
NEW ORLEANS CITY PARK
TAXING DISTRICT

FINANCIAL STATEMENTS

JUNE 30, 2013



A Professional Accounting Corporation

www.pncpa.com

NEW ORLEANS CITY PARK
TAXING DISTRICT

FINANCIAL STATEMENTS

JUNE 30, 2013

TABLE OF CONTENTS

	<u>Page Number</u>
INTRODUCTORY SECTION	
Table of Contents	i
FINANCIAL SECTION	
Independent Accountants' Compilation Report	ii
REQUIRED SUPPLEMENTARY INFORMATION	
Management's Discussion and Analysis	iii
Basic Financial Statements	
Governmental Balance Sheet / Statement of Net Position	1
Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balance	2
Notes to the Financial Statements	3
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule:	
General Fund	7

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To the Board of
The New Orleans City Park Taxing District

We have compiled the accompanying financial statements of the governmental activities and the major fund of the New Orleans City Park Taxing District (the District), a component unit of the New Orleans City Park Improvement Association, as of and for the year ended June 30, 2013. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, on pages iii through vi and page 7, respectively, 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information has been compiled by us without audit or review and, accordingly, we do not express an opinion or provide any assurance on it.

Postlethwaite & Netterville

New Orleans, Louisiana
September 30, 2013

NEW ORLEANS CITY PARK TAXING DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013

This report offers readers of these financial statements an overview and analysis of the financial activities of The New Orleans City Park Taxing District (the District). This narrative is designed to assist the reader in focusing on significant financial issues, identify changes in the District's financial position, identify any material deviations from the approved budget documents, and identify individual fund issues or concerns.

FINANCIAL HIGHLIGHTS

- The District's net position balance on the government-wide basis was \$79,441 at June 30, 2013, a decrease of \$183,124 compared to June 30, 2012.
- Sales tax revenues increased by \$23,901 for the year ended June 30, 2013 compared to the year ended June 30, 2012.
- The general fund reported a deficiency of revenues under expenditures of \$183,124 for a total ending fund balance at June 30, 2013 of \$79,441.
- Total cash amounted to \$44,921 at June 30, 2013, a decrease of \$239,567 over the beginning of the year amount.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. This report also contains other supplementary information to provide greater detail of data presented in the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to private-sector business.

The Statement of Net Position column on the Governmental Fund Balance Sheet / Statement of Net Position on page 1 presents financial information of all the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

NEW ORLEANS CITY PARK TAXING DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013

The Statement of Activities column on the Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balance on page 2 presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District's fund is a governmental fund.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term outflows of spendable resources, as well as on balances of spendable resources at the end of the fiscal year. Such information may be useful in evaluating the District's current financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Notes to the Financial Statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 3 through 6 of the accompanying accountants' report.

Required Supplementary Information

Required supplementary information can be found on page 7 of this report. The supplementary section is included for additional information and analysis and do not constitute a part of the compiled financial statements.

NEW ORLEANS CITY PARK TAXING DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$79,441 at June 30, 2013.

	<u>2013</u>	<u>2012</u>
Current assets	\$ 96,125	\$ 321,413
Total assets	<u>96,125</u>	<u>321,413</u>
Current liabilities	16,684	58,848
Total liabilities	<u>16,684</u>	<u>58,848</u>
Net position:		
Restricted	79,441	262,565
Total net position	<u>\$ 79,441</u>	<u>\$ 262,565</u>

The District's net position is subject to external restrictions on how it may be used.

There was a decrease of \$183,124 in restricted net position resulting from primarily from the increase in economic development expenses in the amount \$334,344, or 544%, in the year ended June 30, 2013 as compared to the year ended June 30, 2012, as a result of the funding of new capital projects of the New Orleans City Park Improvement Association.

	<u>For the year ended June 30,</u>	
	<u>2013</u>	<u>2012</u>
General revenues:		
Sales taxes	\$ 214,377	\$ 190,476
Expenses:		
Economic development	395,846	61,502
Administration	<u>1,655</u>	<u>1,500</u>
Change in net position	(183,124)	127,474
Net position, beginning of year	<u>262,565</u>	<u>135,091</u>
Net position, end of year	<u>\$ 79,441</u>	<u>\$ 262,565</u>

Sales tax revenues increased in the year ended June 30, 2013 by \$23,901, or 13%, as compared to the year ended June 30, 2012 due to new taxpayers in the District.

NEW ORLEANS CITY PARK TAXING DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013

Financial Analysis of the District's Funds

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

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the District itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the District's Board.

The general fund is the chief operating fund of the District. As of June 30, 2013, the District's general fund reported an ending fund balance of \$79,441, a decrease of \$183,124 in comparison with the prior year. This entire amount is restricted for economic development. The increase in fund balance is due primarily to expenditures for economic development which exceeded sales tax revenues.

General Fund Budgetary Highlights

The final budget and actual comparisons are on page 7. The District received \$44,377 more in taxes than was budgeted primarily as a result of increased commercial activity within the District. New Orleans City Park continues to enjoy higher levels of visitation and provides more amenities for those people during those visits. Expenses totaling \$397,501 were \$3,999 less than the amount budgeted.

Economic Factors and Next Year's Budget and Rates

There are several uncertainties with the District as well as the City of New Orleans related to sales tax revenue during the next several years. The District will budget sales tax revenue using prior year information. The District foresees sufficient revenues to allow for addressing its primary objectives and continuing development of new programs as needed.

Contacting the District's Management

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the administration at 1 Palm Drive, New Orleans, Louisiana 70124 or (504) 483-9482.

NEW ORLEANS CITY PARK TAXING DISTRICT
GOVERNMENTAL FUND BALANCE SHEET / STATEMENT OF NET POSITION
JUNE 30, 2013

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<u>ASSETS</u>			
Cash and temporary cash investments	\$ 44,921	\$ -	\$ 44,921
Due from other governments	51,204	-	51,204
Total assets	<u>\$ 96,125</u>	<u>\$ -</u>	<u>\$ 96,125</u>
<u>LIABILITIES</u>			
Accounts and other payables	\$ 16,684	\$ -	\$ 16,684
Total liabilities	<u>\$ 16,684</u>	<u>\$ -</u>	<u>\$ 16,684</u>
<u>FUND BALANCES / NET POSITION</u>			
Fund balance:			
Restricted for economic development	\$ 79,441	\$ (79,441)	\$ -
Total fund balance	<u>79,441</u>	<u>(79,441)</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 96,125</u>		
Net position:			
Restricted for economic development		79,441	79,441
Total net position		<u>\$ 79,441</u>	<u>\$ 79,441</u>

See accompanying notes and accountants' report.

NEW ORLEANS CITY PARK TAXING DISTRICT
STATEMENT OF ACTIVITIES AND
GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2013

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<u>Expenditures / expenses</u>			
Economic development	\$ 395,846	\$ -	\$ 395,846
Administrative expense	1,655		1,655
Expenditures / expenses	397,501	-	397,501
Net program expense			(397,501)
<u>General Revenue</u>			
Sales taxes	214,377	-	214,377
Total general revenues	214,377	-	214,377
<u>Deficiency of revenues under expenditures</u>	(183,124)	183,124	-
<u>Change in net position</u>	-	(183,124)	(183,124)
<u>Fund balance / net position</u>			
Beginning of the year	262,565	-	262,565
End of the year	\$ 79,441	\$ -	\$ 79,441

See accompanying notes and accountants' report.

NEW ORLEANS CITY PARK TAXING DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

1. Summary of Significant Accounting Policies

Background

Act 266 of 2007 of the State of Louisiana Legislature, created a special taxing district designated "the New Orleans City Park Taxing District" (the District), comprised of all the same territory as the area known as New Orleans City Park.

City of New Orleans Ordinance No. 23010 on December 18, 2007, agreed to the designation of the local sales and use taxes to be used in determining the sales tax increment for the New Orleans City Park Taxing District, pledging and dedicating such sales tax increment to the New Orleans City Park Taxing District for economic development purposes and authorizing such increments to be collected and deposited into a special trust fund to be held by the New Orleans City Park Taxing District for economic development projects in New Orleans City Park.

The Financial Reporting Entity

For financial reporting purposes, the District is a component unit of the New Orleans City Park Improvement Association. As such, the financial statements of the District are included in the financial statements of the New Orleans City Park Improvement Association. All activities of the District are included in this report.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements (i.e., the Statement of Net Position column on the Governmental Fund Balance Sheet / Statement of Net Position and the Statement of Activities column on the Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balance) are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

NEW ORLEANS CITY PARK TAXING DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

1. Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Governmental fund financial statements (i.e., the District's General Fund column on the Governmental Fund Balance Sheet / Statement of Net Position and the Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balance) are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Those revenues susceptible to accrual, such as sales taxes, are recorded as revenue in the year for which they are related.

The District reports the following major governmental fund:

General Fund – The General Fund is the District's primary operating fund. It accounts for all financial resources.

The District has adopted the provisions of GASB 33 (*Accounting and Financial Reporting for Non-Exchange Transactions*) effective for fiscal years that began after June 15, 2000.

Under GASB 33 standards, the District recognizes assets, liabilities, revenues and expenses under its government-mandated and voluntary non-exchange transactions as follows:

- The District recognizes assets and liabilities when all applicable eligibility requirements are met or resources received, whichever is first;
- Revenue and expenses are recognized when all applicable, eligibility requirements are met;
- For transactions with time requirements, resources received prior to the satisfaction of the time requirement(s) are recorded by the District as revenue upon award.

Use of Restricted Net Position

When restricted and unrestricted resources are available to cover expenses, restricted resources are first applied.

NEW ORLEANS CITY PARK TAXING DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

1. Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Fund Balance

Governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Net Position

Net position is displayed in two components in the government-wide financial statements:

Restricted net position - consists of net position with constraints placed on use by law through constitutional provisions or enabling legislation.

Unrestricted net position - consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

2. Deposits and Investments

Cash and temporary cash investments include amounts in demand deposit accounts as well as short-term cash investments.

At June 30, 2013, the bank balance and the carrying amount of the District's deposits was \$44,921. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it under state law. All of the District's deposits are secured by federal depository insurance.

NEW ORLEANS CITY PARK TAXING DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

3. Sales Taxes

Act No. 266 of the 2007 Regular Session of the Louisiana Legislature, stated that the District 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 District 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 District which are the City's 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 \$83,543.00 for the annual baseline collection rate, and \$6,961.92 for the monthly baseline collection rate.

4. Related Organization

Two members of the District's Board of Commissioners are members of the Board of New Orleans City Park Improvement Association. Neither member receives any form of compensation from either of these organizations.

5. Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; and material disasters for which the District carries errors and omissions and natural disaster commercial insurance. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

6. Revenue Concentration

The District's current principal source of revenues consists mainly of sales tax revenue.

7. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. The District sales tax revenue exceeded the budget by \$44,377, while expenses were below the amount budgeted by \$3,999.

NEW ORLEANS CITY PARK TAXING DISTRICT
SCHEDULE OF REVENUES AND EXPENSES---BUDGETED AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Sales taxes	\$ 170,000	\$ 170,000	\$ 214,377	\$ 44,377
Total revenues	170,000	170,000	214,377	44,377
Expenditures:				
Economic development	400,000	400,000	395,846	(4,154)
Administrative	1,500	1,500	1,655	155
Total expenditures	401,500	401,500	397,501	(3,999)
Excess of expenditures over revenues	(231,500)	(231,500)	(183,124)	48,376
Net change in fund balances*	(231,500)	(231,500)	(183,124)	48,376
Fund balance - beginning	262,565	262,565	262,565	-
Fund balance - ending	<u>\$ 31,065</u>	<u>\$ 31,065</u>	<u>\$ 79,441</u>	<u>\$ 48,376</u>

* The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance.

See accountants' report.