total net position, end of the year	<u>\$ 69,653,492</u>	<u>\$ 69,089,743</u>	<u>\$ 563,749</u>

Total operating revenues increased by approximately \$6.4 million to \$13.3 million for the year ended June 30, 2022, compared to approximately \$6.9 million in the year ended June 30, 2021. Amusements, concerts, and other special events revenue increased by \$3.3 million, and catering and gift shop revenue increased \$2.4 million mainly due to a full calendar year of events without COVID-19 closures and cancellations. This increase in revenue was offset by an increase in amusements, concerts, and special events, and catering, restaurant, and gift shop expenses totaling \$3 million. The Park's total operating expenses increased by approximately \$3.5 million mainly due to a full year of operating expenses without COVID-19 closures and cancellations. Under GASB 60, the Park accounts for its cooperative endeavor agreement (CEA) with BDF as a service concessions arrangement. Consequently, the Park recognizes only its share of the net revenue.

FINANCIAL ANALYSIS OF THE PARK - 2022 (Continued)

Capital contributions decreased by approximately \$1.6 million primarily due to the construction of Botanical Garden outdoor kitchen and new maintenance building in 2021. There were no capital contributions in 2022.

Schedules of Operating Expenses

	<u>Year Ended June 30,</u>		<u>Increase</u>
	<u>2022</u>	<u>2021</u>	<u>(Decrease)</u>
Administrative	\$ 588,922	\$ 526,661	\$ 62,261
Advertising	70,303	135,749	(65,446)
Amortization - leases	396,129	126,180	269,949
Contract labor	353,155	110,893	242,262
Contract services	1,552,040	934,689	617,351
Cost of goods sold	1,140,167	360,583	779,584
COVID-19 expenses	4,782	133,427	(128,645)
Depreciation	4,669,184	4,651,208	17,976
Disposal of fixed assets	8,626	629,417	(620,791)
Fuel	66,009	46,767	19,242
Insurance	569,097	529,860	39,237
Other post-employment benefits	50,294	201,066	(150,772)
Payroll	6,263,606	4,592,247	1,671,359
Payroll benefits	1,161,707	982,396	179,311
Rentals	9,462	1,879	7,583
Repairs and maintenance	707,035	542,752	164,283
Supplies	710,522	523,390	187,132
Training and education	91,870	18,788	73,082
Uniforms	30,961	9,700	21,261
Utilities	718,198	504,647	213,551
Write-offs	42,936	149,514	(106,578)
Total operating expenses	<u>\$ 19,205,005</u>	<u>\$ 15,711,813</u>	<u>\$ 3,493,192</u>

Operating expenses increased by approximately \$3.5 million in fiscal year 2022. This increase is attributable to a full year of programming and events during 2022 compared to the cost cutting measures taken by management due to the COVID-19 Park closures during 2021. Contract labor increased approximately \$617,000, cost of goods sold increased approximately \$780,000, utilities increased approximately \$214,000, contract services increased approximately \$242,000, and payroll increased by approximately \$1.67 million. There were approximately \$630,000 of assets disposed of for the year 2021. COVID-19 related expenses also decreased in 2022 by approximately \$128,000.

Non-operating income decreased by approximately \$3.5 million. The main factors contributing to this includes one-time revenue of state COVID-19 support of \$2.5 million and state insurance support of \$1.9 million for the year 2021.

FINANCIAL ANALYSIS OF THE PARK - 2021

The Statements of Net Position reports the Park's net position. Net position, the difference between the Park's assets, liabilities and deferred inflows and outflows of resources, is one way to measure the Park's financial health or position. The Park's net position increased approximately \$2.8 million in 2021 compared to a decrease of \$1.6 million in 2020. Current assets exceed current liabilities by approximately \$11.7 million as of June 30, 2021.

Statements of Net Position

	As of June 30,		
	<u>2021</u>	<u>2020</u>	<u>Increase</u>
	<u>(As Restated)</u>	<u>(As Restated)</u>	<u>(Decrease)</u>
<u>ASSETS</u>			
Current assets	\$ 14,608,298	\$ 10,413,987	\$ 4,194,311
Capital assets	<u>75,862,406</u>	<u>77,625,449</u>	<u>(1,763,043)</u>
Total assets	90,470,704	88,039,436	2,431,268
Deferred outflows of resources	<u>223,139</u>	<u>311,540</u>	<u>(88,401)</u>
Total assets and deferred outflows	<u><u>\$ 90,693,843</u></u>	<u><u>\$ 88,350,976</u></u>	<u><u>\$ 2,342,867</u></u>
<u>LIABILITIES</u>			
Current liabilities	\$ 2,950,021	\$ 3,924,242	\$ (974,221)
Long-term liabilities	<u>6,199,933</u>	<u>4,789,950</u>	<u>1,409,983</u>
Total liabilities	<u>9,149,954</u>	<u>8,714,192</u>	<u>435,762</u>
Deferred inflows of resources	<u>12,454,146</u>	<u>13,394,456</u>	<u>(940,310)</u>
Net position:			
Net investment in capital assets	74,301,326	77,625,449	(3,324,123)
Restricted	436,116	655,720	(219,604)
Unrestricted	<u>(5,647,699)</u>	<u>(12,038,841)</u>	<u>6,391,142</u>
Total net position	<u>69,089,743</u>	<u>66,242,328</u>	<u>2,847,415</u>
Total liabilities, deferred inflows, and net position	<u><u>\$ 90,693,843</u></u>	<u><u>\$ 88,350,976</u></u>	<u><u>\$ 2,342,867</u></u>

FINANCIAL ANALYSIS OF THE PARK - 2021 (Continued)**Net Position**

The Park's total net position as of June 30, 2021 increased 5% to approximately \$69 million (see page 11). Total assets increased 3% to approximately \$91 million, and total liabilities increased 5% to approximately \$9.1 million. In addition, the Park reported deferred inflows of resources of approximately \$12.5 million as of June 30, 2021, which represents a 5% decrease from the amount reported as of June 30, 2020. The deferred inflow of resources relates to capital contribution made by the BDF to fund a portion of the improvements to the South Course at Bayou Oaks under a service concession arrangement between the Park and the BDF and the implementation of GASB Statement No. 75 related to the accounting for other post-retirement benefits. The increase in net position is mainly attributable to a net increase in total assets and deferred outflows of \$2.3 million.

Total current assets increased by approximately \$4.2 million and current liabilities decreased by approximately \$974,000 which resulted in an increase in working capital of \$5.2 million. Receivables increased approximately \$100,000 compared to 2020 due to disaster payments to be reimbursed from FEMA related to Hurricane Zeta netted against payments received related to Hurricane Katrina. Unrestricted bank account cash increased by approximately \$2.2 million due City Park receiving a City of New Orleans Property Tax Millage for the first time and State COVID-19 operations support.

Sales tax collected by the City Park Taxing District (TIF), a blended component unit of the Park (Note 1), did not exceed funds used for capital projects by the Park, resulting in a decrease of approximately \$200,000 in restricted cash. Non-current assets decreased by approximately \$1.8 million.

Total liabilities increased by approximately \$436,000. Insurance payable due to the Office of Risk Management for the Park's insurance premiums (Note 7) decreased by approximately \$1.4 million, along with a reduction of \$310,000 of payments due to reimburse FEMA. These decreases were offset by a \$500,000 restricted operating and capital reserve for the golf complex, along with a \$1.6 million for leased equipment for the gold complex.

Net investments in capital assets reflect capital assets, net of accumulated depreciation. Restricted assets reflect assets restricted by a donor and/or contractual agreements for specific purposes.

Changes in Net Position

The change in net position for the year ended June 30, 2021 was an increase of approximately \$2.8 million compared to a decrease in net position of approximately \$2.5 million for the year ended June 30, 2020.

FINANCIAL ANALYSIS OF THE PARK - 2021 (Continued)**Statements of Revenues, Expenses, and Changes in Net Position**

	<u>Year Ended June 30,</u>		Increase (Decrease)
	<u>2021</u> (As Restated)	<u>2020</u> (As Restated)	
Operating Revenues			
Amusements, concerts, and other events	\$ 3,552,966	\$ 5,889,551	\$ (2,336,585)
Catering and gift shop	906,343	2,292,919	(1,386,576)
Golf operations	520,180	521,650	(1,470)
Horticulture, grounds and pavilion rental	869,983	806,987	62,996
Athletic services and tennis	1,016,536	1,303,218	(286,682)
Total operating revenues	<u>6,866,008</u>	<u>10,814,325</u>	<u>(3,948,317)</u>
Operating Expenses			
Amusements, concerts, and other events	1,888,354	3,700,452	(1,812,098)
Catering, restaurant, and gift shop	965,082	2,196,451	(1,231,369)
Horticulture, grounds and pavilion rental	964,273	1,137,820	(173,547)
Athletic services and tennis	846,168	1,171,098	(324,930)
General park	6,069,482	6,199,629	(130,147)
Depreciation	4,651,208	4,775,509	(124,301)
Amortization - leases	126,180	-	126,180
Other postretirement benefit expense	201,066	364,200	(163,134)
Total operating expenses	<u>15,711,813</u>	<u>19,545,159</u>	<u>(3,833,346)</u>
Net operating loss	(8,845,805)	(8,730,834)	(114,971)
Nonoperating income	10,074,264	4,341,032	5,733,232
Capital contributions	<u>1,618,956</u>	<u>1,893,520</u>	<u>(274,564)</u>
Changes in net position	2,847,415	(2,496,282)	5,343,697
Total net position, beginning of the year	<u>66,242,328</u>	<u>68,738,610</u>	<u>(2,496,282)</u>
Total net position, end of the year	<u>\$ 69,089,743</u>	<u>\$ 66,242,328</u>	<u>\$ 2,847,415</u>

Total operating revenues decreased by approximately \$3.9 million to \$6.9 million for the year ended June 30, 2021, compared to \$10.8 million in the year ended June 30, 2020. Amusements, concerts, and other special events revenue decreased by \$2.3 million, and catering, restaurant, and gift shop revenue decreased \$1.4 million mainly due to COVID-19 closures and cancellations. This lost revenue was partially offset by a decrease in amusement, concerts, and special event expenses of \$1.8 million. The Park's total operating expenses decreased by approximately \$3.8 million mainly due to salary and expense reductions caused by the Park's response to COVID-19 closure for most of the fiscal year. Under GASB 60, the Park accounts for its cooperative endeavor agreement (CEA) with BDF as a service concessions arrangement. Consequently, the Park recognized only its share of the net revenue.

FINANCIAL ANALYSIS OF THE PARK - 2021 (Continued)

Capital contributions decreased by approximately \$275,000 primarily due to the construction of leased space during fiscal year 2020. The Botanical Garden outdoor kitchen and new maintenance building attributed to capital contributions in 2021.

Schedules of Operating Expenses

	<u>Year Ended June 30,</u>		Increase
	<u>2021</u>	<u>2020</u>	<u>(Decrease)</u>
Administrative	\$ 526,661	\$ 612,749	\$ (86,088)
Advertising	135,749	393,053	(257,304)
Amortization - leases	126,180	-	126,180
Contract labor	110,893	834,027	(723,134)
Contract services	934,689	883,042	51,647
Cost of goods sold	360,583	1,145,045	(784,462)
COVID-19 expenses	133,427	80,805	52,622
Depreciation	4,651,208	4,775,509	(124,301)
Disposal of fixed assets	629,417	-	629,417
Fuel	46,767	46,694	73
Insurance	529,860	489,749	40,111
Other post-employment benefits	201,066	364,200	(163,134)
Payroll	4,592,247	6,249,210	(1,656,963)
Payroll benefits	982,396	1,078,999	(96,603)
Rentals	1,879	254,071	(252,192)
Repairs and maintenance	542,752	694,884	(152,132)
Supplies	523,390	650,093	(126,703)
Training and education	18,788	72,208	(53,420)
Uniforms	9,700	12,178	(2,478)
Utilities	504,647	554,701	(50,054)
Write-offs	149,514	353,943	(204,429)
Total operating expenses	<u>\$ 15,711,813</u>	<u>\$ 19,545,160</u>	<u>\$ (3,833,347)</u>

CAPITAL ASSET AND DEBT ADMINISTRATION**2022 Capital Assets**

As of June 30, 2022, the Park's investment in capital assets approximated \$70 million, net of accumulated depreciation of approximately \$56 million. This investment consists principally of buildings and related improvements, ground improvements, and equipment. As of June 30, 2022, the Park has construction in progress of approximately \$851,000 relating to projects throughout the Park.

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

2021 Capital Assets

As of June 30, 2021, the Park's investment in capital assets approximated \$74 million, net of accumulated depreciation of approximately \$51 million. This investment consists principally of buildings and related improvements, ground improvements, and equipment. As of June 30, 2021, the Park has construction in progress of approximately \$611,000 relating to projects throughout the Park.

Also, during the year ended June 30, 2021, the Park entered into capital leasing arrangements for certain moveable equipment on behalf of BDF through a cooperative endeavor agreement. The leases contain imputed interest rates approximating 3.25%. The leases require monthly payments, including interest, ranging from \$2,463 to \$13,542. The leases mature in months ranging from March 2025 through June 2026.

ECONOMIC FACTORS AND OUTLOOK - 2022

This year differed from the two prior years in that there were no significant disasters that affected business operations, and the effects of the pandemic were minimal. The ability to host corporate and wedding events, stadium rentals, and programming throughout City Park without restrictions allowed multiple departments to meet budgeted expectations. Golf and Tennis operations maintained moderate success as outdoor recreation opportunities to the community. The Park also continued to host several events including City Park's biggest fundraiser, Celebration in the Oaks, which again exceeded expectations.

ECONOMIC FACTORS AND OUTLOOK - 2021

COVID -19 put significant pressure on City Park earned income sources. Wedding cancellations, venue closures and the cancellation of special events, including the multi-day Voodoo concert, resulted in multiple departments not meeting budget. Hurricane Zeta, amongst the ten most expensive storms in U.S. history, compounded this strain, forcing extended closures of multiple venues and impacting State Slot Tax reimbursement and the City Park Taxing District revenues. Some of these losses were mitigated through community support and through carefully monitoring expenses. Additionally, Golf and Tennis operations thrived due a surge in outdoor recreation pursued as a result of the pandemic. The Park also continued to host several events including the annual Celebration in the Oaks which exceeded expectations. As society and businesses continue to learn how to coexist with the pandemic, the Park anticipates less impact in the next fiscal year to traditional revenue generators.

CONTACTING THE PARK'S FINANCIAL MANAGEMENT

This financial report is designed to provide our patrons and other interested parties with a general overview of the Park's finances and to demonstrate the Park's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the New Orleans City Park Improvement Association at (504) 482-4888.

STATEMENTS OF NET POSITION

New Orleans City Park Improvement Association New Orleans, Louisiana

June 30, 2022 and 2021

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	<u>2022</u>	<u>2021</u> <u>As Restated</u>
Current		
Cash and cash equivalents:		
Unrestricted	\$ 6,021,881	\$ 2,971,291
Restricted	798,057	436,116
Total cash and cash equivalents	6,819,938	3,407,407
Investments with Louisiana Asset Management Pool	5,038,728	5,027,096
Receivables, net of allowances:		
Friends of City Park	30,861	78,932
Bayou District Foundation	928,413	916,580
Tenant leases	90,947	47,218
Federal grant receivable	1,138,889	310,066
City of New Orleans:		
Tax increment financing	147,875	91,070
Millage	46,806	51,103
State of Louisiana	295,224	94,843
Leases	4,509,663	4,321,640
Other	177,767	56,970
Inventories	281,909	160,363
Prepaid and other assets	23,000	45,010
Total current assets	19,530,020	14,608,298
Long-Term Assets		
Capital assets, net	70,067,422	74,301,326
Lease asset	1,164,951	1,561,080
Total long-term assets	71,232,373	75,862,406
Total assets	90,762,393	90,470,704
Deferred Outflow of Resources, Pensions	543,875	223,139
Total assets and deferred outflow of resources	<u>\$ 91,306,268</u>	<u>\$ 90,693,843</u>

See notes to financial statements.

LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

	<u>2022</u>	<u>2021 As Restated</u>
Current		
Accounts payable	\$ 401,375	\$ 341,067
Payroll withholdings	23,560	112,022
Accrued salaries	255,550	24,606
Restricted liabilities	500,000	500,000
Unearned revenue	1,127,009	1,072,208
Other	13,750	1,839
Lease liability, current portion	424,718	424,718
Due to other governments	-	66,755
Accrued vacation leave	388,910	406,806
	<u>3,134,872</u>	<u>2,950,021</u>
Long-Term		
Lease liability, long-term portion	764,628	1,143,981
Other post-employment benefits	4,821,823	5,055,952
	<u>8,721,323</u>	<u>9,149,954</u>
Deferred inflows of resources		
Service concession arrangement	7,388,523	7,662,172
Other post-employment benefits	1,423,667	818,508
Leases	4,119,263	3,973,466
	<u>12,931,453</u>	<u>12,454,146</u>
	<u>21,652,776</u>	<u>21,604,100</u>
Net Position		
Net investment in capital assets	70,067,422	74,301,326
Restricted	798,057	436,116
Unrestricted (deficit)	(1,211,987)	(5,647,699)
	<u>69,653,492</u>	<u>69,089,743</u>
	<u>\$ 91,306,268</u>	<u>\$ 90,693,843</u>
Total liabilities, deferred inflows of resources, and net position		

STATEMENTS OF ACTIVITIES**New Orleans City Park Improvement Association**
New Orleans, Louisiana

For the years ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u> As Restated
Operating Revenues		
Amusements, concerts, and other events	\$ 6,844,076	\$ 3,552,966
Catering and gift shop	3,325,368	906,343
Golf operations	743,360	520,180
Horticulture, grounds pavilion rental	1,138,275	869,983
Stadium rentals and concessions	534,730	351,560
Tennis	677,334	664,976
	<hr/>	<hr/>
Total operating revenues	13,263,143	6,866,008
Operating Expenses		
Amusements, concerts, and other events	3,374,069	1,888,354
Catering, restaurant, and gift shop	2,495,653	965,082
Horticulture, grounds pavilion rental	1,043,366	964,273
Stadium rentals and concessions	563,678	481,354
Tennis	414,220	364,814
General park expenses	6,198,412	6,069,482
Depreciation	4,669,184	4,651,208
Amortization - leases	396,129	126,180
Other post-employment benefits	50,294	201,066
	<hr/>	<hr/>
Total operating expenses	19,205,005	15,711,813
	<hr/>	<hr/>
Net operating loss	(5,941,862)	(8,845,805)
	<hr/>	<hr/>
Nonoperating Income		
Donations	1,150,914	616,344
Restricted donations	169	197,085
Interest income	13,993	3,932
State revenue	1,192,499	4,100,315
City revenue	2,819,477	2,144,719
Lease revenue	844,388	727,313
Insurance payable forgiveness	-	1,888,315
Other revenue	484,171	396,241
	<hr/>	<hr/>
Total nonoperating revenue	6,505,611	10,074,264
	<hr/>	<hr/>

**Exhibit B
(Continued)**

	<u>2022</u>	<u>2021 As Restated</u>
Change in net position before capital contributions	563,749	1,228,459
Capital Contributions	<u>-</u>	<u>1,618,956</u>
Change in net position after capital contributions	563,749	2,847,415
Net Position		
Beginning of the year, as restated	<u>69,089,743</u>	<u>66,242,328</u>
End of the year	<u><u>\$ 69,653,492</u></u>	<u><u>\$ 69,089,743</u></u>
See notes to financial statements.		

STATEMENTS OF CASH FLOWS PROPRIETARY FUNDS**New Orleans City Park Improvement Association**
New Orleans, Louisiana

For the years ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u> As Restated
Cash Flows From Operating Activities		
Cash received from user fees and other park activities	\$ 12,868,729	\$ 6,264,554
Cash payments to suppliers for goods and services	(5,176,262)	(3,242,079)
Cash payments to employees for services	<u>(8,764,305)</u>	<u>(5,677,970)</u>
Net cash used in operating activities	<u>(1,071,838)</u>	<u>(2,655,495)</u>
Cash Flows From Noncapital and Related Financing Activities		
Cash received from State of Louisiana	992,118	4,151,074
Cash received from sales tax and property tax mileage	2,766,969	2,106,777
Cash received from donations	1,199,154	778,899
Cash received from lease revenue	<u>758,433</u>	<u>443,366</u>
Net cash provided by noncapital and related financing activities	<u>5,716,674</u>	<u>7,480,116</u>
Cash Flows From Capital and Related Financing Activities		
Contributed by others for capital improvements	(895,578)	1,362,687
Payments on capital lease obligations	(379,353)	(118,561)
Acquisition and construction of capital assets	<u>(443,906)</u>	<u>(1,956,500)</u>
Net cash used in capital and related financing activities	<u>(1,718,837)</u>	<u>(712,374)</u>
Cash Flows From Investing Activities		
Purchase of investments	(11,632)	(3,249,078)
Sale of investments	-	763,331
Interest received on investments	13,993	3,932
Other revenue	<u>484,171</u>	<u>396,240</u>
Net cash provided by (used in) investing activities	<u>486,532</u>	<u>(2,085,575)</u>
Net increase in cash and cash equivalents	<u>3,412,531</u>	<u>2,026,672</u>

**Exhibit C
(Continued)**

	2022	2021 As Restated
Cash and Cash Equivalents		
Beginning of the year	3,407,407	1,380,735
End of the year	\$ 6,819,938	\$ 3,407,407
Reconciliation of Net Operating Loss to Net Cash Provided By Operating Activities		
Operating loss	\$ (5,941,862)	\$ (8,845,804)
Adjustments to reconcile net operating loss to net cash provided by operating activities:		
Depreciation	4,669,184	4,777,387
Amortization - leases	396,129	126,180
Loss on disposal of capital assets	8,626	629,417
Bad debts	42,936	149,514
(Increase) decrease in assets and deferred outflows or resources:		
Receivables	(175,566)	(219,335)
Inventories	(121,546)	7,529
Prepaid expenses and other assets	22,010	(5,927)
Deferred outflows	(320,736)	88,401
Increase (decrease) in liabilities and deferred inflows of resources:		
Trade payables and insurance payable	60,308	410,660
Accrued liabilities and other liabilities	136,497	495,937
Other post-employment benefits	(234,129)	266,002
Deferred inflows of resources	331,510	(426,986)
Unearned income	54,801	(108,470)
Net cash used in operating activities	\$ (1,071,838)	\$ (2,655,495)
Noncash investing, capital and financing activities		
Assets acquired through capital lease	\$ -	\$ 1,687,260

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**New Orleans City Park Improvement Association**

New Orleans, Louisiana

June 30, 2022 and 2021

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The State of Louisiana legislature passed Act 84 of 1870 which established a public park in the City of New Orleans (the “City”) and created the New Orleans Park Board of Commissioners (“Board”). By Act 87 of 1877, the Board was abolished, and the powers and duties were transferred to the City Council of New Orleans. In 1896, Act 84 of 1870 was repealed and Act 130 gave recognition to an organization called the New Orleans City Park Improvement Association (the “Park”), an agency of the State, which was to manage and supervise the City’s park. Act 865 of 1982 transferred the Park to the State Department of Culture, Recreation and Tourism. The Park shall be used for park, educational and cultural purposes.

Act 13 of 1998 authorized the Park to contract with a not-for-profit entity for the operation, care, control, and management of the Park, including contracting for employment, procurement of goods and services and entering into lease arrangements. Additionally, the entity was specifically exempted from Title 38 relative to public contracts, Title 39 relative to procurement of professional, personal, consulting and social services and Title 41 relative to the lease of public lands. In 2001, the Park entered into a cooperative endeavor agreement with the Park Employment and Procurement Corporation (PEPCO) for the purposes stated in Act 13. PEPCO has no assets or liabilities and neither receives, nor expends any funds.

a. Reporting Entity

For financial reporting purposes and in accordance with Governmental Accounting Standards Board’s definition of a reporting entity, the Park has only one fund, an enterprise fund, which accounts for all assets, liabilities and operations of the Park, and, as such, is considered a primary government.

Of the 20 authorized Board members, 13 are appointed by various governmental units and nonprofit organizations. The remaining Board members serve limited staggered terms and are appointed by the current Board members of the Park. The Park’s Board members have decision-making authority over the activities of the Park including the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. The Park has no special financial relationships with any other governmental unit and is responsible for its own debt, surpluses, and deficits.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Component Units

New Orleans City Park Taxing District (TIF) is a blended component unit of the Park. Although a blended component unit is a legally separate entity, it is, in substance, part of the Park's operations, as it provides funding exclusively for the Park. Act 266 of 2007 of the State of Louisiana, created the TIF, and New Orleans City Ordinance No. 23010 on December 20, 2007 designates a portion of the local sales and use taxes within the Park's boundaries to fund economic development projects undertaken by the Park. During 2020, the original Ordinance was extended a second time for an additional six years through 2026. The net position of the TIF, restricted for Park capital projects and equipment, totaled \$669,374 and \$342,812 as of June 30, 2022 and 2021, respectively.

New Orleans City Park Taxing District

Statements of Net Position

	<u>2022</u>	<u>2021</u>
Current assets	<u>\$ 672,062</u>	<u>\$ 359,828</u>
Current liabilities	\$ 2,688	\$ 17,016
Restricted net position	<u>669,374</u>	<u>342,812</u>
Total liabilities and net position	<u>\$ 672,062</u>	<u>\$ 359,828</u>

Statements of Changes in Net Position

	<u>2022</u>	<u>2021</u>
General Revenues		
Sales taxes	\$434,169	\$217,961
Expenses		
Economic development	<u>107,607</u>	<u>477,337</u>
Change in net position	326,562	(259,376)
Net Position		
Beginning of year	<u>342,812</u>	<u>602,188</u>
End of year	<u>\$ 669,374</u>	<u>\$ 342,812</u>

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting policies of the Park conform to accounting principles generally accepted in the United States of America as applicable to governments. The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and measurable; and expenses, excluding depreciation and amortization, are recorded when a liability is incurred, regardless of the timing of related cash flows. The Park has no governmental or fiduciary funds. The Park uses fund accounting to report its financial position and results of operations. The Park's accounts are organized into a single proprietary fund. The enterprise fund (a proprietary fund) is used to account for operations (a) that are operated in a manner similar to private business where the intent of the governing body is that the cost (expense, including depreciation) of providing goods and services to the general public is financed or recovered primarily through user charges or (b) where the governing body has decided that the periodic determination of revenues earned, expenses incurred and/or changes in net position is appropriate for capital maintenance.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating revenues consist of charges to customers and users of its services. Operating expenses for the Park include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Park's principal operating revenues are the fees received for services and use of the Park's facilities. Operating revenues are recognized when services are provided, and facilities are used by customers. Grants, donations, capital contributions, and similar items are recognized as revenue when all eligibility requirements imposed by the provider have been met.

d. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Cash and Cash Equivalents

For the purpose of the Statements of Cash Flows, the Park considers deposits and only cash certificates on hand and investments purchased with an initial maturity date of three months or less to be cash equivalents.

f. Accounts Receivable

Accounts receivables are stated at the amount management expects to collect from outstanding balances. Management provides an allowance for probable uncollectible amounts based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance and a credit to accounts receivable. No allowance for doubtful accounts was recorded as of June 30, 2022 and 2021.

g. Investments

Investments are stated at fair value based on quoted market prices. If quoted prices are not available, fair value is estimated based on similar securities. The Park does not have an investment policy, however the Louisiana Revised Statutes authorize the Park to invest in bonds, treasury notes, certificates or other obligations of the United States, or time certificates of deposit in state banks organized under Louisiana laws and national banks having principal offices in the State. Unrealized gains and losses on investments are recorded at fair value and are included in interest income.

h. Inventories

Inventories, consisting primarily of gift shop, concession, and catering supplies, are stated at the lower of cost or net realizable value, using the first-in first-out (FIFO) method.

i. Capital Assets

Capital assets are stated at cost. Contributed assets are recorded at acquisition value at the time received. An item is classified as a capital asset if the individual cost is \$5,000 or greater and has a useful life in excess of one year. Depreciation is provided using the straight-line method over the estimated useful lives.

j. Unearned Income

Unearned income represents resources the Park has received, but not yet earned, such as federal grant funds received prior to the incurrence of qualifying expenditures, cash deposits received as prepayments from customers on catering events and birthday parties, or prepaid rental revenue.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Other Postemployment Benefits

GASB Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions”, requires governments to accrue postemployment benefits to the extent it is probable the employer will provide benefits conditioned on the employees retirement. The Park has recorded liabilities for postemployment health care benefits as of June 30, 2022 and 2021.

In the basic financial statements, the other postemployment benefits liability is recorded as long-term obligations. Other postemployment benefit expenditures are recognized in the amount contributed to the plan or expected to be liquidated with expendable available financial resources. Expendable available financial resources generally refer to other postemployment benefit payments due and payable as of the end of the year.

l. Net Position

The Park classifies net position into three components: net investment in capital assets, net of related debt; restricted; and unrestricted. These components are defined as follows:

Net investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation. As of June 30, 2022 and 2021, the Park did not have debt related to capital assets.

Restricted - This component reports net position with externally imposed constraints placed on their use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. The Park utilizes restricted net position before utilizing available unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Unrestricted - This component reports net positions that do not meet the definition of either of the other two components.

m. Deferred Outflows and Inflows of Resources

Deferred outflows of resources represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. See Note 11 for more information regarding deferred outflows of resources related to other post-employment benefits. Deferred inflows of resources represent the acquisition of net position that applies to future periods and will not be recognized

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Deferred Outflows and Inflows of Resources (Continued)

as an inflow of resources (revenue) until then. Capital contributions made by the Bayou District Foundation (BDF) in relation to its cooperative endeavor agreement with the Park are reported as deferred inflows of resources and amortized over the life of the agreement. See Note 13 for additional information. Certain leases are reported as deferred inflows of resources. See Note 9 for additional information.

Lease- related amounts are recognized at the inception of leases in which the Park is the lessor. The deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

n. Vacation Leave

The Park permits employees a limited amount of earned but unused vacation benefits not to exceed 300 hours, which will be paid to employees upon separation from the Park service.

o. New GASB Statements

During the year ended June 30, 2022, the Park implemented the following GASB Statements:

Statement No. 87, “*Leases*” 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 the 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 liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities. See Exhibit A and Note 9 for details on implementation.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) New GASB Statements (Continued)

Statement No. 89, “*Accounting for Interest Cost Incurred before the End of a Construction Period*” establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, “*Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*”, which are superseded by this statement. 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. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business type activity or enterprise fund. This statement did not affect the Park’s financial statements.

Statement No. 91, “*Conduit Debt Obligations*” provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This statement did not affect the Park’s financial statements.

Statement No. 92, “*Omnibus 2020*” establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance related activities of public entity risk pools, fair value measurements, and derivative instruments. This statement did not affect the Park’s financial statements.

Statement No. 93, “*Replacement of Interbank Offered Rates*” some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR) most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates. This statement will preserve the consistency and comparability of reporting hedging derivative instruments and leases after governments amend or replace agreements to replace an IBOR. This statement did not affect the Park’s financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) New GASB Statements (Continued)

Statement No. 97, “*Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*” provides objectives to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. This statement did not affect the Park’s financial statements.

Statement No. 98, “*The Annual Comprehensive Financial Report*” establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym sounds like a profoundly objectionable racial slur. This statement did not affect the Park’s financial statements.

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

Statement No. 94, “*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*” improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this statement as a PPP in which (1) the operator collects and is compensated by fees from third parties;

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) New GASB Statements (Continued)

(2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this statement are effective for the years beginning after June 15, 2022. Management has not yet determined the effect of this statement on the financial statements.

Statement No. 96, “*Subscription-Based Information Technology Arrangements*” provides guidance on accounting and financial reporting for subscription-based information technology arrangements (SBITA) for government end users (governments). This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this statement are effective for the years beginning after June 15, 2022. Management has yet to determine the effect of this statement on the financial 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. Management has yet to determine the effect of the statement on the financial statements.

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. Earlier application is encouraged. Management has yet to determine the effect of this statement on the financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) New GASB Statements (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. Earlier application is encouraged. Management has yet to determine the effect of this statement on the financial statements.

p. Subsequent Events

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through February 28, 2023, which is the date the financial statements were available to be issued.

Note 2 - RESTATEMENT

In 2021 and 2020, the Park reported the assets and activity related to certain endowments and funds held at Greater New Orleans Foundation (GNOF) for the benefit of the Park on the Statements of Net Position and Statements of Activities. During 2022, it was determined that a significant portion of the funds held at GNOF for the benefit of the Park are assets of GNOF, not the Park; therefore, the assets should not be reported on the Park’s books. In addition, the Park implemented GASB Statement No. 87 “*Leases*” which included recording leases receivable and deferred inflows of resources.

Note 2 – RESTATEMENT (Continued)

The following were restated on the June 30, 2021 and 2020 financial statements:

	Net Position			Total
	Net Investment in Capital Assets	Restricted	Unrestricted (deficit)	
Net assets as of June 30, 2020, as previously reported	\$ 77,625,449	\$ 6,650,271	\$ (12,276,467)	\$ 71,999,253
Net position correction: GNOF endowments	-	(5,994,551)	-	(5,994,551)
Implementation of GASB Statement No. 87 “Leases”	-	-	237,625	237,625
Net assets as of June 30, 2020, as restated	<u>\$ 77,625,449</u>	<u>\$ 655,720</u>	<u>\$ (12,038,842)</u>	<u>\$ 66,242,327</u>
			<u>Change in Net Position</u>	
Change in net position as of June 30, 2021, as previously reported			\$ 4,129,338	
June 30, 2021 activity restatement:				
Income and gains on GNOF			(1,493,527)	
Reductions from permanent endowment			101,055	
Implementation of GASB Statement No. 87 “Leases”			<u>110,549</u>	
Change in net position as of June 30, 2021, as restated			<u>\$ 2,847,415</u>	

Note 3 - CASH, CASH EQUIVALENTS, AND INVESTMENTS

The following are the components of the Park's cash, cash equivalents and investments as of June 30, 2022 and 2021:

	2022	2021
Current:		
Cash in banks	\$ 6,819,938	\$ 3,407,407
Investment in Louisiana Asset Management Pool	5,038,728	5,027,096
Totals	\$ 11,858,666	\$ 8,434,503

Restricted cash as of June 30, 2022 and 2021 is as follows:

	<u>2022</u>	
Ribet Fund		\$ 28,279
New Orleans City Park Taxing District		524,186
Bayou District Foundation Reserve		245,592
Total		\$ 798,057
	<u>2021</u>	
Ribet Fund		\$ 28,279
New Orleans City Park Taxing District		268,758
Capital funds received from private		139,079
Total		\$ 436,116

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Statutes require that the Park's cash be covered by federal depository insurance or collateral.

The bank balances of cash, as reflected by the banks' records totaled \$1,748,355 and \$2,758,116 as of June 30, 2022 and 2021, respectively. As of June 30, 2022 and 2021 there was no significant exposure to credit risk.

As of June 30, 2022, cash was adequately collateralized in accordance with state law by securities held by unaffiliated banks for the account of the Park. The GASB, which promulgates the standards for accounting and financial reporting state and local governments, considers these securities subject to custodial credit risk. Even though the deposits are considered subject to custodial credit risk under the provisions of GASB Statement No. 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 3 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

The Park invests monies with the Louisiana Asset Management Pool (LAMP), which are reported at net asset value. LAMP is considered to be an external investment pool administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. Only local Louisiana government entities having contracted to participate in LAMP have an investment interest in its pool of assets.

The following facts are relevant for LAMP:

- Credit risk: LAMP is rated AAA by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not with the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Underlying pooled investments are excluded from the 5% disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 18 days as of June 30, 2022.
- Foreign currency risk: Not applicable.

LAMP values its investments at fair value based on quoted market values. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares which approximates net asset value (NAV). There are no unfunded commitments as of June 30, 2022 and 2021.

LAMP is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the Securities and Exchange Commission (SEC).

Note 3 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

An annual audit of LAMP is conducted by an independent certified public accountant. The Legislative Auditor of the State of Louisiana has full access to the records of LAMP. LAMP issues financial reports which can be obtained by writing: LAMP, Inc., 228 St. Charles Avenue, Suite 1123, New Orleans, LA 70130.

Note 4 - FAIR VALUE MEASUREMENTS

The Park’s investments are recorded at fair value as of June 30, 2022 and 2021. GASB Statement No. 72, “*Fair Value Measurement and Application*”, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace.

A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used for financial instruments measured at fair value on a recurring basis:

Level 1 - Investments whose values are based on quoted prices (unadjusted) for identical assets in active markets that a government can access at the measurement date.

Level 2 - Investments with inputs - other than quoted prices included within Level 1 that are observable for an asset, either directly or indirectly.

Level 3 - Investments classified as Level 3 have unobservable inputs for an asset and may require a degree of professional judgment.

Net asset value (NAV) per share is an amount of net assets attributable to each share of capital stock outstanding at the close of the period. Investments measured at NAV for fair value are not subject to level classification. NAV is its own category.

Assets measured at fair value on a recurring basis as of June 30, 2022 and 2021 are comprised of and determined as follows:

	2022	2021
LAMP investments measured at NAV	\$ 5,038,728	\$ 5,027,096

Note 5 - SALES TAX

Act No. 266 of the 2007 Regular Session of the Louisiana Legislature states that the TIF must designate the local sales and use taxes to be used to determine the sales tax increment (the “increment”) to be pledged and dedicated to the payment of economic development projects of the District. Pursuant to Board Resolution adopted on December 18, 2007, the TIF designated the local sales and use taxes as those sales taxes paid at, by, or in connection with activities which generate sales taxes within the TIF which are the City of New Orleans’ aggregate 2.5% sales and use taxes collected on the sale at retail, the use, the lease or rental, the consumption, and the storage for use or consumption of tangible personal property. The increment is the amount of sales taxes to be collected in the District in excess of the Initial Annual Baseline Collection Rate, which is \$83,543 for the annual baseline collection rate, and \$6,961 for the monthly baseline collection rate.

Note 6 - CAPITAL ASSETS

Construction in progress of \$851,397 and \$611,054 as of June 30, 2022 and 2021, respectively, consists primarily of improvements to the Splash Park and Wisner Tract and various other facilities and grounds improvements.

Note 6 - CAPITAL ASSETS (Continued)

The capital asset activity of the Park as of and for the years ended June 30, 2022 and 2021 is as follows:

Description	2021	Additions	Reclassifications	Disposals	2022	Estimated Useful Life Years
Land	\$ 3,062,144	\$ -	\$ -	\$ -	\$ 3,062,144	
Land improvements	47,867,753	-	-	-	47,867,753	10-30
Infrastructure	117,049	39,316	-	-	156,365	20-30
Buildings and improvements	52,389,101	-	-	-	52,389,101	10-30
Furniture, fixtures, and equipment	19,040,200	113,650	-	-	19,153,850	5-20
Vehicles	2,497,552	41,971	-	-	2,539,523	3-20
Construction in progress	611,054	240,343	-	-	851,397	
	125,584,853	435,280	-	-	126,020,133	
Less accumulated depreciation	(51,283,527)	(4,669,184)	-	-	(55,952,711)	
Capital assets, net	\$ 74,301,326	\$ (4,233,904)	\$ -	\$ -	\$ 70,067,422	
Description	2020	Additions	Reclassifications	Disposals	2021	Estimated Useful Life Years
Land	\$ 3,062,144	\$ -	\$ -	\$ -	\$ 3,062,144	
Land improvements	-	200,508	47,667,245	-	47,867,753	10-30
Infrastructure	45,624,735	117,050	(45,624,736)	-	117,049	20-30
Buildings and improvements	50,348,521	1,736,268	304,312	-	52,389,101	10-30
Furniture, fixtures, and equipment	15,214,345	360,843	3,530,949	(65,937)	19,040,200	5-20
Vehicles	8,222,286	153,036	(5,877,770)	-	2,497,552	3-20
Construction in progress	1,835,225	(611,204)	-	(612,967)	611,054	
	124,307,256	1,956,501	-	(678,904)	125,584,853	
Less accumulated depreciation	(46,681,807)	(4,651,207)	-	49,487	(51,283,527)	
Capital assets, net	\$ 77,625,449	\$ (2,694,706)	\$ -	\$ (629,417)	\$ 74,301,326	

Note 7 - UNEARNED INCOME

Unearned income consists of the following as of June 30, 2022 and 2021:

	2022	2021
Payments in advance of events	\$ 1,127,009	\$ 1,072,208

Note 8 - DUE TO OTHER GOVERNMENTS

Amounts due to other governments consist of the following as of June 30, 2022 and 2021:

	2022	2021
Federal Emergency Management Agency (FEMA)	\$ -	\$ 66,755

In 2021, the Park received payments on FEMA project worksheets, which were reduced by insurance proceeds from the State of Louisiana’s Office of Risk Management (ORM). The payments were made by FEMA and ORM prior to the insurance deductibles being allocated and applied to the damage claims, which resulted in duplicate payment. In 2022, the duplicate payment was netted against FEMA funds received for Hurricane Zeta.

Note 9 - LEASES

During the year ended June 30, 2021, the Park entered into leasing arrangements for certain moveable equipment related to the golf courses. The leases contain imputed interest rates approximating 3.25%. The leases require monthly payments, including interest, ranging from \$2,463 to \$13,542. The leases mature in months ranging from March 2025 through June 2026. The following is a schedule of capitalized costs and accumulated amortization as of June 30, 2022 and 2021.

	2022	2021
Capitalized costs	\$ 1,687,260	\$ 1,687,260
Accumulated amortization	(522,309)	(126,180)
Net book value	\$ 1,164,951	\$ 1,561,080

Amortization expense on leased assets totaled \$396,129 and \$126,180 for the years ended June 30, 2022 and 2021, respectively.

The weighted average of the interest rate as of June 30, 2022 is 3.25%.

The weighted average remaining lease term in years as of June 30, 2022 is 8.75 years.

Note 9 - CAPITAL LEASE OBLIGATION (Continued)

Interest expense on the capital lease obligations totaled \$45,365 and \$17,169 for the years ended June 30, 2022 and 2021, respectively.

Minimum future lease payments as of June 30, 2022, are as follows:

For The Year Ended	Amount
2023	\$ 424,718
2024	424,718
2025	372,726
2026	27,074
Total future payments	1,249,236
Less amount representing interest	(59,890)
Present value of net future payments	\$ 1,189,346

The Park, as a lessor, leases certain facilities to various lessees under renewable lease agreements. These have remaining terms ranging from 1 to 35 years. Two leases call for additional rental income in amounts equal to a percentage of the lessee's gross revenue in excess of certain fixed amount. These facilities and or land include a cellular tower, the stables, Cafe du Monde, Louisiana Fire, and Christian Brothers School. Minimum future lease receipts as of June 30, 2022, are as follows:

For The Year Ended	Amount
2023	\$ 661,741
2024	606,844
2025	591,552
2026	593,636
2027	583,889
Thereafter	2,313,112
Total	\$ 5,350,774

Deferred inflows of resources related to these leases as a June 30, 2022 and 2021 total \$4,119,263 and \$3,973,466, respectively. The inflows of resources are recognized ratably over the terms of the lease using the net present value at the inception of the lease at a 4% discount rate.

Note 9 - CAPITAL LEASE OBLIGATION (Continued)

The total amount of inflows of resources, including lease revenue, interest revenue, and other lease related items, recognized during the years ended June 30, 2022 and 2021 totaled \$844,388 and \$727,313, respectively. This total includes \$67,584 and \$72,623 for the years ended June 30, 2022 and 2021, respectively, of variable and other payments not previously included in the measurement of the lease receivable.

The cost and carrying amount included in buildings and improvements for the portion of facilities that are leased to lessees as of June 30, 2022 and 2021 were, as follows.

	2022		
	Gross Cost	Accumulated Depreciation	Net cost
Casino building	\$ 1,219,416	\$ 355,663	\$ 863,753
Big Lake dock and boat house	417,131	166,852	250,279
Equestrian facility	965,641	353,997	611,644
Leased facility	<u>\$ 2,602,188</u>	<u>\$ 876,512</u>	<u>\$ 1,725,676</u>
	2021		
	Gross Cost	Accumulated Depreciation	Net cost
Casino building	\$ 1,219,416	\$ 233,721	\$ 985,695
Big Lake dock and boat house	417,131	152,948	264,183
Equestrian facility	965,641	311,348	654,293
Leased facility	<u>\$ 2,602,188</u>	<u>\$ 698,017</u>	<u>\$ 1,904,171</u>

Note 10 - EMPLOYEE BENEFIT PLANS - DEFERRED COMPENSATION PLAN

The Park offers its employees a deferred compensation plan created in accordance with Internal Revenue Section 457. The plan, available to all Park employees, permits them to defer a portion of their salary until future years. Full time employees with a minimum of one year of full time service are eligible for a contribution by the Park. The contribution for full time employees is \$2 for each \$1 contributed by the employee on the first 2.5% of base compensation. The deferred compensation is not available to the employee or their beneficiary until termination, retirement, death, or an unforeseeable emergency.

The plan is administered by the State of Louisiana (the “State”). Participants’ rights under the plan are equal to those of the general creditors of the State in an amount equal to the fair market value of the deferred account for each participant. The 457 employer match was discontinued in May of 2020 and reinstated in January of 2021. The plan contributed \$116,651 and \$82,870 and participants contributed \$173,323 and \$189,231 to the deferred compensation plan for the years ended June 30, 2022 and 2021, respectively.

Note 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)

General Information about the OPEB Plan

Plan description - The Park provides certain continuing health care and life insurance benefits for their beneficiaries through participation in the State of Louisiana’s health insurance plan administered by the Office of Group Benefits (OGB), an agent multiple employers defined benefit plan. Louisiana Revised Statute 42:801-883 assigns the authority to establish and amend the benefit provisions of the plan to the state legislature. The OGB does not issue a stand-alone report; however, OGB is included in the State of Louisiana’s Comprehensive Annual Financial Report (CAFR) which may be obtained from the Office of Statewide Reporting and Accounting Policy’s website at <https://www.doa.la.gov/dao/osrap/annual-financial-report/>, by writing to P.O. Box 94095, Baton Rouge, Louisiana 70804-9095, or by calling (225) 342-0708. There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB 75 for this OPEB plan.

Benefits Provided - The OPEB Plan provides benefits such as: death benefits, life insurance, disability, and long-term care that are paid in the period after employment and that are provided separately from a pension plan; as well as health care benefits paid in the period after employment for retirees, disabled retirees, and their eligible beneficiaries through premium subsidies. OGB offers retirees under age 65 a choice of three self-insured health care plans and one fully insured plan. Retired employees who have Medicare Part A and Part B coverage have access to these plans and an additional two fully insured Medicare Advantage HMO plans, one fully insured plan, and one zero premium HMO plan.

Funding Policy - Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly toward the cost of health insurance premiums. Employees hired before January 1, 2002 pay approximately 25% of the cost of coverage (except single retirees under age 65 pay approximately 25% of the active employee cost). Employees hired on or after January 1, 2002 pay a percentage of the contribution rate based on years of service.

The contribution rate ranges are as follows:

<u>OGB Participation</u>	<u>Employer Contribution</u>	<u>Retiree Contribution</u>
Under 10 years	19%	81%
10 - 14 years	38%	62%
15 - 19 years	56%	44%
20 or more years	75%	25%

Note 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)

In addition to health care benefits, retirees may elect to receive life insurance benefits. Basic and supplemental life insurance are available for the individual retiree and spouses of retirees, subject to maximum values. The retiree pays \$.54 monthly for each \$1,000 of life insurance. The retiree pays \$.98 monthly for each \$1,000 of spouse life insurance. The employer pays the remaining amount.

Other post-employment benefits (OPEB) administered through the OGB are financed on a pay-as-you-go basis. OPEB contributions to the plan are generally made at about the same time and in about the same amount as benefit payments become due.

Employees covered by benefit terms - The June 30, 2022 total OPEB liability was determined using the July 1, 2021 actuarial valuation and the June 30, 2021 liability was determined using the July 1, 2020 actuarial valuation that included the following employees covered by the benefit terms:

	Valuation Date July 1,	
	2021	2020
Inactive employees or beneficiaries currently receiving benefit payments	5	4
Inactive employees entitled to but not yet receiving benefit payments	-	-
Active employees	68	90
Totals	73	94

Total OPEB Liability

The Park's total OPEB liability of \$4,821,823 was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021. The Park's total OPEB liability of \$5,055,952 was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2021 and July 1, 2020, actuarial valuations were determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Note 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

	2022
Valuation Date	July 1, 2021
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions Expected	
Remaining Service Lives	4.5 years.
Inflation Rate	2.40% Consumer Price Index.
Salary Increases	Consistent with the pension valuation assumptions.
Discount Rate	2.18% based on the June 30, 2021 S&P 20 year municipal bond index rated.
Health Care Cost Trend Rate	2.66% based on the June 30, 2020 S&P 20 year municipal bond index rated. Pre-age 65 ranges from 7.00% to 4.5%. Post-age 65 ranges from 5.5% to 4.5%.
Mortality Rates	For healthy lives the RP-2014 Combined Healthy Mortality Table projected on a fully generational basis by Mortality Improvement Scale MP-2018. For existing disabled lives the RP-2000 Disabled Retiree Mortality Tables projected on a fully generational basis.
Participation Rate	Sliding scale from 33% to 88% based on years of service for the July 1, 2021 valuation. Sliding scale from 33% to 88% based on years of service for the July 1, 2020 valuation.

Note 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

	2021
Valuation Date	July 1, 2020
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions Expected	
Remaining Service Lives	4.5 years.
Inflation Rate	2.80% Consumer Price Index.
Salary Increases	Consistent with the pension valuation assumptions.
Discount Rate	2.66% based on the June 30, 2020 S&P 20 year municipal bond index rated.
	2.79% based on the June 30, 2019 S&P 20-year municipal bond index rated.
Health Care Cost Trend Rate	Pre-age 65 ranges from 6.0% to 4.5%. Post-age 65 ranges from 5.25% to 4.5%.
Mortality Rates	For healthy lives the RP-2014 Combined Healthy Mortality Table projected on a fully generational basis by Mortality Improvement Scale MP-2018. For existing disabled lives the RP-2000 Disabled Retiree Mortality Tables projected on a fully generational basis.
Participation Rate	Sliding scale from 33% to 88% based on years of service for the July 1, 2020 valuation. Sliding scale from 52% to 88% based on years of service for the July 1, 2019 valuation.

The actuarial assumptions used by the pension plan covering the same participants were used for the retirement, termination, disability, and salary scale assumptions. The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for pension plan actuarial valuations for the period January 1, 2020 to December 31, 2021. As a result of the 2021 actuarial experience study, the expectation of life after disability was adjusted in the July 1, 2021 actuarial valuation to more closely reflect actual experience.

Note 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

The actuarial assumptions used by the pension plan covering the same participants were used for the retirement, termination, disability, and salary scale assumptions. The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for pension plan actuarial valuations for the period January 1, 2019 to December 31, 2020. As a result of the 2020 actuarial experience study, the expectation of life after disability was adjusted in July 1, 2020 actuarial valuation to more closely reflect actual experience.

No changes in benefits or assumptions have occurred between the measurement dates of the collective total OPEB liability and the reporting dates of the Park that are expected to have a significant effect on the Park's total OPEB liability.

Discount Rate

The discount rate used to measure the total OPEB liability was 2.18% and was based on the Standards & Poor's Municipal Bond 20-year high grade rate index as of July 1, 2021.

The discount rate used to measure the total OPEB liability was 2.66% and was based on the Standards & Poor's Municipal Bond 20-year high grade rate index as of July 1, 2020.

	June 30,	
	2022	2021
Balance at beginning of year	\$ 5,055,952	\$ 4,789,950
Changes for the year:		
Service cost	331,691	322,150
Interest	143,071	142,286
Difference between expected and actual experience	(1,177,643)	(131,883)
Changes in assumptions or other inputs	486,975	(41,921)
Benefit payments	(18,223)	(24,630)
Net changes	(234,129)	266,002
Balance at end of year	\$ 4,821,823	\$ 5,055,952

Note 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Sensitivity of the total OPEB liability to changes in the discount rate - The following presents the total OPEB liability of the Park, as well as what the Park's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.18% - 2022 and 1.66% - 2021) or 1-percentage-point higher (3.18% - 2022 and 3.66% - 2021) than the current discount rate:

	2022		
	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Discount rate	<u>1.18%</u>	<u>2.18%</u>	<u>3.18%</u>
Total OPEB liability	<u>\$6,030,847</u>	<u>\$4,821,823</u>	<u>\$3,913,735</u>
	2021		
	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Discount rate	<u>1.66%</u>	<u>2.66%</u>	<u>3.66%</u>
Total OPEB liability	<u>\$6,340,728</u>	<u>\$5,055,952</u>	<u>\$4,091,173</u>

Sensitivity of the total OPEB liability to changes in the health care cost trend rates - The following presents the total OPEB liability of the Park, as well as what the Park's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare trend rates:

	2022		
	<u>1% Decrease</u>	<u>Current Health Care Cost Trend Rate</u>	<u>1% Increase</u>
Pre-65	6.0% decreasing to 3.5%	7.0% decreasing to 4.5%	8.0% decreasing to 5.5%
Post-65	4.50% decreasing to 3.5%	5.50% decreasing to 4.5%	6.50% decreasing to 5.5%
Total OPEB liability	<u>\$3,823,730</u>	<u>\$4,821,823</u>	<u>\$6,187,730</u>

Note 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

	2021		
	1% Decrease	Current Health Care Cost Trend Rate	1% Increase
Pre-65	5.0% decreasing to 3.5%	6.0% decreasing to 4.5%	8.0% decreasing to 5.5%
Post-65	4.25% decreasing to 3.5%	5.50% decreasing to 4.5%	6.25% decreasing to 5.5%
Total OPEB liability	<u>\$3,990,971</u>	<u>\$5,055,952</u>	<u>\$6,514,119</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the years ended June 30, 2022 and 2021, the Park recognized OPEB expense of \$50,294 and \$201,066, respectively. As of June 30, 2022 and 2021, the Park reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2022	
	Deferred Outflows of Resources	Deferred Inflows of Assumptions
Change of assumptions	\$385,522	\$ (414,434)
Difference in expected and actual experience	129,277	(1,009,233)
Employer contribution subsequent to measurement date	<u>29,076</u>	<u>-</u>
Totals	<u>\$543,875</u>	<u>\$ (1,423,667)</u>
	2021	
	Deferred Outflows of Resources	Deferred Inflows of Assumptions
Change of assumptions	\$ -	\$ (714,101)
Difference in expected and actual experience	203,072	(104,407)
Employer contribution subsequent to measurement date	<u>20,067</u>	<u>-</u>
Totals	<u>\$223,139</u>	<u>\$ (818,508)</u>

Note 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Deferred outflows of resources related to OPEB resulting from OPEB payments subsequent to the measurement date of \$29,076 and \$20,067 will be recognized as a reduction of the net OPEB liability in the years ended June 30, 2022 and 2021, respectively. Amounts reported as deferred inflows of resources relations to OPEB will be recognized in OPEB expense as follows:

For The Year Ended	2022	2021
2022	\$ -	\$ (253,346)
2023	(350,668)	(206,779)
2024	(270,232)	(126,343)
2025	(172,857)	(28,967)
2026	(115,111)	-
Totals	\$ (908,868)	\$ (615,435)

Note 12 - MANAGEMENT AGREEMENTS

On February 1, 2018, the BDF began operating the golf facilities under a Cooperative Endeavor Agreement (CEA) between the Park and the BDF and accounted for under a service concession arrangement. See Note 13 for disclosures related to deferred inflows of resources and service concession arrangement from the BDF CEA.

Note 13 - SERVICE CONCESSION ARRANGEMENT

The Park has determined that the CEA between the BDF and the Park meets the four criteria of a SCA per GASB Statement No. 60, “*Accounting and Financial Reporting for Service Concession Arrangements*”. SCA’s are defined as a contract between a government and an operator, another government or private entity, such that the operator provides services, the operator collects and is compensated by fees from third parties, the government still retains control over the services provided, and the government retains ownership of the assets at the end of the contract.

As part of the CEA between the Park and the BDF, the BDF contributed significant resources to the golf project, which included the design and construction of an 18-hole championship quality golf course, club house, maintenance facility and other ancillary buildings and equipment. The facility was completed and opened in April 2017. The CEA was signed in April of 2014 for a 35-year period. The BDF will pay the Park annually a

Note 13 - SERVICE CONCESSION ARRANGEMENT (Continued)

portion of the revenues in excess of expenses incurred in operating all of the Park's golf facilities, including the newly constructed South Course, the North Course, the driving range, the club house and the clubhouse grill. Under the arrangement, the Park receives 75% of the net income from the golf operations on the first \$1.1 million in net income and 55% thereafter. The BDF will be responsible for all day to day operations of the golf facility.

During both the years ended June 30, 2022 and 2021, capital assets totaling \$1,687,260 were recorded for costs incurred on behalf of BDF. See Note 9 for disclosures related to capital assets. The deferred inflow is being amortized to golf operating revenue over the remaining term of the agreement. For both the years ended June 30, 2022 and 2021, the Park amortized the deferred inflow of resources in the amount of \$273,649. The unamortized balance of deferred inflows of resources related to this agreement as of June 30, 2022 and 2021 is \$7,388,523 and \$7,662,172, respectively.

Note 14 - FEDERAL GRANTS

The Park received federal grants in previous years that are subject to federal examination that may result in a liability. Management believes that the Park is in compliance with the provisions of these grants and that the findings of an audit, if any, would not have a material impact on the financial statements.

Note 15 - COMMITMENTS AND CONTINGENCIES

The Park is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health and accident benefits. The Park is a participant in the State of Louisiana Office of Risk Management self-insurance plan.

The Park has entered into various contracts for maintenance and other related services that expire on various dates through January 2028. The total commitment for these contracts as of June 30, 2022 was approximately \$900,000.

Note 16 - SUBSEQUENT EVENTS

Pursuant to Act 569 of the 1989 Regular Session of the Legislature of Louisiana, New Orleans City Park Improvement Association (the “Park”) is authorized to contract with a non-profit corporation for the operation, care, control and management of City Park and its facilities. Effective September 1, 2022, the Park entered into a fifteen-year Cooperative Endeavor Agreement (CEA) with City Park Conservancy (CPC), a Louisiana 501c3 non-profit corporation, which authorizes CPC to manage and operate all day-to-day operations of City Park. All employees of the Park were terminated effective October 31, 2022 and were hired by CPC on November 1, 2022 with the same titles and responsibilities.

CPC does not receive a management fee for its operation, care and management of City Park on behalf of the Park. Rather, CPC directly derives revenue from its operation of City Park as well as philanthropic sponsorships, events, memberships, fundraising, and grants. The Park also transfers tax revenue and existing lease revenue to CPC for its use in operating the Park.

Consistent with the CEA, title to all the Park’s moveable or immovable assets shall always be in the name of the Park.

Since all employees were terminated from the Park due to the new management arrangement, all accrued vacation pay was distributed to each employee upon termination on October 31 2022 and no longer a liability on the Park’s books. This termination also leaves only current retirees as part of the OPEB liability calculation since the Park no longer manages active employees. This liability will be significantly reduced throughout the 2022-2023 year.

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF CHANGES IN THE PARK'S TOTAL
OPEB LIABILITY AND RELATED RATIOS**

New Orleans City Park Improvement Association
New Orleans, Louisiana

For the five years ended June 30, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability					
Service cost	\$ 331,691	\$ 322,150	\$ 426,673	\$ 466,745	\$ 502,056
Interest	143,071	142,286	154,664	150,408	125,727
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	(1,177,643)	(131,883)	-	-	-
Changes in assumptions or other inputs	486,975	(41,921)	(540,801)	(159,149)	(387,950)
Benefit payments	<u>(18,223)</u>	<u>(24,630)</u>	<u>(27,778)</u>	<u>(38,556)</u>	<u>(38,556)</u>
Net change in total OPEB liability	(234,129)	266,002	12,758	419,448	201,277
Total OPEB liability, beginning of year	<u>5,055,952</u>	<u>4,789,950</u>	<u>4,777,192</u>	<u>4,357,744</u>	<u>4,156,467</u>
Total OPEB liability, end of year	<u>\$ 4,821,823</u>	<u>\$ 5,055,952</u>	<u>\$ 4,789,950</u>	<u>\$ 4,777,192</u>	<u>\$ 4,357,744</u>
Covered employee payroll	<u>\$ 3,314,844</u>	<u>\$ 3,709,467</u>	<u>\$ 3,618,577</u>	<u>\$ 4,000,000</u>	<u>\$ 3,618,577</u>
Total OPEB liability as a percentage of covered employee payroll	<u>145.46%</u>	<u>136.30%</u>	<u>132.37%</u>	<u>119.43%</u>	<u>120.43%</u>
Notes to schedule:					
Changes of benefit terms:	None	None	None	None	None
Changes of assumptions and other inputs reflected the effects of changes in the discounts rate each period:	<u>2.18%</u>	<u>2.66%</u>	<u>2.79%</u>	<u>2.98%</u>	<u>3.13%</u>

The schedule is provided prospectively beginning with the Park's fiscal year ended June 30, 2018 and is intended to show a ten year trend. Additional years will be reported as they become available.

SUPPLEMENTARY INFORMATION SECTION

SCHEDULE OF OPERATING EXPENSES**New Orleans City Park Improvement Association**
New Orleans, Louisiana

For the years ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Administrative	\$ 588,922	\$ 526,661
Advertising	70,303	135,749
Amortization - leases	396,129	126,180
Contract labor	353,155	110,893
Contract services	1,552,040	934,689
Cost of goods sold	1,140,167	360,583
COVID-19 expenses	4,782	133,427
Depreciation	4,669,184	4,651,208
Disposal of fixed assets	8,626	629,417
Fuel	66,009	46,767
Insurance	569,097	529,860
Other post-employment benefits	50,294	201,066
Payroll	6,263,606	4,592,247
Payroll benefits	1,161,707	982,396
Rentals	9,462	1,879
Repairs and maintenance	707,035	542,752
Supplies	710,522	523,390
Training and education	91,870	18,788
Uniforms	30,961	9,700
Utilities	718,198	504,647
Write-offs	42,936	149,514
	<u>\$ 19,205,005</u>	<u>\$ 15,711,813</u>
Total operating expenses	<u>\$ 19,205,005</u>	<u>\$ 15,711,813</u>

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

New Orleans City Park Improvement Association
New Orleans, Louisiana

For the year ended June 30, 2022

Agency Head Name: Cara Lambright, Chief Executive Officer

Purpose

Salary	\$ 330,865
Benefits - insurance	7,286
Benefits - retirement	5,589
Benefits - other	975
Car allowance	9,600
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	1,408
	<hr/>
	<u>\$ 355,723</u>

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 Board of Commissioners,
New Orleans City Park Improvement Association,
New Orleans, Louisiana.

We have audited, in accordance with the auditing standards generally accepted in the United State 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, business type activities, and each major fund of New Orleans City Park Improvement Association, (the “Park”), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Park’s basic financial statements and have issued our report thereon dated February 28, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Park’s internal control over financial reporting, (internal control), as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Park’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Park’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 Park’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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2022-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Park's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Park's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the New Orleans City Park Improvement Association's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. New Orleans City Park Improvement Association's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 Park'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 Park's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountants.

New Orleans, Louisiana,
February 28, 2023.

INDEPENDENT AUDITOR’S REPORT ON
COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Commissioners,
New Orleans City Park Improvement Association,
New Orleans, Louisiana.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited New Orleans City Park Improvement Association’s (the “Park”) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Park’s major federal program for the year ended June 30, 2022. The Park’s major federal program is identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Park complied, in all material respects, with the types of compliance requirements referred to above that could have a direct material effect on its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Park and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Park’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliances

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Park's federal program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Park's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Park's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Park compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Park's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Park's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana.
February 28, 2023.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

New Orleans City Park Improvement Association
New Orleans, Louisiana

For the year ended June 30, 2022

<u>Federal Grantor/Pass - Through Grantor/Program Title</u>	<u>Federal Assistance Listing</u>	<u>Federal Award/ Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Homeland Security <u>Pass-Through Program From Louisiana</u> <u>Office of Homeland Security and</u> <u>Emergency Preparedness:</u> Disaster Grants: Public Assistance 2021 Hurricane Ida	97.036	FEMA-DR-4611-LA	<u>\$ 903,532</u>

See Notes to Schedule of Expenditures of Federal Awards.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

New Orleans City Park Improvement Association New Orleans, Louisiana

For the year ended June 30, 2022

Note 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the SEFA) includes the federal award activity of the New Orleans City Park Improvement Association (the "Park") under programs of the federal government for the year ended June 30, 2022. The information in the SEFA is presented in accordance with the requirements of Uniform Guidance. Because the SEFA presents only a selected portion of the operation of the Park, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Park.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The Park has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3 - SUBRECIPIENTS

New Orleans City Park Improvement Association did not pass-through any of its federal awards to a subrecipient during the fiscal year.

Note 4 - FINDINGS OF NONCOMPLIANCE

There were no federal award findings or questioned costs reported during the audit for the year ended June 30, 2022.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**New Orleans City Park Improvement Association
New Orleans, Louisiana**

For the year ended June 30, 2022

Section I - Summary of Auditor's Results

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 that are not considered to be a material weakness? Yes None reported

Noncompliance material to financial statements noted? Yes No

b) Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be a material weakness? Yes None reported

Type of auditor's report issued on compliance for major programs: Unmodified

- Any audit findings disclosed that are required to be reported in accordance with the *Uniform Guidance* ? Yes No

Section I - Summary of Auditor’s Results (Continued)

c) Identification of Major Programs:

<u>Federal Assistance Listing</u>	<u>Name of Federal Program</u>
97.036	Disaster Grants: Public Assistance 2021 Hurricane Ida

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as a low-risk auditee? Yes X No

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

Internal Control Over Financial Reporting

2022-001 Reporting of Investments

Criteria - Internal controls over financial reporting requires complete and accurate reporting of investment accounts.

Condition - The Park reported investments held by a local community foundation, a combination of different funds, some created by the Park and others created by donors for the Park’s benefit. A significant component of these assets may be the assets of the community foundation and not the Park.

Cause - Investment accounts and contributions were improperly recorded on the books of the Park.

Effect - Investments and net position were overstated due to contributions and investment accounts that belonged to a third party that were recorded on the books in error.

Recommendation - It is recommended that the Park research each contribution made to the funds held at the local community foundation for its benefit and determine whether the contribution is in fact made to the Park.

Views of responsible officials of the auditee when there is disagreement with the findings, to the extent practical. - None.

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

Compliance and Other Matters

There were no compliance and other matters findings reported during the audit of the financial statements for the year ended June 30, 2022.

Section III - Federal Award Findings and Questioned Costs

No federal award findings or questioned costs were reported during the audit for the year ended June 30, 2022.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

New Orleans City Park Improvement Association New Orleans, Louisiana

For the year ended June 30, 2022

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

Internal Control Over Financial Reporting

No material weaknesses were reported during the audit for the year ended June 30, 2021.

No significant deficiencies were reported during the audit for the year ended June 30, 2021.

Compliance and Other Matters

No compliance findings material to the financial statements were reported during the audit for the year ended June 30, 2021.

Section II - Internal Control and Compliance Material to Federal Awards

New Orleans City Park Improvement Association did not expend federal awards in excess of \$750,000 during the year ended June 30, 2021 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 for the year ended June 30, 2021.

MANAGEMENT'S CORRECTIVE ACTION PLAN

New Orleans City Park Improvement Association New Orleans, Louisiana

For the year ended June 30, 2022

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

Internal Control Over Financial Reporting

2022-001 Reporting of Investments

Recommendation - It is recommended that the Park research each contribution made to the funds held at the local community foundation for its benefit and determine whether the contribution is in fact made to the Park.

Management's Response - Multiple funds, with a combined Fair Market Value in excess of \$7 million dollars as of June 30, 2022, held in a local community foundation for the betterment of the Park have historically been reflected on the Park's balance sheet. Each fund is being reviewed with the community foundation for revocability, ability to spend down corpus, and ability to use accumulated earnings since fund inception. Until a final determination has been made, these funds will not be reflected in the Park's balance sheet.

Compliance and Other Matters

No compliance findings material to the financial statements were reported during the audit for the year ended June 30, 2022.

Section II - Internal Control and Compliance Material to Federal Awards

There were no federal award findings on questioned costs reported during the audit for the year ended June 30, 2022.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 2022.

STATEWIDE AGREED-UPON PROCEDURES

**INDEPENDENT ACCOUNTANT’S REPORT ON
APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors of
New Orleans City Park Improvement Association,
New Orleans, Louisiana.

We have performed the procedures described in Schedule 4 on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor’s (LLA) Statewide Agreed-Upon Procedures (SAUP) for the fiscal period July 1, 2021 through June 30, 2022. New Orleans City Park Improvement Association (the “Park”) management is responsible for those C/C areas identified in the SAUPs.

The Park 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 the LLA’s SAUPs for the fiscal period July 1, 2021 through June 30, 2022. Additionally, the LLA has agreed to and acknowledged that the procedures performed are appropriate for its purpose. 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 findings are described in Schedule 4.

We were engaged by the Park to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the 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 these 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 Park 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.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
February 28, 2023.

SCHEDULE OF PROCEDURES AND ASSOCIATED FINDINGS
OF THE STATEWIDE AGREED-UPON PROCEDURES

New Orleans City Park Improvement Association
New Orleans, Louisiana

For the year ended June 30, 2022

The required procedures and our findings are as follows:

Procedures Performed on the Park's Written Policies and Procedures:

1. Obtain and inspect the Park's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the Park's operations:
 - a) Budgeting, including preparing, adopting, monitoring, and amending the budget.
Performance: Obtained and read the written policy for budgeting and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
 - 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.
Performance: Obtained and read the written policy for purchasing and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
 - c) Disbursements, including processing, reviewing, and approving.
Performance: Obtained and read the written policy for disbursements and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
 - d) Receipts/Collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of each type of revenue or agency fund additions.
Performance: Obtained and read the written policy for receipts/collections and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.

Procedures Performed on the Park's Written Policies and Procedures: (Continued)

- e) Payroll/Personnel, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
Performance: Obtained and read the written policy for payroll and personnel and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.

- f) Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
Performance: Obtained and read the written policy for contracting and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.

- g) 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).
Performance: Obtained and read the written policy for credit cards and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.

- h) Travel and Expense Reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
Performance: Obtained and read the written policy for travel and expense reimbursement and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.

- i) Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42: 1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the Park's ethics policy.
Performance: Obtained and read the written policy for ethics and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.

- j) Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
The park is prohibited from incurring debt, therefore, this step is not applicable.

Procedures Performed on the Park's Written Policies and Procedures: (Continued)

- k) 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.

Performance: Obtained and read the written policy for information technology disaster recovery/business continuity policy and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

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

Performance: Obtained and read the written policy for sexual harassment and examined the policies for the functions listed above.

Exceptions: We noted the Park did not have a written policy describing the Park's annual reporting requirements mandated by the Louisiana State Legislature.

Procedures Performed on the Park's Board:

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

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

Performance: The Park's bylaws require that the board meets no less than quarterly. We obtained and read minutes from 8 board meetings during the year ended June 30, 2022. The frequency of and quorum representation of those meetings was considered to be appropriate.

Exceptions: There were no exceptions noted.

- 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, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.

Performance: The Park is reporting on the governmental accounting model. We inspected meeting minutes and confirmed that the minutes referenced or included budget-to-actual comparisons relating to public funds.

Exceptions: There were no exceptions noted.

Procedures Performed on the Park's Board: (Continued)

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observed 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.

Not applicable. The Park is a governmental entity, however they do not have a general fund.

Procedures Performed on the Park's Bank Reconciliations:

3. Obtain a listing of the Park's bank accounts from management and management's representation that the listing is complete. Ask management to identify the main operating account. Select the Park's main operating account and 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:

Performance: Obtained the listing of bank accounts from management and received management's representation in a separate letter that the listing is complete.

Exceptions: There were no exceptions noted.

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

Performance: Obtained monthly bank reconciliation for the selected months for the main operating bank account and 4 other accounts. Inspected management's documentation for timely preparation of the bank reconciliations.

Exceptions: There were no exceptions noted.

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

Performance: Inspected the Park's documentation for the bank reconciliations for the 5 bank accounts selected and verified that a member of management who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation.

Exceptions: There were no exceptions noted.

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

Performance: Requested documentation from management reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date.

Exceptions: There were no exceptions noted.

Procedures Performed on the Park's Collections (Excluding Electronic Funds Transfers):

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

Performance: Obtained the listing of deposit sites from management and received management's representation in a separate letter that the listing is complete. Selected the sole location for testing.

Exceptions: There were no exceptions noted.

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 (e.g., 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:

Performance: Obtained the listing of collection locations from management and received management's representation in a separate letter that the listing is complete.

Exceptions: There were no exceptions noted.

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

Performance: Inspected policy manuals, inquired of management, and observed that employees do not share a cash drawer.

Exceptions: There were no exceptions noted.

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

Performance: Inspected policy manuals, inquired of management, and observed that employees collecting cash are not responsible for making deposits.

Exceptions: There were no exceptions noted.

- 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.

Performance: Inspected policy manuals, inquired of management, and observed that employees colling cash do not make general ledger postings.

Exceptions: There were no exceptions noted.

- 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.

Performance: Inspected policy manuals, inquired of management, and observed that employees collecting cash do not reconcile cash collections to the general ledger.

Exceptions: There were no exceptions noted.

**Procedures Performed on the Park's Collections (Excluding Electronic Funds Transfers):
(Continued)**

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.

Performance: Obtained a copy of the insurance policy for theft covering all employees who have access to cash. Observed that the insurance policy for theft was enforced during the fiscal period.

Exceptions: There were no exceptions noted.

7. Randomly select 2 deposit dates for each of the Park's 5 bank accounts selected for procedures #3 under "Procedures Performed on the Park's 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 were made on the same day). [*Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.*] Obtain supporting documentation for each of the 10 deposits selected and:

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

Performance: Obtained supporting documentation for the selected deposits and observed the receipts were sequentially pre-numbered.

Exceptions: There were no exceptions noted.

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

Performance: Traced supporting documentation to the deposit slip.

Exceptions: There were no exceptions noted.

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

Performance: Traced deposit slip total to actual deposit per bank statement.

Exceptions: There were no exceptions noted.

- d) Observe that 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 any cash is stored securely in a locked safe or drawer).

Performance: Observed whether the deposits tested were made within one business day of receipt.

Exceptions: For both deposits selected, we noted that the deposit was not made within one business day of receipt.

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

Performance: Traced the actual deposit per the bank statement to the general ledger.

Exceptions: There were no exceptions noted.

Procedures Performed on the Park's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases):

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).

Performance: Obtained a listing of locations that process payments for the fiscal period from management and received management's representation in a separate letter that the listing is complete. Selected the sole location for testing.

Exceptions: There were no exceptions noted.

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 Park 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 2 employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

Performance: Obtained and read the written policy for purchasing. Observed at least 2 employees are involved.

Exceptions: There were no exceptions noted.

- b) At least 2 employees are involved in processing and approving payments to vendors.

Performance: Obtained and read the written policy for purchasing. Observed at least 2 employees are involved.

Exceptions: There were no exceptions noted.

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

Performance: Obtained and read the written policy for purchasing. Observed employee responsible for payments cannot add/modify vendor files.

Exceptions: There were no exceptions noted.

- 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.

Performance: Obtained a listing of employees involved with signing and mailing checks and verified they are not involved in the processing of payments.

Exceptions: There were no exceptions noted.

Procedures Performed on the Park's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases): (Continued)

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

Performance: Obtained the Park's non-payroll disbursement transaction population and management's representation in a separate letter that the population is complete. Selected 5 disbursements from the sole location that processes payments for testing.

Exceptions: There were no exceptions noted.

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

Performance: Observed the 5 disbursements matched the related original invoice/billing statements.

Exceptions: There were no exceptions noted.

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

Performance: Observed the 5 disbursements included evidence of segregation of duties.

Exceptions: For 1 of 5 disbursements selected, we noted proper segregation of duties was not followed.

Procedures Performed on the Park's Credit Cards, Debit Cards, Fuel Cards, P-Cards:

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.

Performance: Obtained 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 maintain possession of the cards and received management's representation in a separate letter that the listing is complete.

Exceptions: There were no exceptions noted.

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, rotating cards each year. 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:

Procedures Performed on the Park's Credit Cards, Debit Cards, Fuel Cards, P-Cards:

- a) Observe that 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) was reviewed and approved, in writing, by someone other than the authorized card holder.

Performance: Observed evidence that the statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

Exceptions: There were no exceptions noted.

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

Performance: Observed that there were no finance charges and/or late fees assessed on the selected statements.

Exceptions: There were no exceptions noted.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, 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).

- a) For each transaction, report whether the transaction is supported by:

- 1) An original itemized receipt that identifies precisely what was purchased.

Performance: Observed that the transactions from the monthly statements were supported by original itemized receipts that identifies precisely what was purchased.

Exceptions: There were no exceptions noted.

- 2) Written documentation of the business/public purpose.

Performance: Observed that the transactions from the monthly statements were supported with written documentation of the business/public purpose.

Exceptions: There were no exceptions noted.

- 3) Documentation of the individuals participating in meals (for meal charges only).

Performance: Observed that selected transactions for meal charges were supported by documentation of the individuals participating in the meals.

Exceptions: There were no exceptions noted.

Procedures Performed on the Park's Travel and Travel-Related Expense Reimbursements:

14. Obtain from management a listing of all travel and 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:

Performance: Obtained a listing of all travel and related expense reimbursements during the fiscal period from management and received management's representation in a separate letter that the listing is complete. Obtained the related expense reimbursement form and supporting documentation for 5 reimbursements.

Exceptions: There were no exceptions noted.

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

Performance: Observed that reimbursements using a per diem agrees to rates established by the State of Louisiana or the U.S. General Services Administration.

Exceptions: There were no exceptions noted.

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

Performance: Observed that reimbursements using actual cost were supported by an original itemized receipt that identified precisely what was purchased.

Exceptions: There were no exceptions noted.

- c) Observe that 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 (procedures #1h).

Performance: Observed each reimbursement is supported by documentation of the business/public purpose (for meal charges, observed that the documentation included the names of those individuals participating) and other documentation required by written policy (procedures #1h).

Exceptions: There were no exceptions noted.

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

Performance: Observed that each reimbursement was reviewed and approved, in writing, by someone other than the person that received the reimbursement.

Exceptions: There were no exceptions noted.

Procedures Performed on the Park's 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, and:

Performance: Obtained 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 and selected 5 contracts for testing. Obtained management's representation that the listing is complete.

Exceptions: There were no exceptions noted.

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

Performance: Observed that the contracts selected did not require the bids to be in accordance with Louisiana Public Bid Law.

Exceptions: There were no exceptions noted.

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

Performance: Observed that the contracts selected did not require Board approval.

Exceptions: There were no exceptions noted.

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

Performance: Observed that 1 of the 5 contracts selected for testing was amended during the fiscal period. Observed that the original contract terms provided for such an amendment and that the amendments were made in compliance with the contract terms.

Exceptions: There were no exceptions noted.

- 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 that the invoice and related payment agreed to the terms and conditions of the contract.

Performance: Randomly selected one payment for each of the 5 contracts and obtained supporting invoices, agreed invoices to the contract terms, and observed invoices related to the payment agreed to terms and conditions of the contract.

Exceptions: There were no exceptions noted.

Procedures Performed on the Park's Payroll and Personnel:

16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, paid salaries, and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
Performance: Obtained a listing of employees employed during the fiscal period from management and received management's representation in a separate letter that the listing is complete. Selected 5 employees, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.
Exceptions: There were no exceptions noted.
17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
Performance: Randomly selected 1 pay period to test leave taken during that period. Inspected all daily attendance and leave records for proper documentation.
Exceptions: There were no exceptions noted.
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
Performance: Observed that supervisors approved the attendance and leave of the selected employees/officials.
Exceptions: There were no exceptions noted.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the Park's cumulative leave records.
Performance: Observed that any leave accrued or taken during the pay period was reflected in the cumulative leave records.
Exceptions: There were no exceptions noted.
 - d) Observe that the rate paid to the employees agree to the authorized salary/pay rate found within the personnel file.
Performance: Agreed the pay rates to the authorized salary/pay rates maintained in employee files.
Exceptions: There were no exceptions noted.

Procedures Performed on the Park's Payroll and Personnel: (Continued)

18. Obtain from management a list of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select 2 employees/officials, obtain related documentation of the hours, and pay rates used in management's termination payment calculations, agree the hours to the employees'/officials' cumulative leave records, and agree the pay rates to the employees'/officials' authorized pay rates in the employees'/officials' personnel files and agree the termination payment to the Park's policy.

Performance: Inquired of management of those employees/officials that the Park terminated during the fiscal period and management's representation that the list is complete. No termination payments were made during the fiscal year.

Exceptions: There were no exceptions noted.

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, have been paid, and any associated forms have been filed, by required deadlines.

Performance: Obtained management's representation that employer and employee portions of payroll amounts have been paid, and any associated forms have been filed by the required deadlines.

Exceptions: There were no exceptions noted.

Procedures Performed on the Park's Ethics:

20. Using the 5 randomly selected employees/officials from procedure #16 under "Procedures Performed on the Park's Payroll and Personnel" above, obtain ethics compliance documentation from management, and:

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

Performance: Obtained certificates of ethics training for selected employees and verified the employees completed one hour of ethics training during the fiscal period.

Exceptions: For 4 of 5 employees selected, we noted the employee did not complete one hour of ethics training during the fiscal period.

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

Not applicable as there were no changes to the Park's ethics policy during the fiscal period.

Procedures Performed on the Park's Debt Service:

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that the State Bond Commission approval was obtained for each debt instrument issued.

No new bonds/notes/debt instruments noted. This procedure is n/a.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

No outstanding bonds/notes noted. This procedure is n/a.

Procedures Performed on the Park's Fraud Notice:

23. 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 Park reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the Park is domiciled.

Performance: Inquired of management of any misappropriations of public funds and assets during the fiscal period. Obtained management's representation that there were no misappropriations for fiscal year 2022.

Exceptions: There were no exceptions noted.

24. Observe the Park 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.

Performance: Inspected the fraud notice posted on the premises and website concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Exceptions: There were no exceptions noted.

Procedures Performed on the Park's Information Technology Disaster Recovery/Business Continuity:

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

- a) Obtain and inspect the Park'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.

Performance: We performed the procedures and discussed the results with management.

Procedures Performed on the Park's Information Technology Disaster Recovery/Business Continuity: (Continued)

- b) Obtain and inspect the Park'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 three months.

Performance: We performed the procedures and discussed the results with management.

- c) Obtain a listing of the Park'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.

Performance: We performed the procedures and discussed the results with management.

Procedures Performed on the Park's Sexual Harassment:

- 26. Using the 5 randomly selected employees/officials from procedure #16 under "Procedures Performed on Park's Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Performance: Obtained certificates of sexual harassment training for selected employees and verified the employees completed one hour of ethics training during the fiscal period.

Exceptions: For 4 of 5 employees selected, we noted the employee did not complete one hour of ethics training during the fiscal period.

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

Performance: Observed the entity has posted its sexual harassment policy and complaint procedure on its website.

Exceptions: There were no exceptions noted.

- 28. Obtain Park'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;

Performance: Requested the annual sexual harassment report for the current fiscal.

Exceptions: Management provided an annual sexual harassment report for the current fiscal period, however the report was not timely filed with the State.

Procedures Performed on the Park's Sexual Harassment: (Continued)

- b) Number of sexual harassment complaints received by the agency;
Performance: Requested the annual sexual harassment report for the current fiscal.
Exceptions: Management provided an annual sexual harassment report for the current fiscal period, however the report was not timely filed with the State.
- c) Number of complaints which resulted in a finding that sexual harassment occurred;
Performance: Requested the annual sexual harassment report for the current fiscal.
Exceptions: Management provided an annual sexual harassment report for the current fiscal period, however the report was not timely filed with the State.
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action;
Performance: Requested the annual sexual harassment report for the current fiscal.
Exceptions: Management provided an annual sexual harassment report for the current fiscal period, however the report was not timely filed with the State.
- e) Amount of time it took to resolve each complaint.
Performance: Requested the annual sexual harassment report for the current fiscal.
Exceptions: Management provided an annual sexual harassment report for the current fiscal period, however the report was not timely filed with the State.

Management's Response to Exceptions

- 11) The Park's Sexual Harassment written policy will be updated to include the Louisiana R.S. 42:342-344 requirement for the mandated annual reporting for state agencies.
- 7d) There is a cost-benefit analysis made by the Park related to daily cash collections and deposits. The Park's departmental daily collections of cash are secured in a deposit bag locked in the department's safe with access only through a finance employee's combination, and a key held by the Park police department. All department cash deposit bags are collected weekly and brought by Park police to the vault in the Park's administration building. Weekly, an armored vehicle, contracted by the Park, picks up the collected deposit cash bags and brings the bags to the Park's bank for deposit. The cost to perform these procedures on a daily basis would not be feasible for the Park and would outweigh any benefit to the Park. Given the cost and time involved for cash collection, we have found that performing the collections weekly strikes the appropriate balance.
- 10b) The recently built new accounting software initially allowed Purchase Requests created with a \$0.00 balance to bypass the layered approval process. Once this approval bypass in the software was identified, the software was updated, correcting the approval process. All Purchase requests now follow the layered approval process, including those created with a \$0.00 balance.

Management's Response to Exceptions (Continued)

- 20a) The Park's Human Resources will create procedures to ensure all current employees, all new full-time employees, and all new Part-time employees will complete any required Ethics training on an annual basis. We note that Park employees are now employees of a private non-profit organization and are no longer employees of the State of Louisiana. As such, the Park will ensure that all employees are properly trained on Ethics yearly according to a policy created by the non-profit organization.
- 26) The Park's Human Resources will create procedures to ensure all current employees, all new Full-time employees, and all new Part-time employees will complete the required Sexual Harassment training on an annual basis. We note that Park employees are now employees of a private non-profit organization and are no longer employees of the State of Louisiana. As such, the Park will ensure that all employees are properly trained on Sexual Harassment yearly according to a policy created by the non-profit organization.
- 28 a-e)
The Park submitted the required report after the mandated deadline. With the implementation of the updated written Park Sexual Harassment policy, the Park will comply with the submission of the annual report by the mandated deadline.