
NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION

FINANCIAL STATEMENTS AND SCHEDULES

FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

WITH INDEPENDENT AUDITORS' REPORT THEREON

NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION

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Sean M. Bruno
Certified Public Accountants, LLC

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the New Orleans City Park Improvement Association (**the Park**) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the **Park's** basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the

INDEPENDENT AUDITOR'S REPORT
(CONTINUED)

Auditor's Responsibility, Continued

financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of **the Park** as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of **the Park** as of June 30, 2019, were audited by other auditors whose report dated December 20, 2019, expressed an unmodified opinion on those statements.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 13 and the Schedule of Changes in Total OPEB Liability and Related Ratios on page 35 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic

INDEPENDENT AUDITOR'S REPORT
(CONTINUED)

Other Matters, Continued

financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise **the Park's** basic financial statements. The supplementary information included in the Schedule of Operating Expenses on page 36 and Schedule of Compensation, Benefits, and Other Payments to Agency Head on page 37 is presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary 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 December 21, 2020, 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 **the Park's** internal control over financial reporting and compliance.



SEAN M. BRUNO
CERTIFIED PUBLIC ACCOUNTANTS, LLC
New Orleans, Louisiana

December 21, 2020

NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION

Management's Discussion and Analysis

June 30, 2020 and 2019

This section of the New Orleans City Park Improvement Association (the Park) financial report presents a discussion and analysis of the Park's financial performance during the year ended June 30, 2020 and 2019. Please read it in conjunction with the Park's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

2020 Highlights

The Park's net position represents approximately 80% of total assets of approximately \$89.6 million at June 30, 2020. At June 30, 2019, the Park's net position approximated 81% of total assets of approximately \$91.9 million.

The Park's decrease in net position was approximately \$2.3 million for the year ended June 30, 2020 as compared to a decrease of approximately \$1.6 million for the year ended June 30, 2019. In addition, the Park's cash used in operating activities was approximately \$2.9 million in 2020 as compared to cash used in operating activities of approximately \$2.8 million in 2019.

2019 Highlights

The Park's net position represents approximately 81% of total assets of approximately \$91.9 million at June 30, 2019. At June 30, 2018, the Park's restated net position approximated 82% of total assets of approximately \$92.9 million.

The Park's decrease in net position was approximately \$1.6 million for the year ended June 30, 2019 as compared to a decrease of approximately \$1.9 million for the year ended June 30, 2018. In addition, the Park's cash used in operating activities was approximately \$2.8 million in 2019 as compared to cash used in operating activities of approximately \$2.6 million in 2018.

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.

NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION

Management's Discussion and Analysis

June 30, 2020 and 2019

OVERVIEW OF THE FINANCIAL STATEMENTS, CONTINUED

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 - 2020

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 decreased approximately \$2.3 million in 2020 compared to a decrease of \$1.6 million in 2019. Current Assets exceed current liabilities by approximately \$1.8 million as of June 30, 2020.

TABLE A-1
NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION
Statements of Net Position
June 30, 2020 and 2019

Assets	2020	2019	Increase (Decrease)
Current assets	\$ 5,689,572	\$ 5,691,073	\$ (1,501)
Investments, non-current	5,994,551	5,868,879	125,672
Capital assets	77,625,449	80,282,270	(2,656,821)
Total assets	<u>89,309,572</u>	<u>91,842,222</u>	<u>(2,532,650)</u>
Deferred outflows of resources	311,540	41,292	270,248
Total deferred outflows of resources	<u>311,540</u>	<u>41,292</u>	<u>270,248</u>
Total assets and deferred outflows	<u>\$ 89,621,112</u>	<u>\$ 91,883,514</u>	<u>\$ (2,262,402)</u>
Current liabilities	\$ 3,924,243	\$ 4,264,984	\$ (340,741)
Long-term liabilities	4,789,950	4,735,900	54,050
Total liabilities	<u>8,714,193</u>	<u>9,000,884</u>	<u>(286,691)</u>
Deferred inflows of resources	8,907,666	8,594,476	313,190
Total deferred inflows of resources	<u>8,907,666</u>	<u>8,594,476</u>	<u>313,190</u>
Net position			
Net investment in capital assets	77,625,449	80,282,270	(2,656,821)
Restricted	6,650,271	6,367,958	282,313
Unrestricted	(12,276,467)	(12,362,075)	85,608
Total net position	<u>71,999,253</u>	<u>74,288,153</u>	<u>(2,288,900)</u>
Total liabilities, deferred inflows, and net position	<u>\$ 89,621,112</u>	<u>\$ 91,883,514</u>	<u>\$ (2,262,402)</u>

NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION

Management's Discussion and Analysis

June 30, 2020 and 2019

FINANCIAL ANALYSIS OF THE PARK – 2020, CONTINUED

Net Position

The Park's total net position at June 30, 2020 decreased 3% to approximately \$72 million (See Table A-1). Total assets decreased 3% to approximately \$89.3 million, and total liabilities decreased 3% to approximately \$8.7 million. In addition, the Park reported deferred inflows of resources of approximately \$8.9 million at June 30, 2020, which represents a 4% increase from the amount reported at June 30, 2019. 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 Bayou District Foundation (BDF) and the deferred inflows related to the implementation of GASB Statement No. 75 related to the accounting for other post-retirement benefits. The decrease in net position is mainly attributable to a net decrease in total assets and deferred outflows of \$2.3 million.

Total current assets decreased by approximately \$1,500 and current liabilities decreased by approximately \$340,000 which resulted in an increase in working capital of \$340,000. Receivables decreased approximately \$840,000 compared to 2019 due to returned capital funds previously sent to the State for a capital project that did not take place. Unrestricted bank account cash decreased by approximately \$460,000 due to the COVID-19 pandemic State and City mandated closures of Park operations. Savings account cash increased by approximately \$700,000 and placed into the Louisiana Asset Management Pool (LAMP) from capital funds returned from the State Office of Facilities, Planning, & Control during the year ending June 30, 2020. 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 \$150,000 in restricted cash. Non-current assets increased by approximately \$125,000. Depreciation on the Park's capital assets of approximately \$4.8 million exceeded approximately \$1.9 million of contributions to fund capital expenditures. The Park's permanent endowment held in trust for the benefit of the Park at the Greater New Orleans Foundation (GNOF) increased by approximately \$125,000(note 2). This increase relates to investment gains, fees, dividends and interest totaling approximately \$70,000 and endowment contributions totaling approximately \$375,000, net of endowment funds used on projects throughout the Park totaling approximately \$320,000, \$150,000 of which was used towards general operating expenses supplementing loss of operating revenue caused by the COVID-19 pandemic.

Total liabilities decreased by approximately \$290,000. The total OPEB liability increased by approximately \$55,000 from the prior year due to changes in the actuarial determined liability estimates. Unearned income, accrued vacation, accrued salaries, and other liabilities decreased by approximately \$340,000, which was partially offset by a \$487,000 increase in the amount due to the Office of Risk Management for the Park's insurance premiums (note 7).

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, 2020 was a decrease of approximately \$2.3 million compared to a decrease in net position of approximately \$1.6 million for the year ended June 30, 2019.

NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION

Management's Discussion and Analysis

June 30, 2020 and 2019

FINANCIAL ANALYSIS OF THE PARK – 2020, CONTINUED

TABLE A-2
NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION
Statements of Revenues, Expenses and Changes in Net Position
For the years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>	<u>Increase (Decrease)</u>
Operating Revenues:			
Amusements, concerts, and other events	\$ 5,889,551	\$ 7,381,427	\$ (1,491,876)
Catering, restaurant, and gift shop	2,292,919	3,874,106	(1,581,187)
Golf operations	521,650	275,923	245,727
Horticulture, grounds and pavilion rental	806,987	1,178,472	(371,485)
Athletic services and tennis	1,303,218	1,467,223	(164,005)
Total operating revenues	<u>10,814,325</u>	<u>14,177,151</u>	<u>(3,362,825)</u>
Operating expenses:			
Amusements, concerts, and other events	3,700,452	4,711,703	(1,011,251)
Catering, restaurant, and gift shop	2,196,452	3,127,011	(930,559)
Golf operations	-	-	-
Horticulture, grounds and pavilion rental	1,137,820	1,169,513	(31,693)
Athletic services and tennis	1,171,098	1,267,201	(96,103)
General park	6,199,630	6,760,278	(560,648)
Depreciation	4,775,509	4,705,420	70,089
Other postretirement benefit expense	364,200	513,125	(148,925)
Total operating expenses	<u>19,545,161</u>	<u>22,254,251</u>	<u>(2,709,090)</u>
Net operating loss	(8,730,836)	(8,077,100)	(653,736)
Non-operating income	4,173,414	3,725,714	447,700
Capital contributions	1,893,520	2,906,892	(1,013,372)
Additions/(Reductions) to permanent endowment	375,000	(157,009)	532,009
Changes in net position	(2,288,902)	(1,601,503)	(687,399)
Total net position, beginning of the year	<u>74,288,153</u>	<u>75,889,656</u>	<u>(1,601,503)</u>
Total net position, end of the year	<u>\$ 71,999,250</u>	<u>\$ 74,288,153</u>	<u>\$ (2,288,902)</u>

Total operating revenues decreased by approximately \$3.4 million to \$10.8 million for the year ended June 30, 2020, compared to \$14.2 million in the year ended June 30, 2019. Amusements, concerts, and other special events revenue decreased by \$1.5 million, and catering, restaurant, and gift shop revenue decreased \$1.6 million mainly due to COVID-19 pandemic closures and the Scout Island Scream Park event. This lost revenue was partially offset by a decrease in amusement, concerts, and special event expenses of \$1.0 million. General Park operating expenses decreased by approximately \$560,000 mainly due to expense reductions caused by the Park's COVID-19 Pandemic closure for one-third 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 recognizes only its share of the net revenue, which excludes the expenses of operating the facility and the BDF's share of net income. Golf revenues increased approximately \$250,000 as compared to the prior year (See Note 12).

NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION

Management's Discussion and Analysis

June 30, 2020 and 2019

FINANCIAL ANALYSIS OF THE PARK – 2020, CONTINUED

Capital contributions decreased by approximately \$1.0 million, or 35%, primarily due to the construction of leased space during fiscal year 2019. The Botanical Garden outdoor kitchen, new maintenance building, and improvements to Storyland attractions contributed to capital contributions in 2020.

TABLE A-3
NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION
Schedule of Operating Expenses
For the years ended June 30, 2020 and 2019

	2020	2019	Increase (Decrease)
Payroll	\$ 6,249,210	\$ 7,033,482	\$ (784,272)
Depreciation	4,775,509	4,705,420	70,089
Cost of goods sold	1,145,045	1,666,074	(521,029)
Payroll benefits	1,078,999	1,094,166	(15,167)
Contract services	883,042	1,357,850	(474,808)
Repairs and maintenance	694,884	894,607	(199,723)
Supplies	650,093	772,545	(122,452)
Utilities	554,701	656,302	(101,601)
Golf operations	-	-	-
Administrative	731,246	591,880	139,366
Contract labor	834,027	1,002,792	(168,765)
Insurance	489,749	468,530	21,219
Advertising	393,053	452,132	(59,079)
Other	649,394	345,873	303,521
Special events	62,267	219,705	(157,438)
Write off	353,943	479,768	(125,825)
Other post-employment benefits expense	364,200	513,125	(148,925)
Total operating expenses	<u>\$ 19,909,362</u>	<u>\$ 22,254,251</u>	<u>\$ (2,344,889)</u>

Operating expenses decreased by approximately \$2.3 million in fiscal year 2020 compared to fiscal year 2019. This decrease is directly attributable to the cost cutting measures taken by management due to the COVID-19 pandemic Park closures. Contract Services decreased \$475,000, Cost of Goods Sold decreased \$520,000, Payroll decreased 785,000, Repairs and Maintenance decreased \$200,000, and Special Events decreased by \$160,000. Depreciation increased by \$70,000 as a result of completed projects being placed into operation and depreciated. There were \$350,000 of assets written off for the year 2020.

Non-operating income increased by approximately \$450,000 or 12%. The main factors contributing to this includes an increase in new lease revenue and donations received in response to the COVID-19 pandemic.

NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION

Management's Discussion and Analysis

June 30, 2020 and 2019

FINANCIAL ANALYSIS OF THE PARK - 2019

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 decreased approximately \$1.6 million in 2019 compared to a decrease of \$1.9 million in 2018. Current assets exceed current liabilities by approximately \$1.4 million as of June 30, 2019.

TABLE A-4
NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION
Statements of Net Position
June 30, 2019 and 2018

Assets	2019	Restated 2018	Increase (Decrease)
Current assets	\$ 5,691,073	\$ 5,648,893	\$ 42,180
Investments, non-current	5,868,879	5,780,297	88,582
Capital assets	80,282,270	81,510,569	(1,228,299)
Total assets	91,842,222	92,939,759	(1,097,537)
Deferred outflows of resources	41,292	39,000	2,292
Total deferred outflows of resources	41,292	39,000	2,292
Total assets and deferred outflows	\$ 91,883,514	\$ 92,978,759	\$ (1,095,245)
Current liabilities	\$ 4,264,984	\$ 3,970,603	\$ 294,381
Long-term liabilities	4,735,900	4,318,744	417,156
Total liabilities	9,000,884	8,289,347	711,537
Deferred inflows of resources	8,594,476	8,799,755	(205,279)
Total deferred inflows of resources	8,594,476	8,799,755	(205,279)
Net position			
Net investment in capital assets	80,282,270	81,510,569	(1,228,299)
Restricted	6,367,958	6,181,714	186,244
Unrestricted	(12,362,075)	(11,802,626)	(559,449)
Total net position	74,288,153	75,889,657	(1,601,504)
Total liabilities, deferred inflows, and net position	\$ 91,883,514	\$ 92,978,759	\$ (1,095,245)

NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION

Management's Discussion and Analysis

June 30, 2020 and 2019

FINANCIAL ANALYSIS OF THE PARK – 2019, CONTINUED

Net Position

The Park's total net position at June 30, 2019 decreased 2% to approximately \$74.3 million (See Table A-1). Total assets decreased 1% to approximately \$91.9 million, and total liabilities increased 9% to approximately \$9 million. In addition, the Park reported deferred inflows of resources of approximately \$8.6 million at June 30, 2019, which represents a 2% decrease from the amount reported at June 30, 2018. The deferred inflow of resources relates to capital contributions made by the Bayou District Foundation (BDF) to fund a portion of the improvements to the South Golf Course at Bayou Oaks under a service concession arrangement between the Park and the Bayou District Foundation (BDF) and the deferred inflows related to the accounting for other post-retirement benefits. The decrease in net position is mainly attributable to a decrease in capital assets of \$1.2 million and increase in long-term liabilities of approximately \$415,000.

Total current assets increased by approximately \$40,000 and current liabilities increased by approximately \$300,000 which resulted in a decrease in working capital of \$260,000. Receivables remained consistent compared to 2018 due to continued efforts for collections on project worksheets from Hurricane Katrina from the Federal Emergency Management Agency (FEMA) offset by an increase in receivables from Bayou District Foundation due to timing of payments. Unrestricted cash increased by approximately \$380,000, which was offset by the net transfers of approximately \$440,000 from the Louisiana Asset Management Pool (LAMP) into the Park's main operating bank account during the year ending June 30, 2019. 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 \$100,000 in restricted cash. Non-current assets decreased by approximately \$1.1 million. Depreciation on the Park's capital assets of approximately \$4.7 million exceeded contributions to fund capital expenditures of approximately \$2.9 million along with a loss on disposal of assets of approximately \$480,000. The Park's permanent endowment held in trust for the benefit of the Park at the Greater New Orleans Foundation (GNOF) increased by approximately \$90,000 (note 2). This increase relates to investment gains, dividends and interest totaling approximately \$245,000 and endowment contributions totaling approximately \$60,000, net of endowment funds used on projects throughout the Park totaling approximately \$215,000.

Total liabilities increased by approximately \$710,000. The total OPEB liability increased by approximately \$415,000 from the prior year due to changes in actuarial determined liability estimates. Accounts payable, unearned income, accrued vacation, and other liabilities decreased by approximately \$190,000, which partially offsets a \$465,000 increase in the amount due to the Office of Risk Management for the Park's insurance premiums (note 7).

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, 2019 was a decrease of approximately \$1.6 million compared to a decrease in net position of approximately \$1.9 million for the year ended June 30, 2018.

NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION

Management's Discussion and Analysis

June 30, 2020 and 2019

FINANCIAL ANALYSIS OF THE PARK – 2019, CONTINUED

TABLE A-5
NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION
Statements of Revenues, Expenses and Changes in Net Position
For the years ended June 30, 2019 and 2018

	2019	Restated 2018	Increase (Decrease)
Operating Revenues:			
Amusements, concerts, and other events	\$ 7,381,427	\$ 5,924,572	\$ 1,456,855
Catering, restaurant, and gift shop	3,874,106	3,639,740	234,366
Golf operations	275,923	131,742	144,181
Horticulture, grounds and pavilion rental	1,178,472	999,959	178,513
Athletic services and tennis	1,467,223	1,333,839	133,384
Total operating revenues	<u>14,177,152</u>	<u>12,029,852</u>	<u>2,147,300</u>
Operating expenses:			
Amusements, concerts, and other events	4,711,703	3,278,911	1,432,792
Catering, restaurant, and gift shop	3,127,011	3,005,296	121,715
Golf operations	-	-	-
Horticulture, grounds and pavilion rental	1,169,513	1,098,238	71,275
Athletic services and tennis	1,267,201	1,228,735	38,466
General park	6,760,278	6,058,910	701,368
Depreciation	4,705,420	4,517,595	187,825
Other postretirement benefit expense	513,125	517,469	(4,344)
Total operating expenses	<u>22,254,252</u>	<u>19,705,154</u>	<u>2,549,098</u>
Net operating loss	(8,077,100)	(7,675,302)	(401,798)
Non-operating income	3,725,714	3,735,483	(9,769)
Capital contributions	2,900,294	12,083,761	(9,183,467)
Additions/(Reductions) to permanent endowment	(157,009)	24,431	(181,440)
Changes in net position	(1,608,101)	8,168,373	(9,776,474)
Total net position, beginning of the year	75,889,656	81,471,520	(5,581,864)
Reclass of CIP Asset as of 6/30/2018	-	(13,750,237)	13,750,237
Total net position, end of the year, as restated	<u>\$ 74,281,555</u>	<u>\$ 75,889,656</u>	<u>\$ (1,608,101)</u>

Total operating revenues increased by approximately \$2.1 million to \$14.1 million for the year ended June 30, 2019, compared to \$12 million in the year ended June 30, 2018. Amusement, concerts, and other events revenue increased by \$1.4 million, mainly as a result of the first year Scout Island Scream Park event. This revenue was offset by amusement, concerts, and events expense of \$1.4 million related to the Scout Island Scream Park event. General Park operating expenses increased by approximately \$700,000 mainly due to loss on disposal of assets of \$480,000. Under GASB 60, the Park accounts for its cooperative endeavor agreement (CEA) with BDF as a service concession arrangement.

NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION

Management's Discussion and Analysis

June 30, 2020 and 2019

FINANCIAL ANALYSIS OF THE PARK – 2019, CONTINUED

Consequently, the Park recognizes only its share of the net revenue, which excludes the expenses of operating facility and the BDF's share of the net income. Golf revenues increased approximately \$144,000 as compared to the prior year (See Note 12).

Capital contributions increased by approximately \$900,000, or 44.6%, primarily due to the construction on leased space in the Casino Building. Capital contributions for this space was approximately \$1.2 million during fiscal year 2019. The Botanical Garden outdoor kitchen and improvements to Storyland attractions also contributed to the increased revenues in 2019.

TABLE A-6
NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION
Schedule of Operating Expenses
For the years ended June 30, 2019 and 2018

	2019	2018	Increase (Decrease)
Payroll	\$ 7,033,482	\$ 6,829,378	\$ 204,104
Depreciation	4,705,420	4,517,595	187,825
Cost of goods sold	1,666,074	1,508,651	157,423
Payroll benefits	1,094,166	1,113,890	(19,724)
Contract services	1,357,850	895,534	462,316
Repairs and maintenance	894,607	858,435	36,172
Supplies	772,545	653,124	119,421
Utilities	656,302	709,154	(52,852)
Golf operations	-	-	-
Administrative	591,880	531,441	60,439
Contract labor	1,002,792	422,583	580,209
Insurance	468,530	450,552	17,978
Advertising	452,132	279,592	172,540
Other	345,873	268,054	77,819
Special events	219,705	149,722	69,983
Write off	479,768		479,768
Other post-employment benefits expense	513,125	517,469	(4,344)
Total operating expenses	<u>\$ 22,254,252</u>	<u>\$ 19,705,174</u>	<u>\$ 2,549,078</u>

Operating expenses increased by approximately \$2.5 million in fiscal year 2019 compared to fiscal year 2018. Contract labor increased \$580,000, contract services increased \$460,000, advertising increased by \$170,000, and supplies increased by \$120,000 mainly due to expenses for the first year Scout Island Scream Park event. Depreciation increased by \$190,000 as a result of completed projects being placed into operation and depreciated. Loss on disposal of assets was \$480,000 for fiscal year 2019.

NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION

Management's Discussion and Analysis

June 30, 2020 and 2019

CAPITAL ASSET AND DEBT ADMINISTRATION

2020 Capital Assets

As of June 30, 2020, the Park's investment in capital assets approximated \$77.6 million, net of accumulated depreciation of \$46.7 million. This investment consists principally of buildings and related improvements, ground improvements, and equipment. At June 30, 2020, the Park has construction in progress of approximately \$1.8 million relating to projects throughout the park.

2019 Capital Assets

As of June 30, 2019, the Park's investment in capital assets approximated \$80.3 million, net of accumulated depreciation of \$41.9 million. This investment consists principally of buildings and related improvements, ground improvements, and equipment. At June 30, 2019, the Park has construction in progress of approximately \$3.8 million relating to projects throughout the park.

ECONOMIC FACTORS AND OUTLOOK

The Park has rebuilt and restored its facilities following Hurricane Katrina in 2005. Facilities having reopened include the Botanical Garden, Tad Gormley Stadium, Pan American Stadium, various ball fields, North Golf Course and Driving Range, Storyland, and the Carousel Gardens Amusement Park. As of June 30, 2018, all of the Park's facilities affected by Katrina have reopened. In October 2012, the Park opened the Arbor Room at Popp's Fountain, a new facility for catered events. In April 2012, the Park opened the Pepsi Tennis Center to replace the older smaller facility. In December 2016, the Park opened the new Festival Grounds with a one-mile walking/jogging/bicycle path surrounding five soccer fields, which also serves as a venue for large festivals. In May 2016, the Park opened City Putt, a New Orleans and Louisiana themed 36-hole miniature golf course with a clubhouse and two party rooms. In April of 2018, the Park opened the South Course at Bayou Oaks, an 18-hole championship quality golf course designed by Rees Jones and Greg Muirhead of Rees Jones and Torre Design Consortium. In October 2018, the Park opened a new Halloween themed event named Scout Island Scream Park. The Park has also hosted several events including the annual Celebration in the Oaks, Voodoo Festival, Mardi Gras Marathon, Crescent City Classic, and various run/walk events. In March 2020, The Park closed its operations due to COVID-19 restrictions. State and City mandated limits to social gatherings, including wedding events, sporting events, and amusement parks, led to over \$3.0 million in budgeted lost revenue through June 2020. These mandates have also affected the Park's reliance on the State Slot tax reimbursement and City of New Orleans taxes related to the City Park Taxing District.

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.

New Orleans City Park Improvement Association
Statement of Net Position
June 30, 2020 and 2019

<u>Assets and Deferred Outflows of Resources</u>	<u>2020</u>	<u>2019</u>
Current assets		
Cash		
Unrestricted	\$ 753,295	\$ 1,319,091
Restricted	627,440	470,953
Total cash and cash equivalents	1,380,736	1,790,044
Investments substantially restricted	28,279	28,127
Investments with Louisiana Asset Management Pool	2,513,069	1,264,551
Receivables (less allowance for doubtful accounts):	-	
Friends of City Park	44,402	224,124
Federal grant receivable	362,549	580,968
City of New Orleans	104,231	75,887
State of Louisiana	145,602	183,007
Other	903,729	471,302
Inventories	167,892	272,047
Prepaid expenses and other assets	39,081	801,016
Total current assets	5,689,572	5,691,073
Endowment at GNOF, nonexpendable portion	5,396,306	5,193,611
Endowment at GNOF, expendable portion	598,245	675,268
Capital assets, net	77,625,449	80,282,270
Total assets	89,309,572	91,842,222
Deferred outflows of resources		
Other post-employment benefits (outflow)	311,540	41,292
Total assets and deferred outflows of resources	<u>\$ 89,621,112</u>	<u>\$ 91,883,514</u>
<u>Liabilities, Deferred Inflows of Resources, and Net Position</u>		
Current liabilities:		
Accounts payable - trade	\$ 415,981	\$ 527,432
Other liabilities	125,490	85,725
Accrued salaries	9,195	284,711
Unearned income	1,180,678	904,380
Insurance payable	1,402,741	915,022
Due to other governments	375,508	1,091,727
Accrued vacation leave	414,651	414,696
Other post-employment benefits, current	-	41,292
Total current liabilities	3,924,243	4,264,984
Long term liabilities		
Other post-employment benefits	4,789,950	4,735,900
Total liabilities	8,714,193	9,000,884
Deferred Inflows of resources	-	
Service concession arrangement	7,935,821	8,209,650
Other post-employment benefits (Inflow)	971,845	384,826
Total deferred inflows of resources	8,907,666	8,594,476
Net position:		
Net investment in capital assets	77,625,449	80,282,270
Restricted	6,650,271	6,367,958
Unrestricted (deficit)	(12,276,467)	(12,362,075)
Total net position	71,999,253	74,288,153
Total liabilities, deferred inflows of resources, and net position	<u>\$ 89,621,112</u>	<u>\$ 91,883,514</u>

See accompanying notes to financial statements

New Orleans City Park Improvement Association
Statements of Revenues, Expenses, and Changes in Net Position
For the years ended June, 30 2020 and 2019

	<u>2020</u>	<u>2019</u>
Operating revenues		
Amusements, concerts, and other events	\$ 5,889,551	\$ 7,381,427
Catering, restaurant, and gift shop	2,292,919	3,874,106
Golf operations	521,650	275,923
Horticulture, grounds pavilion rental	806,987	1,178,472
Stadium rentals & concessions	786,158	885,491
Tennis	517,060	581,732
Total operating revenues	<u>10,814,325</u>	<u>14,177,151</u>
Operating expenses:		
Amusements, concerts, and other events	3,700,452	4,711,703
Catering, restaurant, and gift shop	2,196,452	3,127,011
Golf operations	-	-
Horticulture, grounds pavilion rental	1,137,820	1,169,513
Stadium rentals & concessions	760,479	777,188
Tennis	410,619	490,014
General park	6,199,630	6,760,278
Depreciation	4,775,509	4,705,420
OPEB	364,200	513,125
Total operating expenses	<u>19,545,161</u>	<u>22,254,252</u>
Net operating income (loss)	<u>(8,730,835)</u>	<u>(8,077,100)</u>
Non-operating income		
Donations	890,929	321,051
Income and gains on GNOF	70,006	245,591
Interest income	27,959	35,766
Federal grant revenue	-	211,502
State revenue	1,900,169	1,900,195
Sales tax	467,670	488,999
Lease revenue	560,622	336,024
Insurance claim revenue	-	7,894
Other revenue	256,059	178,691
Total non operating revenue	<u>4,173,414</u>	<u>3,725,714</u>
Changes in net position before capital Contributions	<u>(4,557,421)</u>	<u>(4,351,386)</u>
Capital contributions	<u>1,893,520</u>	<u>2,906,892</u>
Changes in net position after capital contributions	<u>(2,663,901)</u>	<u>(1,444,494)</u>
Additions to permanent endowment	<u>375,000</u>	<u>(157,009)</u>
Changes in net position	<u>(2,288,901)</u>	<u>(1,601,503)</u>
Total net position, beginning of the year	74,288,152	75,889,656
reclass of asset		
Total net position, end of year, as restated	<u>\$ 71,999,251</u>	<u>\$ 74,288,153</u>

See accompanying notes the financial statements

NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION
Statements of Cash Flows
For the years ended June 30, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Cash received from user fees and other park activities	\$ 10,656,669	\$ 13,912,493
Cash payments to suppliers for goods and services	(5,033,743)	(8,088,813)
Cash payments to employees for services	(8,491,849)	(8,640,774)
Net cash used in operating activities	(2,868,923)	(2,817,094)
Cash flows from noncapital and related financing activities:		
Cash received from State of Louisiana	1,937,574	2,235,518
Cash received from sales tax	439,326	495,291
Cash received from insurance claim proceeds	-	7,894
Cash received from donations	617,100	47,582
Cash received from lease revenue	560,622	336,024
Net cash provided by noncapital financing activities	3,554,622	3,122,309
Cash flows from capital and related financing activities:		
Contributed by others for capital improvements	2,291,661	2,933,707
Acquisition and construction of capital assets	(2,118,688)	(3,417,236)
Net cash used in capital and related financing activities	172,973	(483,529)
Cash flows from investing activities:		
Purchase of investments	(1,849,345)	-
Sale of investments	328,921	475,000
Interest received on investments	3,616	4,191
Other revenue	248,827	178,691
Net cash provided by (used in) investing activities	(1,267,981)	657,882
Net increase (decrease) in cash and cash equivalents	(409,309)	479,568
Cash and cash equivalents at beginning of the year	1,790,044	1,310,476
Cash and cash equivalents at end of the year	\$ 1,380,735	\$ 1,790,044
Reconciliation of net operating loss to net cash provided by operating activities are as follows:		
Operating loss	\$ (8,730,836)	\$ (8,077,100)
Adjustments to reconcile net operating loss to net cash provided by operating activities:		
Depreciation	4,775,509	4,705,420
(Increase) decrease in receivables	(432,427)	(144,893)
(Increase) decrease in inventories	104,155	(33,569)
(Increase) decrease in prepaid expenses and other assets	761,935	15,497
Increase (decrease) in trade payables and insurance payable	282,710	369,412
Increase (decrease) in accrued liabilities and other liabilities	93,733	386,471
Increase (decrease) in unearned income	276,298	(38,332)
Net cash used in operating activities	\$ (2,868,923)	\$ (2,817,094)
Noncash investing, capital and financing activities		
Contributions to GNOF	\$ 125,000	\$ 59,440
Withdrawals from GNOF	\$ 319,334	\$ 216,449
In-kind capital contributions	\$ 1,558,685	\$ 1,219,416

See accompanying notes to financial statements

NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

(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. 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 36 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.

(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 Ordinance No. 23010 on December 20, 2007 designates a portion of the local sales and use taxes within the City Park boundaries to fund economic development projects undertaken by the Park. The original Ordinance was extended a second time for another six years in 2020. The net position of the TIF, restricted for Park capital projects and equipment, totaled \$602,189 and \$456,068 at June 30, 2020 and 2019, respectively. See the following page for the net positions and changes in net position for TIF.

NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies (continued)

(c) Component Units (continued)

New Orleans City Park Taxing District

Statement of New Position

June 2020 and 2019

	<u>2020</u>	<u>2019</u>
Current Assets	\$ 628,928	\$ 456,068
Total Assets	<u>\$ 628,928</u>	<u>\$ 456,068</u>
Current liabilities	\$ 26,739	
Total Liabilities	<u>\$ 26,739</u>	<u>\$ -</u>
Restricted	\$ 602,189	\$ 456,068
Total Liab and Net Position	<u>\$ 628,928</u>	<u>\$ 456,068</u>

New Orleans City Park Taxing District

Statement of Changes in New Position

For the years ended June 2020 and 2019

	<u>2020</u>	<u>2019</u>
General Revenues:		
Sales Taxes	\$ 467,670	\$ 488,999
Expenses:		
Economic Development	\$ 321,550	\$ 412,005
Change in net position	\$ 146,121	\$ 76,994
Net position, beginning of year	\$ 456,068	\$ 379,074
	<u>\$ 602,189</u>	<u>\$ 456,068</u>

NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

(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) *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 and investment and gains on endowments held at the Greater New Orleans Foundation (GNOF). The endowment at GNOF is donor-restricted. Investments in GNOF are made by the donor to the investment pool on behalf of the Park.

NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

(1) **Summary of Significant Accounting Policies (continued)**

(e) ***Inventories***

Inventories, consisting primarily of gift shop, concession, and catering supplies, are valued at cost, which approximates market, using the weighted average method.

(f) ***Capital Assets***

Capital assets are stated at historical 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 \$1,000 or greater and has a useful life in excess of 1 year. Depreciation is provided using the straight-line method over the estimated useful lives.

(g) ***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 Park service.

(h) ***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, 2020 and 2019, the Park did not have debt related to capital assets.

Restricted - This component reports those 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.

(i) ***Cash Flows***

For purposes of the statement of cash flows, only cash certificates on hand and on deposit and investments having an initial term of three months or less are included in cash and cash equivalents.

NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

(1) **Summary of Significant Accounting Policies (continued)**

(j) *Allowance for Doubtful Accounts*

The allowance for doubtful accounts is based on prior years' experience and management's analysis of possible bad debts. Accounts receivable considered uncollectible are charged against the allowance account in the year they are deemed uncollectible. No allowance for doubtful accounts was recorded at June 30, 2020 and 2019.

(k) *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.

(l) *Deferred Outflows and Inflows of Resources*

Deferred outflows of resources represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. See Note 10 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 as an inflow of resources (revenue) until then. Capital contributions made by 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 12 for additional information.

(m) *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 the reported amounts and disclosures. Actual results could differ from those estimates.

NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

(2) Cash, Cash Equivalents, and Investments

The following are the components of the Park's cash, cash equivalents and investments at June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Current:		
Cash in Banks	\$ 1,380,735	\$ 1,790,044
Certificates of Deposit	28,279	28,127
Investment in Louisiana Aset Management Pool	2,513,069	1,264,551
Long Term:		
Invesmtments in Greater New Orleans Foundation	<u>\$ 5,994,551</u>	<u>\$ 5,868,879</u>
	<u><u>\$ 9,916,634</u></u>	<u><u>\$ 8,951,601</u></u>

Restricted cash and investments as of June 30, 2020 and 2019 are as follows:

	<u>Restricted Cash</u>	<u>Restricted Investments</u>	<u>Total</u>
2020			
Ribet Fund	\$ -	\$ 28,279	\$ 28,279
Greater New Orleans Foundation	-	5,994,551	5,994,551
New Orleans City Park Taxing District	524,696	-	524,696
Capital funds received from private	<u>102,744</u>	<u>-</u>	<u>102,744</u>
	<u><u>\$ 627,440</u></u>	<u><u>\$ 6,022,830</u></u>	<u><u>\$ 6,650,270</u></u>
2019			
Ribet Fund	\$ -	\$ 28,127	\$ 28,127
Greater New Orleans Foundation	-	5,868,879	5,868,879
New Orleans City Park Taxing District	380,180	-	380,180
Capital funds received from private	<u>90,772</u>	<u>-</u>	<u>90,772</u>
	<u><u>\$ 470,952</u></u>	<u><u>\$ 5,897,006</u></u>	<u><u>\$ 6,367,958</u></u>

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 and certificates of deposit be covered by federal depository insurance or collateral.

The bank balances of cash and certificates of deposit, as reflected by the banks' records totaled \$2,104,939 and \$1,773,146 at June 30, 2020 and 2019, respectively. The Park's bank balances and certificates of deposits at year-end were covered by federal depository insurance or by collateral held by the Park's custodial bank in the Park's name.

NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

(2) 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 percent 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 60 days and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments is 33 days as of June 30, 2020.
- 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 at June 30, 2020 and 2019.

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).

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.

NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

(2) Cash, Cash Equivalents, and Investments (continued)

As of June 30, 2020 and 2019, the Park had investments totaling \$5,994,551 and \$5,868,879, respectively, in the Greater New Orleans Foundation (GNOF). GNOF investments are held in a donor investment pool of which the investments are not evidenced by securities that exist in physical or book entry form. Investments in GNOF are administered by the Greater New Orleans Foundation, a 501(c)(3) public charity. The GNOF investments are in a permanent endowment. Investment earnings on the permanently restricted balance are available to the Park for spending on general operations. The GNOF investments are valued at the fair value of the trust investments as reported to the Park by the trustees and include the use of Net Asset Value as the primary input to measure fair value.

The primary objective of GNOF is to provide a safe environment for the placement of donor funds in high quality investments. To achieve these objectives, GNOF's investment portfolio consists of three diversified investment portfolios: the money market portfolio, the fixed income portfolio and the equity portfolio.

(3) Fair Value Measurement

The Park's investments are recorded at fair value as of June 30, 2020 and 2019. 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 market place.

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.

NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

(3) Fair Value Measurement (continued)

The Park has the following recurring fair value measurements as of June 30, 2020 and 2019:

	Fair Value Measurements- June 2020			
	Level 1	Level 2	Level 3	Total
Certificate of Deposit	\$ 28,279	\$ -	\$ -	\$ 28,279
GNOF	-	5,994,551	-	5,994,551
Invest at NAV LAMP	-	-	-	2,513,069
TOTAL	\$ 28,279	\$ 5,994,551	\$ -	\$ 8,535,899

	Fair Value Measurements- June 2019			
	Level 1	Level 2	Level 3	Total
Certificate of Deposit	\$ 28,127	\$ -	\$ -	\$ 28,127
GNOF	-	5,868,879	-	5,868,879
Invest at NAV LAMP	-	-	-	1,264,551
TOTAL	\$ 28,127	\$ 5,868,879	\$ -	\$ 7,161,557

(4) 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.

NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

(5) Capital Assets

The capital assets of the Park as of June30, 2020 and 2019 are as follows:

Description	2019	Additions	Reclassifications	Disposals	2020	Est. Useful Life (years)
Land	\$ 3,062,144	\$ -	\$ -	\$ -	\$ 3,062,144	
Infrastructure	45,175,650	142,907	306,178	-	45,624,735	10-30
Buildings and Improvements	47,774,928	-	2,573,593	-	50,348,521	10-30
Fixed equipment	14,251,754	100,955	861,636	-	15,214,345	5-20
Moveable equipment	8,040,673	160,515	21,099	-	8,222,287	3-20
Construction in progress	3,883,419	1,714,532	(3,762,507)	(220)	1,835,225	
	122,188,568	2,118,909	-	(220)	124,307,257	
Less accumulated depreciation	(41,906,298)	(4,775,509)	-	-	(46,681,806)	
Capital assets, net	\$ 80,282,270	\$ (2,656,600)	\$ -	\$ (220)	\$ 77,625,450	

Construction in progress of \$1,835,222 and \$3,883,419 as of June 30, 2020 and 2019, respectively, consists primarily of improvements to Storyland, the Botanical Garden Outdoor Kitchen and various other facilities and grounds improvements.

The capital assets of the Park as of June 30, 2019 and 2018 are as follows:

Description	2018 (restated)	Additions	Reclassifications	Disposals	2019	Est. Useful Life (years)
Land	\$ 3,062,144	\$ -	\$ -	\$ -	\$ 3,062,144	
Infrastructure	44,289,507	497,984	388,159	-	45,175,650	10-30
Buildings and Improvements	47,953,674	193,835	130,287	(502,868)	47,774,928	10-30
Fixed equipment	13,992,094	174,660	85,000	-	14,251,754	5-20
Moveable equipment	7,760,235	280,438	-	-	8,040,673	3-20
Construction in progress	2,037,791	2,758,308	(603,446)	(309,234)	3,883,419	
	119,095,445	3,905,225	-	(812,102)	122,188,568	
Less accumulated depreciation	(37,584,876)	(4,705,420)	-	383,998	(41,906,298)	
Capital assets, net	\$ 81,510,569	\$ (800,195)	\$ -	\$ (428,104)	\$ 80,282,270	

(6) Unearned Income

Unearned income consists of the following at June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Payments in Advance of events	\$ 1,077,934	\$ 813,608
Restricted Contributions	\$ 102,744	\$ 90,772
	<u>\$ 1,180,678</u>	<u>\$ 904,380</u>

NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

(7) Due to Other Governments

Amounts due to other governments consists of the following at June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
City Of New Orleans	\$ -	\$ 732,000
State of LA, Office of Risk Mngt.	1,402,741	915,022
Federal (FEMA)	375,507	359,727
	<u>\$ 1,778,248</u>	<u>\$ 2,006,749</u>

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. The Park is working with FEMA and ORM to settle the amount owed during the closeout process.

On July 19, 2013, the Park entered into a Cooperative Endeavor Agreement with the City of New Orleans for the City to advance \$732,000 in Capital Outlay funds for construction costs associated with a parking lot for the upcoming City Splash project. In turn, the Park advanced \$732,000 to State FP&C, which is managing the project for the benefit of the Park. The Louisiana Legislature defunded the City Splash project in a previous year, and in March 2020, State FP&C returned \$693,065 to the Park, net of design fees and other expenses totaling \$38,935.

The Park owed \$1,402,741 and \$915,022 to the State of Louisiana for premiums on the Park's insurance coverage self-insured through plans from the State's Office of Risk Management as of June 30, 2020 and June 30, 2019, respectively. This liability is classified as insurance payable on the statements of net position.

(8) Operating Leases

The Park leases certain facilities to various lessees under renewable operating lease agreements. These facilities include a cellular tower, the stables, Café du Monde and land to Christian Brothers School. Minimum future lease receipts as of June 30, 2020, are as follows:

2021	\$ 522,217
2022	507,454
2023	441,185
2024	395,624
2025	395,624
Thereafter	<u>2,276,680</u>
Total	<u>\$4,538,784</u>

NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

(8) Operating Leases (continued)

During the year ended September 30, 2006, the Park extended the lease with Christian Brothers School on similar terms as the exiting lease through September 30, 2020 with two ten year options. On March 28, 2012, the Park leased the equestrian facilities to Equest Farms for \$4,000 per month increasing each year by a minimum of 3% through March 28, 2022. On December 21, 2018, the Park entered into a 10-year lease with Cafe Du Monde to lease a portion of the first floor of the Casino Building for the greater of \$25,760 monthly, or 10% of annual gross sales. On June 12, 2013, the Park entered into a Cooperative Endeavor Agreement (CEA) to lease a portion of Big Lake to Wheel Fun New Orleans, LLC for \$25,000 per year with a contingent payment of 10% of gross revenues in excess of \$100,000 through June 14, 2018. Effective June 14, 2018, the Wheel Fun and the Park executed an Addendum to the CEA to extend the agreement an additional five (5) years under the original CEA terms. On November 25, 2014, the Park entered into a Cooperative Endeavor Agreement (CEA) with the Louisiana Children's Museum, Inc. (LCM) to lease the Early Learning Village that began construction in 2017 for a period of 39 years. Under the terms of the CEA, LCM pays the Park \$500 per month during construction and \$3,000 per month once the facility is completed. LCM opened August 31, 2019.

The cost and carrying amount included in buildings and improvements for the portion of facilities held for lease at June 30, 2020 were, as follows.

	Gross Cost	Accumulated Depreciation	Net Cost
Casino Building	\$ 1,219,416	\$ 111,780	\$ 1,107,636
Big Lake Dock & Boat House	417,131	139,044	278,087
Equestrian Facility	965,640	268,698	696,942
Leased Facility	<u>\$ 2,602,187</u>	<u>\$ 519,522</u>	<u>\$ 2,082,665</u>

(9) 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 1 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 Park contributed \$152,693 and \$149,853 and participants contributed \$169,180 and \$193,127 to the deferred compensation plan during the years ended June 30, 2019 and 2018, respectively.

NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

(10) 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 its eligible retired employees and their beneficiaries through participation in the State of Louisiana's health insurance plan administered by the Office of Group Benefits (OGB), an agent multiple-employer 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 www.doa.la.gov/osrap, 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%

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 \$0.54 monthly for each \$1,000 of life insurance. The retiree pays \$0.98 monthly for each \$1,000 of spouse life insurance. The employer pays the remaining amount.

NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

(10) Other Post-Employment Benefits (OPEB) (continued)

General Information about the OPEB Plan (continued)

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, 2020 total OPEB liability was determined using the July 1, 2019 actuarial valuation and the June 30, 2019 liability was determined using the July 1, 2018 actuarial valuation that included the following employees covered by the benefit terms:

	Valuation Date	
	July 1, 2019	July 1, 2018
Inactive employees or beneficiaries currently receiving benefit payments	5	5
Inactive employees entitled to but not yet receiving benefit payments	-	-
Active employees	<u>91</u>	<u>91</u>
Total	<u>96</u>	<u>96</u>

Total OPEB Liability

The Park's total OPEB liability of \$4,789,950 was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019. The Park's total OPEB liability of \$4,777,192 was measured as of June 30, 2019 and was determined by an actuarial valuation as of July 1, 2018.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2019 and July 1, 2018 actuarial valuations were determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation Rate	2.8% Consumer Price Index
Salary Increases	Consistent with the pension plan valuation assumptions in which employees participate.
Discount Rate	2.79% based on the June 30, 2019 S&P 20 year municipal bond index rated. 2.98% based on the June 30, 2018 S&P 20 year municipal bond index rated.
Health Care Cost Trend Rate	Pre-age 65 ranges from 7.0% to 4.5% Post-age 65 ranges from 5.5% to 4.5%
Mortality	For healthy lives the RP-2014 Combined Healthy Mortality Table projected on a fully generational basis by Mortality Improvement Scale MP-2017. For existing disabled lives the RP-2014 Disabled Retiree Mortality Tables projected on a fully generational basis by Mortality Improvement Scale MP- 2017.

NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

(10) Other Post-Employment Benefits (OPEB) (continued)

Total OPEB Liability (continued)

Actuarial Assumptions and Other Inputs (continued)

Participation Rate Sliding scale from 52% to 88% based on years of service for the July 1, 2019 valuation. Sliding scale from 52% to 88% based on years of service for the July 1, 2018 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, 2019 valuation were based on the results of an actuarial experience study for pension plan actuarial valuations for the period January 1, 2018 to December 31, 2019. As a result of the 2019 actuarial experience study, the expectation of life after disability was adjusted in the July 1, 2019 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 2.79%, and was based on the Standards & Poor's Municipal Bond 20-year high grade rate index as of June 30, 2019. The discount rate used to measure the total OPEB liability was changed from 3.13% in the July 1, 2018 valuation to 2.98% in the July 1, 2018 valuation.

Change in Total OPEB Liability

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Balance at beginning of year	\$ 4,777,192	\$ 4,357,744
Changes for the Year:		
Service Cost	426,673	466,745
Interest	154,664	150,408
Changes in assumptions or other inputs	(540,801)	(159,149)
Benefit payments	<u>(27,778)</u>	<u>(38,556)</u>
Net Changes	<u>12,758</u>	<u>419,448</u>
Balance at end of year	\$ <u>4,789,950</u>	\$ <u>4,777,192</u>

NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

(10) **Other Post-Employment Benefits (OPEB) (continued)**

Changes in Total OPEB Liability (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 (1.98%) or 1-percentage-point higher (3.98%) than the current discount rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Discount Rate	1.79%	2.79%	3.79%
Total OPEB Liability	\$ 5,992,149	\$ 4,789,950	\$ 3,888,051

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:

	<u>1% Decrease</u>	<u>Current Health Care Cost Trend Rates</u>	<u>1% Increase</u>
Pre-65	6.0% decreasing to 3.5%	7.0% decreasing to 4.5%	8% decreasing to 5.5%
Post-65	4.5% decreasing to 3.5%	5.5% decreasing to 4.5%	6.5% decreasing to 5.5%
Total OPEB Liability	\$ 3,810,257	\$ 4,789,950	\$ 6,144,146

NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

(10) Other Post-Employment Benefits (OPEB) (continued)

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

For the year ended June 30, 2020, the Park recognized OPEB expense of \$364,200. At June 30, 2020, the Park reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Assumptions</u>
Change of Assumptions	\$ -	\$ (971,846)
Difference in expected and actual experience	276,868	-
Employer Contribution Subsequent to Measurement Date	28,438	-
	<u>\$ 305,306</u>	<u>\$ (971,846)</u>

For the year ended June 30, 2019, the Park recognized OPEB expense of \$513,125. At June 30, 2019, the Park reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Assumptions</u>
Change of Assumptions	\$ -	\$ (384,827)
Difference in expected and actual experience	13,514	-
Employer Contribution Subsequent to Measurement Date	27,778	-
	<u>\$ 41,292</u>	<u>\$ (384,827)</u>

NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

(10) **Other Post-Employment Benefits (OPEB) (continued)**

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

Deferred outflows of resources related to OPEB resulting from OPEB payments subsequent to the measurement date of \$28,438 will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. Amounts reported as deferred inflows of resources relations to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30</u>	<u>OPEB Expense</u>
2021	\$ (217,137)
2022	(217,137)
2023	(170,570)
2024	(90,133)
	<u>\$ (694,977)</u>

(11) **Management Agreements**

On February 1, 2018, the Bayou District Foundation (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 in accordance with GASB 60. See note 12 for disclosures related to deferred inflows of resources and service concession arrangement from the BDF CEA.

(12) **Service Concession Arrangement**

The Park has determined that the cooperative endeavor agreement (CEA) between the Bayou District Foundation (BDF) and the Park meets the four criteria of a service concession arrangement (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 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 the day to day operations of the golf facility.

NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

(12) Service Concession Arrangement (continued)

During the years ended June 30, 2018. There were no capital assets recorded for costs incurred by BDF for the year ended June 30, 2020 and June 30, 2019. The deferred inflow is being amortized to golf operating revenue over the remaining term of the agreement. For the years ended June 30, 2020 and 2019, the Park amortized the deferred inflow of resources in the amount of \$273,649 and \$273,649, respectively. The unamortized balance of deferred inflows of resources related to this agreement at June 30, 2020 and 2019 is \$7,935,821 and \$8,209,650, respectively.

(13) 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.

(14) 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.

**NEW ORLEANS CITY PARK IMPROVEMENT
ASSOCIATION**

**Schedule of Changes in Total OPEB Liability and
Related Ratios**

As of June 30, 2020

Financial statement reporting date	Measurement date	Service cost	Interest	Changes of assumptions or other inputs	Benefit payments	Net change in total OPEB liability	Total OPEB liability - beginning	Total OPEB liability - ending	Covered payroll	Total OPEB liability as a percentage of covered payroll
6/30/2020	7/1/2019	\$ 426,673	\$ 154,664	\$ (540,801)	\$ (27,778)	\$ 12,785	\$ 4,777,192	\$ 4,789,950	\$ 3,618,577	119.75%
6/30/2019	7/1/2018	\$ 466,745	\$ 150,408	\$ (159,149)	\$ (38,556)	\$ 419,448	\$ 4,357,744	\$ 4,777,192	\$ 4,000,000	119.43%

Notes to Schedule:

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available. There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB 75 for this OPEB plan.

Changes of Assumptions:

The changes in assumptions balance was a result of changes in the discount rate, changes in average remaining service life, and changes in participation rate. The following are assumption changes by measurement date of total OPEB liability:

Measurement Date	Discount Rate
7/1/2019	2.79%
7/1/2018	2.98%
7/1/2017	3/13%
Measurement Date	Average Remaining Service Life
7/1/2019	5.44%
7/1/2018	5.44%
Measurement Date	Participation Rate
7/1/2019	52% to 88% sliding scale
7/1/2018	52% to 88% sliding scale

See accompanying independent auditors' report

Schedule 2

NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION
 Schedule of Operating Expenses
 For the years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Payroll	\$ 6,249,210	\$ 7,033,482
Depreciation	4,775,509	4,705,420
Cost of goods sold	1,145,045	1,666,074
Payroll benefits	1,078,999	1,094,166
Contract services	883,042	1,357,850
Repairs and maintenance	694,884	894,607
Supplies	650,093	772,545
Utilities	554,701	656,302
Golf operations	-	-
Administrative	731,246	591,880
Contract labor	834,027	1,002,792
Insurance	489,749	468,530
Advertising	393,053	452,132
Other	649,394	345,873
Special events	62,267	219,705
Write off	353,943	479,768
Other post-employment benefits expense	364,200	513,125
Total operating expenses	<u>\$ 19,909,361</u>	<u>\$ 22,254,251</u>

see accompanying independent auditor's report

Schedule of Compensation, Benefits, and Other Payments to Agency Head

For the year ended December 31, 2020

Agency Head Name : Robert W. Becker, Chief Executive Officer

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 210,000
Benefits-insurance	6,582
Benefits-retirement	10,500
Benefits-cell phone	975
Car allowance	7,600
Conference travel	1,232
Membership dues	1,200
Special meals	981
	<u>\$ 239,070</u>

see accompanying independent auditor's report

Sean M. Bruno
Certified Public Accountants, LLC

Member
American Institute of
Certified Public Accountants
Society of Louisiana
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 States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the New Orleans City Park Improvement Association (**the Park**), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise **the Park's** basic financial statements, and have issued our report thereon dated December 21, 2020.

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 opinions 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.

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*

(CONTINUED)

Internal Control Over Financial Reporting, Continued

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

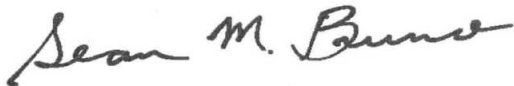
As part of obtaining reasonable assurance about whether **the Park's** financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

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*

(CONTINUED)

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; however under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



SEAN M. BRUNO
CERTIFIED PUBLIC ACCOUNTANTS, LLC
New Orleans, Louisiana

December 21, 2020

NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION

SCHEDULE OF FINDINGS AND RESPONSES

FOR THE YEAR ENDED JUNE 30, 2020

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unmodified opinion of the financial statements of New Orleans City Park Improvement Association.
2. No significant deficiencies during the audit were reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instance of noncompliance during the audit were reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
4. No management letter was issued for the year ended June 30, 2020.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

None noted.