

Financial Report

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

June 30, 2025

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FINANCIAL SECTION

INDEPENDENT AUDITOR’S REPORT

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

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units and each major fund of the New Orleans City Park Improvement Association (CPIA), as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the New Orleans City Park Improvement Association’s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, and each major fund, of CPIA as of June 30, 2025 and 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 14, and the Schedule of Changes in CPIA's Total OPEB Liability and Related Ratios on page 50, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise CPIA's basic financial statements. The accompanying Schedule of Operating Expenses on page 51, and the Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Office, on page 52, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2025 on our consideration of CPIA'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 CPIA'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 CPIA's internal control over financial reporting and compliance.



Certified Public Accountants.

New Orleans, Louisiana,
December 23, 2025.

MANAGEMENT'S DISCUSSION AND ANALYSIS

New Orleans City Park Improvement Association New Orleans, Louisiana

June 30, 2025

This section of the New Orleans City Park Improvement Association's (CPIA) financial report presents a discussion and analysis of CPIA's financial performance during the years ended June 30, 2025 and 2024. Please read it in conjunction with CPIA's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

Pursuant to Act 569 of the 1989 Regular Session of the Legislature of Louisiana CPIA is authorized to contract with a non-profit corporation for the operation, care, control and management of City Park and its facilities. Effective September 1, 2022, CPIA entered into a fifteen-year Cooperative Endeavor Agreement (CEA) with City Park Conservancy (CPC), a Louisiana 501(c)3 non-profit corporation, which authorizes CPC to manage and operate all day-to-day operations of City Park.

CPC does not receive a management fee for its operation, care and management of City Park on behalf of CPIA. Rather, CPC directly derives revenue from its operation of City Park as well as philanthropic sponsorships, events, memberships, fundraising, and grants. CPIA also transfers tax revenue and existing lease revenue to CPC for its use in operating City Park. In addition, certain assets purchased in CPC were transferred to CPIA for capitalization purposes

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

Only current retirees are part of the OPEB liability calculation since CPIA no longer manages active employees. Governmental Accounting Standards Board (GASB) 75 reporting from the State of Louisiana is based off a July 1, 2022 measurement date. CPIA employee changes made October 31, 2022, will be reflected for the first time in the July 1, 2023 data used for the fiscal year end 2024 reporting.

2025 Highlights

CPIA's net position represents approximately 81% of total assets of approximately \$72 million as of June 30, 2025. As of June 30, 2024, CPIA's net position approximated 78% of total assets of approximately \$73 million.

CPIA's increase in net position was approximately \$1.6 million for the year ended June 30, 2025 as compared to an increase of approximately \$635,000 for the year ended June 30, 2024. In addition, CPIA's cash provided by operating activities was approximately \$395,000 in 2025 as compared to cash used in operating activities of approximately \$377,000 in 2024.

FINANCIAL HIGHLIGHTS (Continued)

2024 Highlights

CPIA's net position represents approximately 78% of total assets of approximately \$73 million as of June 30, 2024. As of June 30, 2023, CPIA's net position approximated 76% of total assets of approximately \$74 million.

CPIA's increase in net position was approximately \$635,000 for the year ended June 30, 2024 as compared to a decrease of approximately \$13 million for the year ended June 30, 2023. In addition, CPIA's cash used in operating activities was approximately \$377,000 in 2024 as compared to approximately \$4 million in 2023.

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 CPIA'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 supplementary information and other supplementary information that further explains and supports the information in 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 CPIA'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 supplementary information and other supplementary information that further explains and supports the information in the financial statements.

CPIA'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 Activities. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of CPIA are included in the Statements of Net Position.

FINANCIAL ANALYSIS OF CPIA - 2025

CPIA entered into a fifteen-year CEA with CPC, a Louisiana 501(c)3 non-profit corporation, which authorizes CPC to manage and operate all day-to-day operations of City Park. All employees of CPIA were terminated effective October 31, 2022 and were hired by CPC on November 1, 2022 with the same titles and responsibilities.

CPC does not receive a management fee for its operation, care and management of City Park on behalf of CPIA. Rather, CPC directly derives revenue from its operation of City Park as well as philanthropic sponsorships, events, memberships, fundraising, and grants. City Park also transfers tax revenues and existing lease revenue to CPC for its use in operating CPIA. This CEA greatly reduced the financial activity throughout the year for New Orleans City Park Improvement Association.

The Statements of Net Position reports CPIA's net position. Net position, the difference between CPIA's assets, liabilities and deferred inflows of resources, is one way to measure CPIA's financial health or position. CPIA's net position increased approximately \$1.6 million in 2025 compared to an increase of \$635,000 in 2024. This increase is related to the capital contributions donated from CPC used in daily operations throughout the Park, per the CEA, and the reduction of the OPEB and lease liabilities. Current assets exceed current liabilities by approximately \$9.5 million as of June 30, 2025.

Condensed Statement of Net Position

	<u>As of June 30,</u>		Increase
	<u>2025</u>	<u>2024</u>	(Decrease)
<u>ASSETS</u>			
Current assets	\$ 10,258,975	\$ 10,220,856	\$ 38,119
Capital assets	61,918,363	62,908,460	(990,097)
Total assets	<u>72,177,338</u>	<u>73,129,316</u>	(951,978)
Deferred outflows of resources	124,449	227,524	(103,075)
Total assets and deferred outflows	<u>\$ 72,301,787</u>	<u>\$ 73,356,840</u>	<u>\$ (1,055,053)</u>
<u>LIABILITIES</u>			
Current liabilities	\$ 756,057	\$ 1,253,512	\$ (497,455)
Long-term liabilities	268,560	365,934	(97,374)
Total liabilities	<u>1,024,617</u>	<u>1,619,446</u>	<u>(594,829)</u>
Deferred inflows of resources	<u>12,414,995</u>	<u>14,487,112</u>	<u>(2,072,117)</u>
Net position:			
Net investment in capital assets	61,893,387	62,535,767	(642,380)
Restricted	432,388	688,981	(256,593)
Unrestricted (deficit)	(3,463,600)	(5,974,466)	2,510,866
Total net position	<u>58,862,175</u>	<u>57,250,282</u>	<u>1,611,893</u>
Total liabilities, deferred inflows, and net position	<u>\$ 72,301,787</u>	<u>\$ 73,356,840</u>	<u>\$ (1,055,053)</u>

FINANCIAL ANALYSIS OF CPIA - 2025 (Continued)**Net Position**

CPIA's total net position as of June 30, 2025 increased approximately \$1.6 million to approximately \$58.9 million. Total assets decreased approximately \$1 million to approximately \$72.3 million, and total liabilities decreased approximately \$600,000 to approximately \$1 million. In addition, CPIA reported deferred inflows of resources of approximately \$12.4 million as of June 30, 2025, which represents an approximate \$2.1 million decrease from the amount reported as of June 30, 2024. The deferred inflows 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 CPIA and the BDF (Note 12), the implementation of GASB Statement No. 75 related to the accounting for other postretirement benefits (Note 8), and the implementation of GASB Statement No. 87 related to leases (Note 6).

Total current assets increased by approximately \$38,000 and current liabilities decreased by approximately \$497,000, which resulted in an increase in working capital of approximately \$535,000. Receivables increased approximately \$320,000 compared to 2024 due to additional funding from government tax sources.

Sales tax collected by the City Park Taxing District (TIF), a blended component unit of CPIA (Note 1), exceeded funds used for equipment and infrastructure projects by CPIA, resulting in a decrease of approximately \$256,000 in restricted cash. Non-current assets decreased by approximately \$990,000.

Total liabilities decreased by approximately \$595,000, attributed to the reduction in other post-employee benefits and the reduction of the golf course complex equipment lease liability.

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

Changes in Net Position

The change in net position for the year ended June 30, 2025 was an increase of approximately \$1.6 million compared to an increase in net position of approximately \$635,000 for the year ended June 30, 2024.

FINANCIAL ANALYSIS OF CPIA - 2025 (Continued)**Statements of Revenues, Expenses and Changes in Net Position**

	<u>As of June 30,</u>		Increase
	<u>2025</u>	<u>2024</u>	<u>(Decrease)</u>
Operating Revenues			
Amusements, concerts, and other events	\$ 1,321,426	\$ 61,356	\$ 1,260,070
Golf operations	550,453	463,766	86,687
Total operating revenues	<u>1,871,879</u>	<u>525,122</u>	<u>1,346,757</u>
Operating Expenses			
Amusements, concerts, and other events	64,254	7,510	56,744
Catering and concessions	18,704	91,633	(72,929)
Botanical garden	7,864	129,667	(121,803)
Athletic services and tennis	107,765	135,134	(27,369)
General park	736,184	1,030,269	(294,085)
Depreciation	4,354,220	4,405,862	(51,642)
Amortization - leases	347,717	396,129	(48,412)
Other postretirement benefit expense	<u>(1,265,563)</u>	<u>(1,087,823)</u>	<u>(177,740)</u>
Total operating expenses	<u>4,371,145</u>	<u>5,108,381</u>	<u>(737,236)</u>
Net operating loss	(2,499,266)	(4,583,259)	2,083,993
Nonoperating income	<u>4,111,159</u>	<u>5,217,989</u>	<u>(1,106,830)</u>
Changes in net position	1,611,893	634,730	977,163
Total net position, beginning of the year	<u>57,250,282</u>	<u>56,615,552</u>	<u>634,730</u>
Total net position, end of the year	<u>\$ 58,862,175</u>	<u>\$ 57,250,282</u>	<u>\$ 1,611,893</u>

Total operating revenues increased by approximately \$1.3 million to \$1.871 million for the year ended June 30, 2025, compared to a decrease of approximately \$3.8 million in the year ended June 30, 2024. The increase is related to a settlement buyout of a contract. All daily management operations of City Park, with the exception of Golf, are managed by CPC. Under GASB 94, CPIA accounts for its CEA with BDF as a service concessions arrangement. Consequently, CPIA recognizes only its share of the net revenue.

FINANCIAL ANALYSIS OF CPIA - 2025 (Continued)

There were no capital contributions in 2025 or 2024.

Schedules of Operating Expenses

	<u>Year Ended June 30,</u>		<u>Increase</u>
	<u>2025</u>	<u>2024</u>	<u>(Decrease)</u>
Administrative	\$ 14,783	\$ 157,650	\$ (142,867)
Amortization - leases	347,717	396,129	(48,412)
Contract labor	7,697	-	7,697
Contract services	284,430	90,868	193,562
Credit losses	38,103	72,861	(34,758)
Depreciation	4,354,220	4,405,862	(51,642)
Other postemployment benefits	(1,265,563)	(1,087,823)	(177,740)
Professional services	56,116	-	56,116
Repairs and maintenance	526,180	1,069,253	(543,073)
Supplies	7,462	3,581	3,881
Total operating expenses	<u>\$ 4,371,145</u>	<u>\$ 5,108,381</u>	<u>\$ (737,236)</u>

Operating expenses decreased by approximately \$738,000 in fiscal year 2025. This decrease is attributable to CPC's reduction of other postemployment benefits and decreased repairs and maintenance expenses.

Non-operating income decreased by approximately \$1.1 million. The main factor contributing to this is the funding transferred over to CPC.

FINANCIAL ANALYSIS OF CPIA - 2024

The Statements of Net Position reports CPIA's net position. Net position, the difference between CPIA's assets, liabilities and deferred inflows and outflows of resources, is one way to measure CPIA's financial health or position. CPIA's net position decreased approximately \$635,000 in 2024 compared to a decrease of \$13 million in 2023. This fluctuation is related to the capital contributions donated from CPC used in daily operations throughout the Park, per the CEA. Current assets exceed current liabilities by approximately \$8.9 million as of June 30, 2024.

FINANCIAL ANALYSIS OF CPIA - 2024 (Continued)**Statements of Net Position**

	As of June 30,		Increase
	<u>2024</u>	<u>2023</u>	(Decrease)
<u>ASSETS</u>			
Current assets	\$ 10,220,856	\$ 7,715,693	\$ 2,505,163
Capital assets	<u>62,908,460</u>	<u>66,433,083</u>	<u>(3,524,623)</u>
Total assets	73,129,316	74,148,776	(1,019,460)
Deferred outflows of resources	<u>227,524</u>	<u>366,059</u>	<u>(138,535)</u>
Total assets and deferred outflows	<u><u>\$ 73,356,840</u></u>	<u><u>\$ 74,514,835</u></u>	<u><u>\$ (1,157,995)</u></u>
<u>LIABILITIES</u>			
Current liabilities	\$ 1,253,512	\$ 1,188,719	\$ 64,793
Long-term liabilities	<u>365,934</u>	<u>3,264,597</u>	<u>(2,898,663)</u>
Total liabilities	<u>1,619,446</u>	<u>4,453,316</u>	<u>(2,833,870)</u>
Deferred inflows of resources	<u>14,487,112</u>	<u>13,445,967</u>	<u>1,041,145</u>
Net position:			
Net investment in capital assets	62,535,767	65,664,261	(3,128,494)
Restricted	688,981	977,096	(288,115)
Unrestricted	<u>(5,974,466)</u>	<u>(10,025,805)</u>	<u>4,051,339</u>
Total net position	<u>57,250,282</u>	<u>56,615,552</u>	<u>634,730</u>
Total liabilities, deferred inflows, and net position	<u><u>\$ 73,356,840</u></u>	<u><u>\$ 74,514,835</u></u>	<u><u>\$ (1,157,995)</u></u>

Net Position

CPIA's total net position as of June 30, 2024 increased approximately \$635,000 to approximately \$57.3 million. Total assets and deferred outflows decreased approximately \$1.2 million to approximately \$73.3 million, and total liabilities decreased approximately \$2.8 million to approximately \$1.6 million. In addition, CPIA reported deferred inflows of resources of approximately \$14.5 million as of June 30, 2024, which represents an approximate \$1 million increase from the amount reported as of June 30, 2023. The deferred inflows of resources relates to capital contribution made by the BDF to fund a portion of the improvements to the South Course at Bayou Oaks under a service concession arrangement between CPIA and the BDF (Note 12), the implementation of GASB Statement No. 75 related to the accounting for other postretirement benefits (Note 8), and the implementation of GASB Statement No. 87 related to leases (Note 6).

FINANCIAL ANALYSIS OF CPIA - 2024 (Continued)

Net Position (Continued)

Total current assets increased by approximately \$2.5 million and current liabilities increased by approximately \$65,000, which resulted in an increase in working capital of approximately \$2.4 million. Receivables increased approximately \$650,000 compared to 2023 due to additional funding from government tax sources.

Sales tax collected by the TIF, a blended component unit of CPIA (Note 1), exceeded funds used for equipment and infrastructure projects by CPIA, resulting in a decrease of approximately \$288,000 in restricted cash. Non-current assets decreased by approximately \$3.5 million.

Total liabilities decreased by approximately \$2.8 million, attributed to the reduction in other post-employee benefits and the reduction of the golf course complex equipment lease liability.

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

Changes in Net Position

The change in net position for the year ended June 30, 2024 was an increase of approximately \$635,000 compared to a decrease in net position of approximately \$13 million for the year ended June 30, 2023.

FINANCIAL ANALYSIS OF CPIA - 2024 (Continued)**Statements of Revenues, Expenses, and Changes in Net Position**

	<u>As of June 30,</u>		<u>Increase</u>
	<u>2024</u>	<u>2023</u>	<u>(Decrease)</u>
Operating Revenues			
Amusements, concerts, and other events	\$ 61,356	\$ 1,658,222	\$ (1,596,866)
Catering and concessions	-	1,291,501	(1,291,501)
Golf operations	463,766	340,765	123,001
Botanical gardens	-	508,521	(508,521)
Athletic services	-	482,627	(482,627)
Total operating revenues	<u>525,122</u>	<u>4,281,636</u>	<u>(3,756,514)</u>
Operating Expenses			
Amusements, concerts, and other events	7,510	1,194,782	(1,187,272)
Catering and concessions	91,633	1,116,317	(1,024,684)
Botanical gardens	129,667	469,460	(339,793)
Athletic services and tennis	135,134	555,560	(420,426)
General park	1,030,269	3,215,897	(2,185,628)
Depreciation	4,405,862	4,553,444	(147,582)
Amortization - leases	396,129	396,129	-
Other postretirement benefit expense	<u>(1,087,823)</u>	<u>(453,338)</u>	<u>(634,485)</u>
Total operating expenses	<u>5,108,381</u>	<u>11,048,251</u>	<u>(5,939,870)</u>
Net operating loss	(4,583,259)	(6,766,615)	2,183,356
Nonoperating income	5,217,989	2,323,612	2,894,377
Special item	<u>-</u>	<u>(8,594,937)</u>	<u>8,594,937</u>
Changes in net position	634,730	(13,037,940)	13,672,670
Total net position, beginning of the year	<u>56,615,552</u>	<u>69,653,492</u>	<u>(13,037,940)</u>
Total net position, end of the year	<u>\$ 57,250,282</u>	<u>\$ 56,615,552</u>	<u>\$ 634,730</u>

Total operating revenues decreased by approximately \$3.8 million to \$525,000 for the year ended June 30, 2024, compared to approximately \$4.3 million in the year ended June 30, 2023. All daily management operations of City Park, with the exception of Golf, are managed by CPC. This is evident by the decrease of both operating revenue and expenses. Under GASB 94, CPIA accounts for its CEA with BDF as a service concessions arrangement. Consequently, CPIA recognizes only its share of the net revenue.

FINANCIAL ANALYSIS OF CPIA - 2024 (Continued)

There were no capital contributions in 2024 or 2023.

Schedules of Operating Expenses

	<u>Year Ended June 30,</u>		<u>Increase (Decrease)</u>
	<u>2024</u>	<u>2023</u>	
Administrative	\$ 157,650	\$ 260,123	\$ (102,473)
Advertising	-	18,817	(18,817)
Amortization - leases	396,129	396,129	-
Contract labor	-	104,527	(104,527)
Contract services	90,868	911,111	(820,243)
Cost of goods sold	-	335,722	(335,722)
Credit losses	72,861	53,547	19,314
Depreciation	4,405,862	4,553,444	(147,582)
Fuel	-	30,996	(30,996)
Insurance	-	449,123	(449,123)
Other postemployment benefits	(1,087,823)	(453,338)	(634,485)
Payroll	-	2,548,795	(2,548,795)
Payroll benefits	-	487,768	(487,768)
Rentals	-	1,528	(1,528)
Repairs and maintenance	1,069,253	591,905	477,348
Supplies	3,581	408,878	(405,297)
Training and education	-	20,937	(20,937)
Uniforms	-	3,850	(3,850)
Utilities	-	324,389	(324,389)
	<u>\$ 5,108,381</u>	<u>\$ 11,048,251</u>	<u>\$ (5,939,870)</u>

Operating expenses decreased by approximately \$6 million in fiscal year 2024. This decrease is attributable to CPC's daily Park operations management as agreed to in the CEA. CPIA entered into a CEA with CPC with daily operations management beginning November 1, 2022. At this time, most expenses became the responsibility of CPC.

Non-operating income increased by approximately \$2.9 million. The main factor contributing to this is the \$2.6 million in capital donations made from CPC to CPIA.

CAPITAL ASSET AND DEBT ADMINISTRATION

2025 Capital Assets

As of June 30, 2025, CPIA's investment in capital assets approximated \$61.9 million, net of accumulated depreciation of approximately \$62.5 million. This investment consists principally of buildings and related improvements, ground improvements, and equipment. As of June 30, 2025, CPIA has construction in progress of approximately \$4.1 million relating to projects throughout CPIA.

2024 Capital Assets

As of June 30, 2024, CPIA's investment in capital assets approximated \$62.5 million, net of accumulated depreciation of approximately \$64.9 million. This investment consists principally of buildings and related improvements, ground improvements, and equipment. As of June 30, 2024, CPIA had construction in progress of approximately \$2.3 million relating to projects throughout CPIA.

ECONOMIC FACTORS AND OUTLOOK - 2025

The new management structure of City Park made through the CEA between CPIA and CPC will affect where management of daily operations occur. CPC now directly derives revenue from its operation of City Park as well as philanthropic sponsorships, events, memberships, fundraising, and grants. CPIA now transfers tax revenue and existing lease revenue to CPC for its use in operating CPIA. The ability to host corporate and wedding events, stadium rentals, several fundraising events, and programming throughout City Park will continue as usual, with the exception that these events will flow through CPC. CPIA is in the final stage of completing a parkwide Master Plan, with attention turning towards a capital campaign.

ECONOMIC FACTORS AND OUTLOOK - 2024

The CEA between CPIA and CPC allows CPC to directly derive revenue from its operation of City Park as well as philanthropic sponsorships, events, memberships, fundraising, and grants. CPIA now transfers tax revenue and existing lease revenue to CPC for its use in operating the Park. The ability to host corporate and wedding events, stadium rentals, several fundraising events, and programming throughout City Park will continue as usual. CPIA has also begun the process of a new Master Plan, with a capital campaign to follow.

CONTACTING CPIA'S FINANCIAL MANAGEMENT

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

STATEMENTS OF NET POSITION

New Orleans City Park Improvement Association New Orleans, Louisiana

June 30, 2025 and 2024

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	<u>2025</u>	<u>2024</u>
Current		
Cash and cash equivalents:		
Unrestricted	\$ 1,358,812	\$ 1,183,020
Restricted	432,388	688,981
Total cash and cash equivalents	1,791,200	1,872,001
Investments with Louisiana Asset Management Pool	844,438	805,568
Investments	1,794,838	1,631,231
Receivables, net of allowances:		
Bayou District Foundation	707,950	659,151
Tenant leases	194,420	213,565
Federal grant receivable	-	112,410
City of New Orleans:		
Tax increment financing	89,391	87,885
Millage	799,672	177,891
State of Louisiana	396,715	617,693
Leases	3,540,711	4,034,734
Other	-	3,727
Prepaid and other assets	99,640	5,000
Total current assets	10,258,975	10,220,856
Long-Term Assets		
Capital assets, net	61,893,387	62,535,767
Right-of-use asset	24,976	372,693
Total long-term assets	61,918,363	62,908,460
Total assets	72,177,338	73,129,316
Deferred Outflow of Resources - Pensions	124,449	227,524
Total assets and deferred outflow of resources	<u>\$ 72,301,787</u>	<u>\$ 73,356,840</u>

See notes to financial statements.

LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

	<u>2025</u>	<u>2024</u>
Current		
Accounts payable	\$ 216,167	\$ 374,217
Restricted liabilities	500,000	500,000
Other	13,250	13,250
Lease liability, current portion	26,640	366,045
Total current liabilities	<u>756,057</u>	<u>1,253,512</u>
Long-Term		
Lease liability, long-term portion	-	26,640
Other postemployment benefits	268,560	339,294
Total liabilities	<u>1,024,617</u>	<u>1,619,446</u>
Deferred Inflows of Resources		
Service concession arrangement	6,567,576	6,841,225
Other postemployment benefits	2,750,780	4,048,684
Leases	3,096,639	3,597,203
Total deferred inflows of resources	<u>12,414,995</u>	<u>14,487,112</u>
Total liabilities and deferred inflow of resources	<u>13,439,612</u>	<u>16,106,558</u>
Net Position		
Net investment in capital assets	61,893,387	62,535,767
Restricted	432,388	688,981
Unrestricted (deficit)	(3,463,600)	(5,974,466)
Total net position	<u>58,862,175</u>	<u>57,250,282</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 72,301,787</u>	<u>\$ 73,356,840</u>

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

For the years ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Operating Revenues		
Amusements, concerts, and other events	\$ 1,321,426	\$ 61,356
Golf operations	<u>550,453</u>	<u>463,766</u>
Total operating revenues	1,871,879	525,122
Operating Expenses		
Amusements, concerts, and other events	64,254	7,510
Catering and concessions	18,704	91,633
Botanical garden	7,864	129,667
Athletic services and tennis	107,765	135,134
General park	736,184	1,030,269
Depreciation	4,354,220	4,405,862
Amortization - leases	347,717	396,129
Other postemployment benefits	<u>(1,265,563)</u>	<u>(1,087,823)</u>
Total operating expenses	<u>4,371,145</u>	<u>5,108,381</u>
Net operating loss	<u>(2,499,266)</u>	<u>(4,583,259)</u>
Nonoperating Income (Expense)		
Support for capital projects from City Park Conservancy	3,583,595	2,622,480
Interest income	116,704	85,445
Federal grants	564,529	435,471
State revenue	1,895,459	2,295,896
City revenue	3,986,448	2,946,100
Lease revenue	1,050,349	930,635
Transfer to City Park Conservancy for operations	(7,872,425)	(4,861,620)
Gain (loss) on sale of capital assets	(22,865)	170,800
Investment gains	87,335	123,105
Other revenue	<u>722,030</u>	<u>469,677</u>
Total nonoperating revenue	<u>4,111,159</u>	<u>5,217,989</u>

**Exhibit B
(Continued)**

	<u>2025</u>	<u>2024</u>
Change in net position	1,611,893	634,730
Net Position		
Beginning of the year	<u>57,250,282</u>	<u>56,615,552</u>
End of the year	<u><u>\$ 58,862,175</u></u>	<u><u>\$ 57,250,282</u></u>

See notes to financial statements.

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

New Orleans, Louisiana

For the years ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash Flows From Operating Activities		
Cash received from user fees and other park activities	\$ 1,515,055	\$ 60,615
Cash payments to suppliers for goods and services	(1,119,537)	(346,461)
Cash payments to employees for services	-	(90,868)
	<u>395,518</u>	<u>(376,714)</u>
Net cash provided by (used in) operating activities		
Cash Flows From Noncapital and Related Financing Activities		
Cash received from State of Louisiana	2,116,437	1,882,413
Cash received from sales tax and property tax mileage	3,363,161	2,775,075
Cash received from lease revenue	1,062,953	859,466
Transfer to City Park Conservancy for operations	(7,872,425)	(4,861,620)
	<u>(1,329,874)</u>	<u>655,334</u>
Net cash provided by (used in) noncapital and related financing activities		
Cash Flows From Capital and Related Financing Activities		
Contributed by others for capital improvements	112,410	113,921
Payments on capital lease obligations	(366,045)	(404,794)
Proceeds from sale of capital assets	113,280	1,128,000
Acquisition and construction of capital assets	(294,212)	(372,645)
	<u>(434,567)</u>	<u>464,482</u>
Net cash provided by (used in) capital and related financing activities		
Cash Flows From Investing Activities		
Purchase of investments	(266,602)	(1,549,918)
Sale of investments	151,461	-
Interest received on investments	116,704	85,445
Other revenue	1,286,559	905,148
	<u>1,288,122</u>	<u>(559,325)</u>
Net cash provided by (used in) investing activities		
Net increase (decrease) in cash and cash equivalents	<u>(80,801)</u>	<u>183,777</u>

**Exhibit C
(Continued)**

	<u>2025</u>	<u>2024</u>
Cash and Cash Equivalents		
Beginning of the year	<u>1,872,001</u>	<u>1,688,224</u>
End of the year	<u>\$ 1,791,200</u>	<u>\$ 1,872,001</u>
Reconciliation of Net Operating Loss to Net Cash Provided By (Used In) Operating Activities		
Operating loss	\$ (2,499,266)	\$ (4,583,259)
Adjustments to reconcile net operating loss to net cash provided by (used in) operating activities:		
Depreciation	4,354,220	4,405,862
Amortization - leases	347,717	396,129
Disposal of canceled construction projects	29,821	760,557
Credit losses	38,103	72,861
(Increase) decrease in assets and deferred outflows or resources:		
Receivables	(83,175)	(190,858)
Prepaid expenses and other assets	(94,640)	-
Deferred outflows	103,075	138,535
Increase (decrease) in liabilities and deferred inflows of resources:		
Trade payables and insurance payable	(158,050)	124,135
Accrued liabilities and other liabilities	-	(669)
Other postemployment benefits	(70,734)	(2,552,542)
Deferred inflows of resources	<u>(1,571,553)</u>	<u>1,052,535</u>
Net cash provided by (used in) operating activities	<u>\$ 395,518</u>	<u>\$ (376,714)</u>
Non-Cash Items		
Contributions of capital assets from City Park Conservancy	<u>\$ 3,583,595</u>	<u>\$ 2,622,480</u>
Supplemental Disclosures for Cash Flow Information		
Interest paid	<u>\$ 6,680</u>	<u>\$ 19,924</u>

See notes to financial statements.

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

New Orleans, Louisiana

June 30, 2025 and 2024

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Act 13 of 1998 authorized CPIA to contract with a not-for-profit entity for the operation, care, control, and management of CPIA, 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, CPIA entered into a cooperative endeavor agreement with CPIA 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.

Pursuant to Act 569 of the 1989 Regular Session of the Legislature of Louisiana, CPIA is authorized to contract with a non-profit corporation for the operation, care, control and management of City Park and its facilities. Effective September 1, 2022, CPIA entered into a fifteen-year Cooperative Endeavor Agreement (CEA) with City Park Conservancy (CPC), a Louisiana 501(c)3 non-profit corporation, which authorizes CPC to manage and operate all day-to-day operations of City Park, subject to the reserved rights and responsibilities of CPIA. All employees of CPIA were terminated effective October 31, 2022 and were hired by CPC on November 1, 2022 with the same titles and responsibilities.

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Since all employees were terminated from CPIA due to the new management arrangement, all accrued vacation pay was distributed to each employee upon termination on October 31, 2022, and no longer recorded as accrued salaries. This termination also leaves only current retirees included in the current Other postemployment benefit obligation (see Note 8) calculation since CPIA no longer has active employees

As part of the implementation of this agreement, CPIA transferred certain assets and liabilities related to operations and management of City Park facilities to CPC totaling \$8,594,937, net, during the year ended June 30, 2023.

The following are the main items in the Agreement with financial reporting impacts:

It is the intent of both parties that "Earned Revenue" (defined as admission fees, special event fees, special event rental fees, contractual income, food and merchandise revenue, and other fees collected attributable to CPIA), "Other Revenue" (defined as qualifying philanthropic sponsorships, grants specific to CPC), and "NOCPIA Revenue" (defined as tax revenue, intergovernmental grants, or CPIA real estate revenue) will be used for the benefit of all of City Park, in furtherance of the missions of both CPIA and CPC and will cover all necessary expenses related to operation, maintenance, upgrade and development of City Park.

CPC, in order to achieve and continue the public purpose of the Agreement and its management obligations set forth herein, shall retain its own accounts, Earned Revenue and Other Revenue, for the operation, maintenance, and development of City Park. Such Earned Revenue and Other Revenue shall be administered by CPC and deposited in an account to be used for the operation of Park facilities (CPC Operating Account). For the avoidance of doubt, it is the understanding of the parties that in no event shall Earned Revenue or Other Revenue be considered public funds.

Necessary expenses of CPC relating to operation, maintenance, upgrade and development of City Park shall be paid by CPIA through transfer of NOCPIA Revenue, including tax revenue, intergovernmental grants, and the Commission real estate lease revenue and other NOCIA Revenue due to CPIA. All existing NOCPIA Revenue at the time of the CEA shall be transferred over to the CPC operating bank account, and all future NOCPIA Revenue shall be transferred to the CPC operating bank account in accordance with the annual budget.

CPC shall prepare an annual CPC operating budget, a CPIA operating budget, and CPIA's capital budget related to the revenue and expenses relating to the operation, maintenance, and development of City Park. These budgets must be approved by both CPIA and CPC boards.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

All tax revenues, intergovernmental grants, CPIA real estate lease revenue and any other Park Revenue due to CPIA for the operation, maintenance, upgrade and development of City Park shall be administered by CPC on behalf of and in the name of CPIA and deposited in an account administered by CPC on behalf of and in the name of CPIA. For the avoidance of doubt, it is the understanding of the parties that funds maintained in these accounts are considered public funds.

a. Reporting Entity

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

Of the 20 authorized Board members, 5 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 CPIA. CPIA's Board members have decision-making authority over the activities of CPIA including the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. CPIA 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 CPIA. Although a blended component unit is a legally separate entity, it is, in substance, part of CPIA's operations, as it provides funding exclusively for CPIA. Act 266 of 2007 of the State of Louisiana, created the TIF, and New Orleans City Ordinance No. 23010 on December 20, 2007 designates a portion of the local sales and use taxes within CPIA's boundaries to fund economic development projects undertaken by CPIA. During 2020, the original Ordinance was extended a second time for an additional six years through 2026. The net position of the TIF, restricted for CPIA capital projects and equipment, totaled \$516,780 and \$762,982 as of June 30, 2025 and 2024, respectively.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Component Units (Continued)

New Orleans City Park Taxing District

Statements of Net Position

	2025	2024
Current assets	\$ 516,780	\$ 762,982
Restricted net position	\$ 516,780	\$ 762,982

Statements of Changes in Net Position

	2025	2024
General Revenues		
Sales taxes	\$ 302,778	\$ 281,156
Expenses		
Economic development	548,980	321,288
Change in net position	(246,202)	(40,132)
Net Position		
Beginning of year	762,982	803,114
End of year	\$ 516,780	\$ 762,982

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

The accounting policies of CPIA 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. CPIA has no governmental or fiduciary funds. CPIA uses fund accounting to report its financial position and results of operations. CPIA's accounts are organized into a single proprietary fund.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 CPIA 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.

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

d. Use of Estimates

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

e. Cash and Cash Equivalents

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Accounts Receivable

Accounts receivables are stated at the amount management expects to collect from outstanding balances. Management provides an allowance for probable uncollectible amounts based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance and a credit to accounts receivable. No allowance for credit losses was recorded as of June 30, 2025 and 2024.

g. Investments

Investments are stated at fair value based on quoted market prices. If quoted prices are not available, fair value is estimated based on similar securities. CPIA does not have an investment policy, however the Louisiana Revised Statutes authorize CPIA 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.

Pooled accounts managed by CPC are reported at fair market value, including any pro rata gains and losses.

h. Capital Assets

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

i. Unearned Income

Unearned income represents resources CPIA has received, but not yet earned, such as federal grant funds received prior to the incurrence of qualifying expenditures, or prepaid rental revenue.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Other Postemployment Benefits

GASB Statement No. 75, “*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*” (GASB 75), requires governments to accrue postemployment benefits to the extent it is probable the employer will provide benefits conditioned on the employees retirement. CPIA has recorded liabilities for postemployment health care benefits as of June 30, 2025 and 2024. As of November 1, 2022, CPIA no longer has active employees and recorded liabilities for employees that retired prior to November 1, 2022. GASB 75 reporting from the State of Louisiana is based off the July 1, 2022 measurement date. CPIA employee changes made October 31, 2022 will be reflected initially in the July 1, 2023 data used for the fiscal year ending June 30, 2024 reporting.

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

k. Net Position

CPIA 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, 2025 and 2024, CPIA did not have debt related to capital assets.

Restricted - This component reports net position with externally imposed constraints placed on their use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. CPIA 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.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. See Note 8 for more information regarding deferred outflows of resources related to other postemployment 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 the Bayou District Foundation (BDF) in relation to its cooperative endeavor agreement with CPIA are reported as deferred inflows of resources and amortized over the life of the agreement. See Note 12 for additional information. Certain leases are reported as deferred inflows of resources. See Note 6 for additional information.

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

m. New GASB Statements

During the year ending June 30, 2025, CPIA implemented the following GASB Statements:

Statement No. 101, “*Compensated Absences*” provides guidance to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement did not affect CPIA’s financial statements.

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. New GASB Statements (Continued)

met which will provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement did not affect CPIA's financial statements.

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

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

Statement No. 104, "*Disclosure of Certain Capital Assets*" provides guidance on the requirements of certain types of capital assets disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, "*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*", should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, "*Subscription-Based Information Technology Arrangements*", also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Management has yet to determine the effect of this Statement on the financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Reclassification

Certain amounts in the 2024 financial statements have been reclassified to conform with the 2025 financial statement presentation.

o. Subsequent Events

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through December 23, 2025, which is the date the financial statements were available to be issued.

Note 2 - CASH, CASH EQUIVALENTS, AND INVESTMENTS

The following are the components of CPIA's cash, cash equivalents and investments as of June 30, 2025 and 2024:

	2025	2024
Current:		
Cash in banks	\$ 1,791,200	\$ 1,872,001
Certificates of deposit	598,708	507,752
CPC pooled investment fund	1,196,130	1,123,479
Investment in Louisiana Asset Management Pool	844,438	805,568
Totals	\$ 4,430,476	\$ 4,308,800

Restricted cash as of June 30, 2025 and 2024 is as follows:

	<u>2025</u>		
New Orleans City Park Taxing District		\$ 427,388	
Bayou District Foundation Reserve		5,000	
Total		\$ 432,388	
	<u>2024</u>		
New Orleans City Park Taxing District		\$ 683,981	
Bayou District Foundation Reserve		5,000	
Total		\$ 688,981	

Note 2 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

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 CPIA's cash be covered by federal depository insurance or collateral.

The bank balances of cash, as reflected by the banks' records totaled approximately \$1,809,000 and \$1,901,000 as of June 30, 2025 and 2024, respectively. As of June 30, 2025 and 2024 there was no significant exposure to credit risk.

As of June 30, 2025, cash was adequately collateralized in accordance with state law by securities held by unaffiliated banks for the account of CPIA. The GASB, which promulgates the standards for accounting and financial reporting state and local governments, considers these securities subject to custodial credit risk. Even though the deposits are considered subject to custodial credit risk under the provisions of GASB Statement No. 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

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

The following facts are relevant for LAMP:

- Credit risk: LAMP is rated AAA by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not with the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Underlying pooled investments are excluded from the 5% disclosure requirement.

Note 2 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 26 days as of June 30, 2025.
- Foreign currency risk: Not applicable.

LAMP values its investments at fair value based on quoted market values. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares which approximates net asset value (NAV). There are no unfunded commitments as of June 30, 2025 and 2024.

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.

Note 3 - FAIR VALUE MEASUREMENTS

CPIA's investments are recorded at fair value as of June 30, 2025 and 2024. GASB Statement No. 72, "*Fair Value Measurement and Application*", defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace.

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

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

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

Note 3 - FAIR VALUE MEASUREMENTS (Continued)

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

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value.

- *Certificates of Deposit*: CPIA uses the market approach for valuing certificates of deposit which are within Level 1 of the fair value hierarchy.
- *Pooled Investments with CPC*: Certain investments of CPIA are held in pooled assets managed by the CPC. The investments are valued on information provided by the CPC. These investments are reported at net asset value (NAV), which approximates fair value and have no lockup provisions. Investments measured at fair value using the NAV practical expedient have not been categorized in the fair value hierarchy and have no fixed redemption frequency, notice periods, or unfunded commitments.

These methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while CPIA believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by Level within the fair value hierarchy the CPIA investments as of June 30, 2025 and 2024:

	2025			
	Total Assets Measured at Fair Value	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Certificates of deposit	\$ 598,708	\$ 598,708	\$ -	\$ -
CPC pooled investment fund	1,196,130	-	1,196,130	-
	\$ 1,794,838	\$ 598,708	\$ 1,196,130	\$ -

Note 3 - FAIR VALUE MEASUREMENTS (Continued)

	2024			
	Total Assets Measured at Fair Value	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Certificates of deposit	\$ 507,752	\$ 507,752	\$ -	\$ -
CPC pooled investment fund	1,123,479	-	1,123,479	-
	\$ 1,631,231	\$ 507,752	\$ 1,123,479	\$ -

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

Assets measured at fair value on a recurring basis as of June 30, 2025 and 2024 are comprised of and determined as follows:

	2025	2024
LAMP investments measured at NAV	\$ 844,438	\$ 805,568

As of June 30, 2025 and 2024, there were no assets measured at fair value on a non-recurring basis.

Note 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.

Note 5 - CAPITAL ASSETS

Construction in progress of \$4,117,070 and \$2,294,422 as of June 30, 2025 and 2024, respectively, consists primarily of improvements to the Splash Park, Wisner Tract, Pan American Turf and Lights, Master Plan, and various other facilities and grounds improvements.

Note 5 - CAPITAL ASSETS (Continued)

The capital asset activity of the Park as of and for the years ended June 30, 2025 and 2024 is as follows:

Description	2024	Additions	Reclassifications	Disposals	2025	Estimated Useful Life Years
Land	\$ 2,104,944	\$ -	\$ -	\$ -	\$ 2,104,944	
Land improvements	48,172,142	-	-	-	48,172,142	10-30
Infrastructure	156,365	42,100	-	-	198,465	20-30
Buildings and improvements	52,389,101	129,000	-	(3,283,440)	49,234,661	10-30
Furniture, fixtures, and equipment	19,688,401	1,709,649	-	(3,020,466)	18,377,584	5-20
Vehicles	2,642,409	144,389	-	(555,031)	2,231,767	3-20
Construction in progress	2,294,422	1,852,469	-	(29,821)	4,117,070	
	127,447,784	3,877,607	-	(6,888,758)	124,436,633	
Less accumulated depreciation	(64,912,017)	(4,354,220)	-	6,722,991	(62,543,246)	
Capital assets, net	<u>\$ 62,535,767</u>	<u>\$ (476,613)</u>	<u>\$ -</u>	<u>\$ (165,767)</u>	<u>\$ 61,893,387</u>	
Description	2023	Additions	Reclassifications	Disposals	2024	Estimated Useful Life Years
Land	\$ 3,062,144	\$ -	\$ -	\$ (957,200)	\$ 2,104,944	
Land improvements	47,867,753	304,389	-	-	48,172,142	10-30
Infrastructure	156,365	-	-	-	156,365	20-30
Buildings and improvements	52,389,101	-	-	-	52,389,101	10-30
Furniture, fixtures, and equipment	19,185,699	502,702	-	-	19,688,401	5-20
Vehicles	2,577,585	64,824	-	-	2,642,409	3-20
Construction in progress	931,769	2,123,210	-	(760,557)	2,294,422	
	126,170,416	2,995,125	-	(1,717,757)	127,447,784	
Less accumulated depreciation	(60,506,155)	(4,405,862)	-	-	(64,912,017)	
Capital assets, net	<u>\$ 65,664,261</u>	<u>\$ (1,410,737)</u>	<u>\$ -</u>	<u>\$ (1,717,757)</u>	<u>\$ 62,535,767</u>	

Note 6 - LEASES

LESSEE

During the year ended June 30, 2021, CPIA entered into financing leasing arrangements for certain moveable equipment related to the golf courses. The leases contain imputed interest rates approximating 3.25%. The leases require monthly payments, including interest, ranging from \$2,463 to \$13,542. The leases mature in months ranging from July 2025 through June 2026. The following is a schedule of capitalized costs and accumulated amortization as of June 30, 2025 and 2024.

	2025	2024
Capitalized costs	\$ 495,936	\$ 1,687,260
Accumulated amortization	(470,959)	(1,314,567)
Net book value	\$ 24,977	\$ 372,693

Amortization expense on leased assets totaled \$347,717 and \$396,129 for the years ended June 30, 2025 and 2024, respectively.

The weighted average of the interest rate as of June 30, 2025 and 2024 is 3.25%.

The weighted average remaining lease term in years as of June 30, 2025 and 2024 is 0.66 and 0.94 years, respectively.

Interest expense on the financing lease obligations totaled \$6,680 and \$19,924 for the years ended June 30, 2025 and 2024, respectively.

Minimum future lease payments as of June 30, 2025, are as follows:

For The Year Ended	Amount
2026	\$ 27,074
Less amount representing interest	(434)
Present value of net future payments	26,640
Less current maturities	(26,640)
Operating lease liabilities	
Less current maturities	\$ -

Note 6 - LEASES (Continued)

LESSOR

CPIA, as a lessor, leases certain facilities to various lessees under renewable lease agreements. These have remaining terms ranging from 1 to 35 years. Two leases call for additional rental income in amounts equal to a percentage of the lessee's gross revenue in excess of certain fixed amount. These facilities and or land include a cellular tower, the stables, Cafe' du Monde, the Louisiana Children's Museum, and Christian Brothers School. Minimum future lease receipts as of June 30, 2025, are as follows:

<u>For The Year Ended</u>	<u>Amount</u>
2026	\$ 642,892
2027	633,972
2028	607,212
2029	607,212
2030	607,212
Thereafter	<u>1,207,862</u>
Total	<u><u>\$ 4,306,362</u></u>

Deferred inflows of resources related to these leases as a June 30, 2025 and 2024 total \$3,096,639 and \$3,597,203, respectively. The inflows of resources are recognized ratably over the terms of the lease using the net present value at the inception of the lease at a 4% discount rate.

The total amount of inflows of resources, including lease revenue, interest revenue, and other lease related items, recognized during the years ended June 30, 2025 and 2024 totaled \$1,050,349 and \$930,635 respectively. This total includes \$122,185 and \$210,205 for the years ended June 30, 2025 and 2024, respectively, of variable and other payments not previously included in the measurement of the lease receivable.

Note 6 - LEASES (Continued)

The cost and carrying amount included in buildings and improvements for the portion of facilities that are leased to lessees as of June 30, 2025 and 2024 were, as follows.

	2025		
	Gross Cost	Accumulated Depreciation	Net cost
Casino building	\$ 1,219,416	\$ 721,488	\$ 497,928
Big Lake dock and boat house	417,131	208,565	208,566
Equestrian facility	965,641	475,687	489,954
Leased facility	\$ 2,602,188	\$ 1,405,740	\$ 1,196,448
	2024		
	Gross Cost	Accumulated Depreciation	Net cost
Casino building	\$ 1,219,416	\$ 599,546	\$ 619,870
Big Lake dock and boat house	417,131	194,661	222,470
Equestrian facility	965,641	436,614	529,027
Leased facility	\$ 2,602,188	\$ 1,230,821	\$ 1,371,367

Note 7 - EMPLOYEE BENEFIT PLANS - DEFERRED COMPENSATION PLAN

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

The plan is administered by the State of Louisiana (the “State”). Participants’ rights under the plan are equal to those of the general creditors of the State in an amount equal to the fair market value of the deferred account for each participant. The 457 employer match was discontinued in May of 2020 and reinstated in January of 2021. No participant deferrals or contributions were made to the plan during the years ended June 30, 2025 and 2024, as CPIA no longer has any employees after CPC became the operator of City Park in 2023 per the CEA.

Note 8 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

General Information about the OPEB Plan

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

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

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

The contribution rate ranges are as follows:

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

Note 8 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

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

Other postemployment 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, 2025 total OPEB liability was determined using the July 1, 2024 actuarial valuation and the June 30, 2024 liability was determined using the July 1, 2023 actuarial valuation that included the following employees covered by the benefit terms:

	Valuation	
	Date July 1,	
	<u>2025</u>	<u>2024</u>
Inactive employees or beneficiaries		
currently receiving benefit payments	5	6
Inactive employees entitled to but not		
yet receiving benefit payments	-	-
Active employees	<u>-</u>	<u>-</u>
Totals	<u>5</u>	<u>6</u>

Total OPEB Liability

CPIA's current year total OPEB liability of \$268,560 was measured as of June 30, 2025 and was determined by an actuarial valuation as of July 1, 2024. CPIA's prior year total OPEB liability of \$339,294 was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023.

Note 8 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2024 and July 1, 2023, actuarial valuations were determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	2025
Valuation Date	July 1, 2024
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions Expected	
Remaining Service Lives	4.5 years.
Inflation Rate	2.40% Consumer Price Index.
Salary Increases	Consistent with the pension valuation assumptions.
Discount Rate	3.93% based on the July 1, 2024 S&P 20 year municipal bond index rate.
Discount Rate	4.13% based on the June 30, 2023 S&P 20 year municipal bond index rate.
Health Care Cost Trend Rate	Pre-age 65 ranges from 8.50% to 4.5%. Post-age 65 ranges from 7.5% to 4.5%.
Mortality Rates	For healthy lives the PubG-2010 Employee Mortality Table projected on a fully generational basis by Mortality Improvement Scale MP-2021. For existing disabled lives the RP-2000 Disabled Retiree Mortality Tables projected on a fully generational basis.
Participation Rate	Sliding scale from 33% to 88% based on years of service for the July 1, 2024 valuation. Sliding scale from 33% to 88% based on years of service for the July 1, 2023 valuation.

Note 8 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Actuarial Assumptions and Other Inputs (Continued)

	2024
Valuation Date	July 1, 2023
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions Expected	
Remaining Service Lives	4.5 years.
Inflation Rate	2.40% Consumer Price Index.
Salary Increases	Consistent with the pension valuation assumptions.
Discount Rate	4.13% based on the June 30, 2023 S&P 20 year municipal bond index rate.
Discount Rate	4.09% based on the June 30, 2022 S&P 20 year municipal bond index rate.
Health Care Cost Trend Rate	Pre-age 65 ranges from 7.00% to 4.5%. Post-age 65 ranges from 6.5% to 4.5%.
Mortality Rates	For healthy lives the RP-2014 Combined Healthy Mortality Table projected on a fully generational basis by Mortality Improvement Scale MP-2018. For existing disabled lives the RP-2000 Disabled Retiree Mortality Tables projected on a fully generational basis.
Participation Rate	Sliding scale from 33% to 88% based on years of service for the July 1, 2023 valuation. Sliding scale from 33% to 88% based on years of service for the July 1, 2022 valuation.

Note 8 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Actuarial Assumptions and Other Inputs (Continued)

The actuarial assumptions used by the pension plan covering the same participants were used for the retirement, termination, disability, and salary scale assumptions. The actuarial assumptions used in the July 1, 2024 valuation were based on the results of an actuarial experience study for pension plan actuarial valuations for the period January 1, 2023 to December 31, 2024. As a result of the 2024 actuarial experience study, the expectation of life after disability was adjusted in the July 1, 2024 actuarial valuation to reflect actual experience more closely.

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, 2023 valuation were based on the results of an actuarial experience study for pension plan actuarial valuations for the period January 1, 2022 to December 31, 2023. As a result of the 2023 actuarial experience study, the expectation of life after disability was adjusted in July 1, 2023 actuarial valuation to reflect actual experience more closely.

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

Discount Rate

The discount rate used to measure the total OPEB liability was 3.93% and was based on the Standards & Poor's Municipal Bond 20-year high grade rate index as of July 1, 2024. The discount rate used to measure the total OPEB liability was 4.13% and was based on the Standards & Poor's Municipal Bond 20-year high grade rate index as of July 1, 2023.

Note 8 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Discount Rate (Continued)

	June 30,	
	2025	2024
Balance at beginning of year	\$ 339,294	\$2,891,836
Changes for the year:		
Service cost	-	168,056
Interest	13,383	124,199
Difference between expected and actual experience	(55,995)	(2,821,986)
Changes in assumptions or other inputs	2,703	24,142
Benefit payments	(30,825)	(46,953)
Net changes	(70,734)	(2,552,542)
Balance at end of year	\$ 268,560	\$ 339,294

Sensitivity of the total OPEB liability to changes in the discount rate - The following presents the total OPEB liability of CPIA, as well as what CPIA's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93% for 2025, and 3.13% for 2024) or 1-percentage-point higher (4.93% for 2025, and 5.13% for 2024) than the current discount rate:

	2025		
	1% Decrease	Current Discount Rate	1% Increase
Discount rate	<u>2.93%</u>	<u>3.93%</u>	<u>4.93%</u>
Total OPEB liability	<u>\$289,947</u>	<u>\$268,560</u>	<u>\$249,856</u>
	2024		
	1% Decrease	Current Discount Rate	1% Increase
Discount rate	<u>3.13%</u>	<u>4.13%</u>	<u>5.13%</u>
Total OPEB liability	<u>\$372,707</u>	<u>\$339,294</u>	<u>\$310,729</u>

Note 8 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Sensitivity of the total OPEB liability to changes in the health care cost trend rates - The following presents the total OPEB liability of CPIA, as well as what CPIA'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:

	2025		
	1% Decrease	Current Health Care Cost Trend Rate	1% Increase
Pre-65	7.5% decreasing to 3.5%	8.5% decreasing to 4.5%	9.5% decreasing to 5.5%
Post-65	6.50% decreasing to 3.5%	7.50% decreasing to 4.5%	8.50% decreasing to 5.5%
Total OPEB liability	<u>\$252,422</u>	<u>\$268,560</u>	<u>\$286,686</u>
	2024		
	1% Decrease	Current Health Care Cost Trend Rate	1% Increase
Pre-65	6.0% decreasing to 3.5%	7.0% decreasing to 4.5%	8.0% decreasing to 5.5%
Post-65	5.50% decreasing to 3.5%	6.50% decreasing to 4.5%	7.50% decreasing to 5.5%
Total OPEB liability	<u>\$313,744</u>	<u>\$339,294</u>	<u>\$368,635</u>

Note 8 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

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

For the years ended June 30, 2025 and 2024, CPIA recognized OPEB expense (benefit) of (\$1,265,563) and (\$1,087,823), respectively. As of June 30, 2025 and 2024, CPIA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2025	
	Deferred Outflows of Resources	Deferred Inflows of Assumptions
Change of assumptions	\$ 97,385	\$ (635,198)
Difference in expected and actual experience	-	(2,115,582)
Employer contribution subsequent to measurement date	27,064	-
Totals	<u>\$ 124,449</u>	<u>\$ (2,750,780)</u>
	2024	
	Deferred Outflows of Resources	Deferred Inflows of Assumptions
Change of assumptions	\$ 201,728	\$ (995,072)
Difference in expected and actual experience	-	(3,053,612)
Employer contribution subsequent to measurement date	25,796	-
Totals	<u>\$ 227,524</u>	<u>\$ (4,048,684)</u>

Deferred outflows of resources related to OPEB resulting from OPEB payments subsequent to the measurement date of \$27,064 and \$25,796 will be recognized as a reduction of the net OPEB liability in the years ended June 30, 2025 and 2024, respectively. Amounts reported as deferred inflows of resources relations to OPEB will be recognized in OPEB expense as follows:

Note 8 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

For The Year Ended	2025	2024
2025	\$ -	\$ (1,235,751)
2026	(1,189,108)	(1,178,006)
2027	(977,995)	(966,892)
2028	(477,410)	(466,307)
2029	(8,882)	-
Totals	\$ (2,653,395)	\$ (3,846,956)

Note 9 - RESTRICTED LIABILITIES

Under the agreement with BDF, CPIA is required to set aside amounts for the replacement of property, maintenance, and other project expenditures that may be needed. Restricted liabilities are held in separate bank accounts and certificates of deposit and generally are not available for operating purposes. As of June 30, 2025 and 2024, CPIA had \$500,000 deposited in the separate bank accounts and certificates of deposit. The certificates of deposit are reported as investments on the Statement of Net Assets.

Note 10 - TRANSACTIONS WITH CITY PARK CONSERVANCY

CPC operates and manages City Park for the benefit of CPIA as evidenced by the CEA (see Note 1). The CEA provides that all Earned Revenue and Other Revenue for the operation, maintenance and development of City Park shall be deposited and administered in an account maintained and administered by CPC. All revenues of CPIA that are for the operation, maintenance, upgrade and development of City Park shall be deposited in an account on behalf of and in the name of CPIA and administered and maintained by CPC on behalf of and in the name of CPIA. Specific grants or donations received by CPC related to capital improvements will be transferred to CPIA.

As of June 30, 2025, CPC has incurred expenses on behalf of CPIA in amounts exceeding the reimbursements received from CPIA for those expenses. For the years ended June 30, 2025 and 2024, the amount transferred to CPC from CPIA totaled \$7,872,425 and \$4,861,620, respectively. CPC has provided support to CPIA to fund certain capital projects, education programs and operational support. For the years ended June 30, 2025 and 2024, those amounts totaled \$3,583,595 and \$2,622,480, respectively.

Note 11 - MANAGEMENT AGREEMENTS

On February 1, 2018, the BDF began operating the golf facilities under a Cooperative Endeavor Agreement (CEA) between CPIA and the BDF and accounted for under a service concession arrangement. See Note 12 for disclosures related to deferred inflows of resources and service concession arrangement from the BDF CEA.

Note 12 - SERVICE CONCESSION ARRANGEMENT

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

As part of the CEA between CPIA 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 CPIA annually a portion of the revenues in excess of expenses incurred in operating all of CPIA’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, CPIA receives 75% of the net income from the golf operations on the first \$1.1 million in net income and 55% thereafter. The BDF will be responsible for all day-to-day operations of the golf facility.

During both the years ended June 30, 2025 and 2024, capital assets totaling \$1,687,260 were recorded for costs incurred on behalf of BDF. See Note 5 for disclosures related to capital assets. The deferred inflow is being amortized to golf operating revenue over the remaining term of the agreement. For both the years ended June 30, 2025 and 2024, CPIA amortized the deferred inflow of resources in the amount of \$273,649. The unamortized balance of deferred inflows of resources related to this agreement as of June 30, 2025 and 2024 is \$6,567,576 and \$6,841,225, respectively.

Note 13 - FEDERAL GRANTS

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

Note 14 - COMMITMENTS AND CONTINGENCIES

CPIA 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. CPIA is a participant in the State of Louisiana Office of Risk Management self-insurance plan.

REQUIRED SUPPLEMENTARY INFORMATION

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

New Orleans City Park Improvement Association
New Orleans, Louisiana

For the eight years ended June 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability								
Service cost	\$ -	\$ 168,056	\$ 291,630	\$ 331,691	\$ 322,150	\$ 426,673	\$ 466,745	\$ 502,056
Interest	13,383	124,199	111,162	143,071	142,286	154,664	150,408	125,727
Difference between expected and actual experience	(55,995)	(2,821,986)	(610,189)	(1,177,643)	(131,883)	-	-	-
Changes in assumptions or other inputs	2,703	24,142	(1,693,861)	486,975	(41,921)	(540,801)	(159,149)	(387,950)
Benefit payments	(30,825)	(46,953)	(28,729)	(18,223)	(24,630)	(27,778)	(38,556)	(38,556)
Net change in total OPEB liability	(70,734)	(2,552,542)	(1,929,987)	(234,129)	266,002	12,758	419,448	201,277
Total OPEB liability, beginning of year	<u>339,294</u>	<u>2,891,836</u>	<u>4,821,823</u>	<u>5,055,952</u>	<u>4,789,950</u>	<u>4,777,192</u>	<u>4,357,744</u>	<u>4,156,467</u>
Total OPEB liability, end of year	<u>\$ 268,560</u>	<u>\$ 339,294</u>	<u>\$ 2,891,836</u>	<u>\$ 4,821,823</u>	<u>\$ 5,055,952</u>	<u>\$ 4,789,950</u>	<u>\$ 4,777,192</u>	<u>\$ 4,357,744</u>
Covered employee payroll	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,779,140</u>	<u>\$ 3,314,844</u>	<u>\$ 3,709,467</u>	<u>\$ 3,618,577</u>	<u>\$ 4,000,000</u>	<u>\$ 3,618,577</u>
Total OPEB liability as a percentage of covered employee payroll	<u>0.00%</u>	<u>0.00%</u>	<u>76.52%</u>	<u>145.46%</u>	<u>136.30%</u>	<u>132.37%</u>	<u>119.43%</u>	<u>120.43%</u>
Notes to schedule:								
Changes of benefit terms:	None	None	None	None	None	None	None	None
Changes of assumptions and other inputs reflected the effects of changes in the discounts rate each period:	<u>3.93%</u>	<u>4.13%</u>	<u>4.09%</u>	<u>2.18%</u>	<u>2.66%</u>	<u>2.79%</u>	<u>2.98%</u>	<u>3.13%</u>

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

SUPPLEMENTARY INFORMATION SECTION

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

For the years ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Administrative	\$ 14,783	\$ 157,650
Amortization - leases	347,717	396,129
Contract labor	7,697	-
Contract services	284,430	90,868
Credit Losses	38,103	72,861
Depreciation	4,354,220	4,405,862
Other postemployment benefits	(1,265,563)	(1,087,823)
Professional services	56,116	-
Repairs and maintenance	526,180	1,069,253
Supplies	7,462	3,581
	<u> </u>	<u> </u>
Total operating expenses	<u>\$ 4,371,145</u>	<u>\$ 5,108,381</u>

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

New Orleans City Park Improvement Association
New Orleans, Louisiana

For the year ended June 30, 2025

Agency Head Name: Rebecca Dietz, Chief Executive Officer

Purpose

Salary	\$ 0
Benefits - insurance	0
Benefits - retirement	0
Benefits - other	0
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	0
Travel	0
Registration fees	0
Conference travel	0
Continuing professional education fees	0
Housing	0
Unvouchered expenses	0
Special meals	0
	<u>0</u>
	<u>\$ 0</u>

All compensation, benefits, and other payments are paid by City Park Conservancy (or CPC), as CPC is the operational entity which employs all persons in the park organization. Per the Collective Bargaining Agreement, all executive-level employees act as executives for NOCPA, as well.

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with the auditing standards generally accepted in the United State of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business type activities, and each major fund of New Orleans City Park Improvement Association, (CPIA), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise CPIA's basic financial statements and have issued our report thereon dated December 23, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered CPIA's internal control over financial reporting, (internal control), as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CPIA's internal control. Accordingly, we do not express an opinion on the effectiveness of CPIA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of CPIA'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 weakness. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

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

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 CPIA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CPIA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
December 23, 2025.

SCHEDULE OF FINDINGS AND RESPONSES

New Orleans City Park Improvement Association
New Orleans, Louisiana

For the year ended June 30, 2025

Section I - Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? Yes No

b) Federal Awards

New Orleans City Park Improvement Association did not expend Federal awards in excess of \$750,000 during the year ended June 30, 2025 and therefore is exempt from the audit requirements of the Uniform Guidance.

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

There were no internal control over financial reporting findings reported during the audit for the year ended June 30, 2025.

Section III - Federal Award Findings and Questioned Costs

Not applicable.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

New Orleans City Park Improvement Association New Orleans, Louisiana

For the year ended June 30, 2025

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

Internal Control Over Financial Reporting

There were no internal control over financial reporting findings reported during the audit for the year ended June 30, 2024.

Compliance and Other Matters

There were no compliance and other matters reported during the audit for the year ended June 30, 2024.

Section II - Internal Control and Compliance Material to Federal Awards

There were no Federal award findings or questioned costs reported during the audit for the year ended June 30, 2024.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 2024.

MANAGEMENT'S CORRECTIVE ACTION PLAN

New Orleans City Park Improvement Association New Orleans, Louisiana

For the year ended June 30, 2025

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

Internal Control Over Financial Reporting

There were no internal control over financial reporting findings reported during the audit for the year ended June 30, 2025.

Compliance and Other Matters

There were no compliance and other matters findings reported during the audit for the year ended June 30, 2025.

Section II - Internal Control and Compliance Material to Federal Awards

There were no federal award findings on questioned costs reported during the audit for the year ended June 30, 2025.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 2025.