



**CITY OF NEW ORLEANS  
BOARD OF LIQUIDATION  
CITY DEBT  
ANNUAL STATEMENT  
DECEMBER 31, 2016**

**[www.bolcd.com](http://www.bolcd.com)**

BOARD OF LIQUIDATION, CITY DEBT  
NEW ORLEANS, LOUISIANA  
DECEMBER 31, 2016

TABLE OF CONTENTS

	<u>Page</u>
<u>COMPOSITION AND AUTHORITY OF THE BOARD OF</u> <u>LIQUIDATION, CITY DEBT</u> .....	3
<u>LETTER OF TRANSMITTAL</u> .....	4
<u>REQUIRED SUPPLEMENTAL INFORMATION - PART I</u>	
MANAGEMENT'S DISCUSSION AND ANALYSIS .....	5-11
<u>INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS</u> .....	12-14
<u>FINANCIAL STATEMENTS</u>	
COMBINING STATEMENT OF ASSETS, LIABILITIES AND NET POSITION - MODIFIED CASH BASIS.....	15
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN NET POSITION - MODIFIED CASH BASIS.....	16
<u>NOTES TO FINANCIAL STATEMENTS - MODIFIED CASH BASIS</u> .....	17-26
<u>REQUIRED SUPPLEMENTAL INFORMATION - PART II</u>	
DEBT ADMINISTRATION SCHEDULE OF PENSION CONTRIBUTIONS - MODIFIED CASH BASIS.....	27
<u>SUPPLEMENTAL INFORMATION</u>	
DEBT ADMINISTRATION COMBINING SCHEDULE OF ASSETS, LIABILITIES AND NET POSITION - MODIFIED CASH BASIS.....	28
ACCOUNT OF SEWERAGE & WATER BOARD OF NEW ORLEANS COMBINING SCHEDULE OF ASSETS, LIABILITIES AND NET POSITION - MODIFIED CASH BASIS.....	29
ACCOUNT OF DOWNTOWN DEVELOPMENT DISTRICT OF NEW ORLEANS COMBINING SCHEDULE OF ASSETS, LIABILITIES AND NET POSITION - MODIFIED CASH BASIS.....	30
ACCOUNT OF AUDUBON PARK COMMISSION OF NEW ORLEANS COMBINING SCHEDULE OF ASSETS AND NET POSITION - MODIFIED CASH BASIS.....	31
ACCOUNTS OF SPECIAL TAXING DISTRICTS OF NEW ORLEANS COMBINING SCHEDULE OF ASSETS AND NET POSITION - MODIFIED CASH BASIS.....	32
DEBT ADMINISTRATION COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN NET POSITION - MODIFIED CASH BASIS.....	33
ACCOUNT OF SEWERAGE & WATER BOARD OF NEW ORLEANS COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN NET POSITION - MODIFIED CASH BASIS.....	34

BOARD OF LIQUIDATION, CITY DEBT  
NEW ORLEANS, LOUISIANA  
DECEMBER 31, 2016

TABLE OF CONTENTS (Continued)

	<u>Page</u>
<u>SUPPLEMENTAL INFORMATION (Continued)</u>	
ACCOUNT OF DOWNTOWN DEVELOPMENT DISTRICT OF NEW ORLEANS COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN NET POSITION - MODIFIED CASH BASIS.....	35
ACCOUNT OF AUDUBON PARK COMMISSION OF NEW ORLEANS COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN NET POSITION - MODIFIED CASH BASIS.....	36
ACCOUNTS OF SPECIAL TAXING DISTRICTS OF NEW ORLEANS COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN NET POSITION - MODIFIED CASH BASIS.....	37
SCHEDULE OF BOND SALES .....	38
SCHEDULE OF BONDED DEBT ADMINISTERED BY THE BOARD OF LIQUIDATION, CITY DEBT.....	39-41
NOTES TO SCHEDULE OF BONDED DEBT ADMINISTERED BY THE BOARD OF LIQUIDATION, CITY DEBT.....	42-43
SCHEDULE OF DEDICATED AD VALOREM TAX MILLAGE AVAILABLE FOR SERVICING OF BONDED DEBT.....	44
NOTES TO SCHEDULE OF DEDICATED AD VALOREM TAX MILLAGE AVAILABLE FOR SERVICING OF BONDED DEBT.....	45
SEWERAGE & WATER BOARD MATURED BONDS - DEBT ADMINISTRATION COMBINING SCHEDULE OF ASSETS AND LIABILITIES - MODIFIED CASH BASIS.....	46
DEFEASED BONDS - DEBT ADMINISTRATION COMBINING SCHEDULE OF ASSETS, LIABILITIES, RECEIPTS AND DISBURSEMENTS - MODIFIED CASH BASIS.....	47
SCHEDULE OF ITEMIZED DISBURSEMENTS - INTEREST, PREMIUM AND PRINCIPAL PAID.....	48-49
<u>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 .....</u>	<u>50-51</u>

## **COMPOSITION AND AUTHORITY OF THE BOARD OF LIQUIDATION, CITY DEBT**

The Board of Liquidation, City Debt, is a body corporate composed of six citizens of the City of New Orleans. Three ex-officio members, consisting of the Mayor and the two Councilmembers-at-Large, makeup the board of nine members. The Board has exclusive control and direction of all matters relating to the bonded debt of the City of New Orleans.

### **OFFICERS OF THE BOARD**

Mary K. Zervigon, President  
Mark M. Moody, Vice President  
David W. Gernhauser, Secretary  
Tracy David Madison, Assistant Secretary

### **COUNSEL**

William R. Forrester, Jr. Esq.

### **MEMBERS OF THE BOARD**

Mary K. Zervigon	Alan C. Arnold	Eric C. Blue
Ralph W. Johnson	Mark M. Moody	Henry F. O'Connor, Jr.

Stacy S. Head, Councilmember at Large	Ex-Officio
Mitchell J. Landrieu, Mayor	Ex-Officio
Jason R. Williams, Councilmember at Large	Ex-Officio

MARY K. ZERVIGON  
PRESIDENT

MARK M. MOODY  
VICE PRESIDENT

DAVID W. GERNHAUSER  
SECRETARY

TRACY DAVID MADISON  
ASST. SECRETARY

MEMBERS OF BOARD

ALAN C. ARNOLD  
ERIC C. BLUE  
RALPH W. JOHNSON  
MARK M. MOODY  
HENRY F. O'CONNOR, JR.  
MARY K. ZERVIGON

**Board of Liquidation, City Debt**

1300 PERDIDO STREET - ROOM 8E17

New Orleans, La. 70112

AREA CODE 504  
658-1410  
(FAX) 658-1411  
www.bolcd.com

STACY S. HEAD, EX OFFICIO  
MITCHELL J. LANDRIEU, EX OFFICIO  
JASON R. WILLIAMS, EX OFFICIO

January 3, 2017

President and Members  
Council of the City of New Orleans  
City Hall  
New Orleans, Louisiana 70112

Ladies and Gentlemen:

Under the provisions of the Constitution of Louisiana of 1921, made statutory by the Constitution of Louisiana of 1974, the Board of Liquidation, City Debt, is required to submit to the Council of the City of New Orleans a detailed report of all receipts and expenditures and all transactions of the Board of Liquidation, City Debt.

These transactions are reported for the twelve month period ending December 31, 2016, for the Bonded Debt administered by the Board of Liquidation, City Debt, for the accounts of the Sewerage and Water Board of New Orleans, the Audubon Park Commission of New Orleans, the Downtown Development District of New Orleans, the Garden District Security Tax District, Huntington Park Subdivision Improvement District, the Kingswood Subdivision Improvement District, the Lake Barrington Subdivision Improvement District, the Lake Bullard Neighborhood Improvement District, the Lake Carmel Subdivision Improvement District, the Lake Forest Estates Improvement District, the Lake Oaks Subdivision Improvement District, the McKendall Estates Neighborhood Improvement District, the Spring Lake Improvement District, the Touro-Bouligny Security District, the Twinbrook Security District, and the Upper Hurstville Security District.

Sincerely,



Mary K. Zervigon



David W. Gernhauser

**REQUIRED SUPPLEMENTAL INFORMATION - PART I**

BOARD OF LIQUIDATION, CITY DEBT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2016

## **Introduction**

Within this section of the Board of Liquidation, City Debt's (the "Board") annual financial report, management provides narrative discussion and analysis of the financial activities of the Board for the year ended December 31, 2016. The Board's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section. Additional information is available in the transmittal letter which precedes the *Management's Discussion and Analysis*. The discussion focuses on the Board's primary government, and unless otherwise noted, there are no component units to be reported separately from the primary government.

## **Fund Accounting**

The Board maintains one fiduciary fund to account for its activities, the Agency Fund. An agency fund is used to account for assets held for other funds, governments, or individuals. Accordingly, the accounts of the Board are organized and maintained on the basis of funds, each of which is considered a separate accounting entity, and is maintained for the purpose of attaining objectives in accordance with the various special restrictions, regulations and limitations.

## **Overview of Financial Statements**

*Management's Discussion and Analysis* introduces the Board's basic financial statements. The basic financial statements are comprised of one fiduciary fund and include:

- The Combining Statement of Assets, Liabilities, and Net Position - Modified Cash Basis
- Combining Statement of Receipts, Disbursements and Changes in Net Position - Modified Cash Basis
- The Notes to Financial Statements - Modified Cash Basis

The Board also includes in this report additional information to supplement the basic financial statements.

BOARD OF LIQUIDATION, CITY DEBT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Continued)  
DECEMBER 31, 2016

**Basic Financial Statements**

The Combining Statement of Assets, Liabilities, and Net Position - Modified Cash Basis presents the assets and liabilities administered by the Board. Over time, increases and decreases in the balances presented on this financial statement may be useful indicators of whether the financial position of the Board is improving or deteriorating. However, evaluation of the economic health of the Board would extend to other non-financial factors such as the diversification of the taxpayer base in addition to the financial information provided in this report.

The Combining Statement of Receipts, Disbursements, and Changes in Net Position - Modified Cash Basis, reports the Board's inflows and outflows of cash and other changes in net position. The purpose of the report is to show the sources and uses of funds administered by the Board.

**Notes to Financial Statements**

The accompanying Notes to Financial Statements - Modified Cash Basis, provide information essential to a full understanding of the Board's financial statements. The notes to the financial statements begin immediately following the basic financial statements.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain supplemental information. This supplemental information follows the notes to the financial statements and includes:

- Combining Schedules of Assets, Liabilities, and Net Position - Modified Cash Basis for all activities administered by the Board
- Combining Schedules of Receipts, Disbursements and Changes in Net Position - Modified Cash Basis for all activities administered by the Board
- Details of bond sales during the year
- Details of bonded debt administered by the Board
- Details of ad valorem tax millage available to service bonded debt
- Details of certain disbursements made during the year



BOARD OF LIQUIDATION, CITY DEBT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Continued)  
DECEMBER 31, 2016

**Financial Analysis of the Board's Funds**

As year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the Board as a whole.

***Fiduciary Funds***

The Restricted Net Position Debt service and Reserve funds in the Debt Administration section of the financial statements have a balance of \$103,190,034. The Tax Credit Bond loan payable balance of \$78,816,883 is a result of the Board and the custodial agencies entering into Cooperative Endeavor Agreements with the State of Louisiana to secure proceeds from the Gulf Opportunity Tax Credit Bond Loan Program in July of 2006. Escrow accounts were created at Hancock Bank to make debt service payments on outstanding bonds for governmental agencies affected by Hurricanes Katrina and Rita. The General Obligation Debt Service Funds are designated for future debt service payments and were included in calculating the millage necessary to service the General Obligation Debt for 2016. The 2016 millage levy is 25.5 mills, remaining the same as 2015.

The following table provides a summary of the Board's Assets, Liabilities, and Net Position and the related changes in Receipts over Disbursements:

	Debt Administration		
	2016	2015	Changes
Assets	\$ 123,822,357	\$ 115,018,140	\$ 8,804,217
Liabilities	<u>20,632,323</u>	<u>22,208,805</u>	<u>(1,576,482)</u>
Net Position	\$ <u>103,190,034</u>	\$ <u>92,809,335</u>	\$ <u>10,380,699</u>
Receipts	\$ 274,363,205	\$ 630,484,190	\$ (356,120,985)
Disbursements	<u>265,558,988</u>	<u>613,331,977</u>	<u>(347,772,989)</u>
Excess of receipts over (under) disbursements	\$ <u>8,804,217</u>	\$ <u>17,152,213</u>	\$ <u>(8,347,996)</u>

BOARD OF LIQUIDATION, CITY DEBT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Continued)  
DECEMBER 31, 2016

	Custodial Funds		
	2016	2015	Changes
Assets	\$ 174,330,265	\$ 242,065,944	\$ (67,735,679)
Liabilities	<u>58,413,348</u>	<u>62,926,663</u>	<u>(4,513,315)</u>
Net Position	\$ <u>115,916,917</u>	\$ <u>179,139,281</u>	\$ <u>(63,222,364)</u>
Receipts	\$ 89,726,407	\$ 299,530,795	\$ (209,804,388)
Disbursements	<u>157,462,086</u>	<u>146,104,230</u>	<u>11,357,856</u>
Excess of receipts over (under) disbursements	\$ <u>(67,735,679)</u>	\$ <u>153,426,565</u>	\$ <u>221,162,244</u>
	Totals		
	2016	2015	Changes
Assets	\$ 298,152,622	\$ 357,084,084	\$ (58,931,462)
Liabilities	<u>79,045,671</u>	<u>85,135,468</u>	<u>(6,089,797)</u>
Net Position	\$ <u>219,106,951</u>	\$ <u>271,948,616</u>	\$ <u>(52,841,665)</u>
Receipts	\$ 364,089,612	\$ 930,014,985	\$ (565,925,373)
Disbursements	<u>423,021,074</u>	<u>759,436,207</u>	<u>(336,415,133)</u>
Excess of receipts over (under) disbursements	\$ <u>(58,931,462)</u>	\$ <u>170,578,778</u>	\$ <u>(229,510,240)</u>

Key Changes in Assets and Liabilities include:

- Assets increased \$8,804,217 in debt administration primarily due to the refunding of GO Bonds.
- Assets decreased \$67,735,679 in the custodial accounts primarily due to the amount of warrants drawn exceeded current year receipts.
- Liabilities decreased \$4,513,315 primarily due to payments on the Tax Credit Bond Loans.

BOARD OF LIQUIDATION, CITY DEBT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Continued)  
DECEMBER 31, 2016

Key changes in Receipts include:

Debt Administration

- Current year ad valorem tax receipts increased \$9,200,454 due to the increase in assessments.
- Ad valorem taxes-prior years increased \$646,122 due to increased collections.
- Bond proceeds, including bond premiums, decreased \$250,693,259 primarily due to less bonds being issued in 2016 than in 2015.
- Bond proceeds - Reserve funds decreased \$13,681,410 due to no new Sewerage & Water bonds being issued.
- Debt service funds decreased \$96,402,435 due to bonds being refunded.
- BP Settlement funds decreased \$4,489,875 due to none being received this year.

Custodial Accounts

- Current year ad valorem taxes increased \$5,136,244 due to the increase in assessments.
- Ad valorem taxes-prior years increased \$586,019 due to increased collections.
- Bond proceeds decreased \$210,379,977 due to no new bonds being issued in 2016.
- Interest on investments increased \$820,840 due to increased bond proceeds.
- Revenue Sharing - State of Louisiana decreased \$16,755.
- Fee - Current year increased \$26,190.
- Fee - Prior years increased \$4,742.
- During the year, \$12,548,423 were received from FEMA; \$6,570,126 less than prior year.
- Excess reserve and debt service funds increased \$427,317.
- Cost of issuance increased \$161,118.

BOARD OF LIQUIDATION, CITY DEBT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Continued)  
DECEMBER 31, 2016

Key changes in Disbursements include:

Debt Administration

- Interest payments increased \$8,031,751. This increase follows the payments required under the debt service schedules.
- Principal payments decreased \$99,674,830. The majority of this decrease was due to bonds being refunded in 2016.
- Funds returned to the City of New Orleans, Sewerage & Water Board, and Audubon Park Commission decreased by \$210,866,621. The decrease is due to less bonds being issued in 2016 than 2015.
- Cost of Issuance decreased \$688,322 as a function of less bonds sold in 2016 versus 2015.
- Personal services increased \$52,030. This is mainly due to employee changes and raises received by employees.
- Purchase of securities decreased \$44,629,785 due to less bonds being refunded in 2016 than in 2015.

Custodial Accounts

- Warrants paid increased \$12,103,651 due to high balance of bond proceeds and higher tax collections.
- Debt service decreased \$745,795 due to no new bonds being sold.

***Bond Ratings***

Bond ratings for the General Obligation Bonds of the City of New Orleans at December 31, 2016 were Standard and Poor's Rating AA-; Fitch Ratings A+; and Moody's Rating Service A3.

***Long-term Debt Administration***

At the end of the year, the Board administers total bonded debt outstanding of \$577,562,123 in General Obligation Bonds and \$18,352,493 in Limited Tax Bonds. The General Obligation Bonds are backed and fully funded with an unlimited ad valorem tax levy through the Board's statutory authority. The Limited Tax Bonds are supported by a voter approved tax millage of 2.5 mills, currently 1.82 mills, collected by the City of New Orleans and remitted to the Board daily. Other custodial long-term debt is supported by voter approved special tax millages and revenues generated through the custodial agencies.

BOARD OF LIQUIDATION, CITY DEBT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Continued)  
DECEMBER 31, 2016

Debt service is collected from these custodial special taxes to pay debt service on special tax bonds. Debt service on the Revenue Bonds is supported by revenues remitted to the Board on a monthly basis by the Sewerage & Water Board of New Orleans.

Outstanding bonds administered by the Board at December 31, 2016 and 2015 are as follows:

City of New Orleans:	2016	2015
General Obligation Bonds	\$ 577,562,123	\$ 536,325,902
Limited Tax Bonds	18,352,493	21,811,628
	<u>595,914,616</u>	<u>558,137,530</u>
Sewerage & Water Board of New Orleans:		
Drainage System Special Tax Bonds	11,100,000	12,750,000
Sewerage Service Revenue Bonds	235,335,000	247,765,000
Bonds Louisiana Department of Environmental Quality	7,333,000	7,755,000
Water Revenue Bonds	<u>203,200,000</u>	<u>203,525,000</u>
	<u>456,968,000</u>	<u>471,795,000</u>
Audubon Park Commission:		
Audubon Park Improvement Bonds	-	365,000
Audubon Aquarium Bonds	16,615,000	19,495,000
	<u>16,615,000</u>	<u>19,860,000</u>
Downtown Development District:		
Downtown Development District Bonds	<u>3,935,000</u>	<u>4,265,000</u>
	<u>\$ 1,073,432,616</u>	<u>\$ 1,054,057,530</u>

### Contacting the Board's Financial Management

This financial report is designed to provide a general overview of the Board's finances, compliance with finance-related laws and regulations, and demonstrate the Board's commitment to public accountability. If you have any questions about this report or would like to request additional information, contact the Board at: Board of Liquidation, City Debt, 1300 Perdido Street, Room 8E17, New Orleans, Louisiana 70112 or visit the Board of Liquidation's website at [www.bolcd.com](http://www.bolcd.com).

# **PACIERA, GAUTREAU & PRIEST, LLC**

## **CERTIFIED PUBLIC ACCOUNTANTS**

3209 RIDGELAKE DRIVE, SUITE 200

METAIRIE, LA 70002

(504) 486-5573

FAX (504) 486-6091

www.pgpcpa.com

KIRTH M. PACIERA, C.P.A.  
RENE G. GAUTREAU, C.P.A.  
TIMOTHY L. PRIEST, C.P.A.

MEMBERS OF  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

SIDNEY T. SPILSBURY, C.P.A.  
(1905-1985)  
KEITH T. HAMILTON, C.P.A.  
(1932-2003)  
LEROY P. LEGENDRE, C.P.A.  
(Retired)

## INDEPENDENT AUDITOR'S REPORT

Mrs. Mary K. Zervigon, President, and Members  
Board of Liquidation, City Debt  
New Orleans, Louisiana

### **Report on Financial Statements**

We have audited the accompanying financial statements of the Board of Liquidation, City Debt, a component unit of the City of New Orleans, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and

Mrs. Mary K. Zervigon, President, and Members  
Board of Liquidation, City Debt

the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Board of Liquidation, City Debt, as of December 31, 2016, and cash receipts, disbursements and changes in liabilities, custodial, debt service and reserve fund balances thereof for the year then ended in accordance with the basis of accounting described in Note B.

### **Other Matters**

#### **Required Supplementary Information**

The modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 11 and the schedule of pension contributions on page 27 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board of Liquidation, City Debt's basic financial statements. The Composition and Authority of the Board of Liquidation, City Debt, the Letter of Transmittal, and the accompanying supplemental information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Mrs. Mary K. Zervigon, President, and Members  
Board of Liquidation, City Debt

The supplemental information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The composition and transmittal sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2017, on our consideration of the Board of Liquidation, City Debt's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board of Liquidation, City Debt's internal control over financial reporting and compliance.



Metairie, Louisiana

March 21, 2017



This page intentionally left blank.

## **FINANCIAL STATEMENTS**

BOARD OF LIQUIDATION, CITY DEBT  
COMBINING STATEMENT OF ASSETS, LIABILITIES  
AND NET POSITION - MODIFIED CASH BASIS  
DECEMBER 31, 2016

	<u>Debt Administration</u>	<u>Account of Sewerage &amp; Water Board</u>
<u>ASSETS</u>		
Cash	\$ 1,536,341	\$ 926,616
Money market accounts	80,383,944	167,281,748
U.S. Treasury Notes-cost	41,902,072	0
<i>Total Assets</i>	<u>\$ 123,822,357</u>	<u>\$ 168,208,364</u>
<u>LIABILITIES AND NET POSITION</u>		
LIABILITIES:		
Payable within one year:		
Interest payable	\$ 86,613	\$ 0
Principal payable	142,175	0
Tax Credit Bond loan payable	1,649,631	4,627,153
<i>Total Current Liabilities</i>	<u>1,878,419</u>	<u>4,627,153</u>
Payable in more than one year:		
Tax Credit Bond loan payable	18,753,904	52,604,006
<i>Total Liabilities</i>	<u>20,632,323</u>	<u>57,231,159</u>
NET POSITION:		
Restricted for:		
Debt service:		
Reserve funds	70,173,860	0
Debt service funds	33,016,174	0
Other purposes:		
Custodial funds (deficit)	0	110,977,205
<i>Total Net Position</i>	<u>103,190,034</u>	<u>110,977,205</u>
<i>Total Liabilities and Net Position</i>	<u>\$ 123,822,357</u>	<u>\$ 168,208,364</u>

See accompanying notes to financial statements.

Custodial Funds

Account of Downtown Development District	Account of Audubon Park Commission	Accounts of Special Taxing Districts	Total	Total All Funds (Memorandum Only)
\$ 7,827	\$ 1,092	\$ 0	\$ 935,535	\$ 2,471,876
3,792,331	0	2,320,651	173,394,730	253,778,674
0	0	0	0	41,902,072
<u>\$ 3,800,158</u>	<u>\$ 1,092</u>	<u>\$ 2,320,651</u>	<u>\$ 174,330,265</u>	<u>\$ 298,152,622</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 86,613
0	0	0	0	142,175
95,580	0	0	4,722,733	6,372,364
<u>95,580</u>	<u>0</u>	<u>0</u>	<u>4,722,733</u>	<u>6,601,152</u>
1,086,609	0	0	53,690,615	72,444,519
<u>1,182,189</u>	<u>0</u>	<u>0</u>	<u>58,413,348</u>	<u>79,045,671</u>
0	0	0	0	70,173,860
0	0	0	0	33,016,174
2,617,969	1,092	2,320,651	115,916,917	115,916,917
<u>2,617,969</u>	<u>1,092</u>	<u>2,320,651</u>	<u>115,916,917</u>	<u>219,106,951</u>
<u>\$ 3,800,158</u>	<u>\$ 1,092</u>	<u>\$ 2,320,651</u>	<u>\$ 174,330,265</u>	<u>\$ 298,152,622</u>

BOARD OF LIQUIDATION, CITY DEBT  
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND  
CHANGES IN NET POSITION - MODIFIED CASH BASIS  
YEAR ENDED DECEMBER 31, 2016

	Debt Administration	Account of Sewerage & Water Board
<u>RECEIPTS</u>		
Ad valorem taxes - Current year	\$ 84,655,685	\$ 52,057,848
Ad valorem taxes - Prior years	3,251,746	2,152,706
Bond proceeds	130,394,865	0
Bond proceeds - Cost of issuance	380,963	161,118
Fee - Current year	0	0
Fee - Prior years	0	0
Revenue sharing - State of Louisiana	0	563,032
Debt service funds	53,952,758	0
Debt service funds - Federal subsidy - Taxable Build America Bonds	975,320	0
Interest on investments	424,406	1,398,211
Reimbursement from FEMA	0	12,548,423
Excess reserve and debt service funds	327,462	286,524
<i>Total Receipts</i>	274,363,205	69,167,862
<u>DISBURSEMENTS</u>		
Interest on bonds	72,777,336	0
Interest on bonds - Tax Credit Bond Loan	3,939,670	0
Principal on bonds	46,534,914	0
Principal on bonds - Tax Credit Bond Loan	6,089,797	0
Purchase escrow securities	64,172,109	0
Administrative expenses - LADEQ	38,775	0
Warrants	0	131,326,924
Debt service	0	5,948,057
Personal services	468,858	0
Contractual services	88,095	0
Office expenses	32,927	0
Funds returned to City of New Orleans, Sewerage & Water Board, and Audubon Park Commission	70,505,508	0
Cost of issuance	910,999	0
<i>Total Disbursements</i>	265,558,988	137,274,981
Excess of Receipts Over (Under) Disbursements	8,804,217	(68,107,119)
<u>OTHER SOURCES (USES)</u>		
Change in accrued liabilities:		
Tax Credit Bond Loan payments	1,576,482	4,421,973
Change in Net Position	10,380,699	(63,685,146)
Net Position at:		
Beginning of Year	92,809,335	174,662,351
End of Year	\$ 103,190,034	\$ 110,977,205

See accompanying notes to financial statements.

Custodial Funds

Account of Downtown Development District	Account of Audubon Park Commission	Accounts of Special Taxing Districts	Total	Total All Funds (Memorandum Only)
\$ 6,885,193	\$ 10,487,418	\$ 1,133,590	\$ 70,564,049	\$ 155,219,734
207,111	431,838	18,342	2,809,997	6,061,743
0	0	0	0	130,394,865
0	0	0	161,118	542,081
0	0	1,019,572	1,019,572	1,019,572
0	0	38,555	38,555	38,555
0	0	0	563,032	563,032
0	0	0	0	53,952,758
0	0	0	0	975,320
22,269	0	6,822	1,427,302	1,851,708
0	0	0	12,548,423	12,548,423
578	307,257	0	594,359	921,821
7,115,151	11,226,513	2,216,881	89,726,407	364,089,612
0	0	0	0	72,777,336
0	0	0	0	3,939,670
0	0	0	0	46,534,914
0	0	0	0	6,089,797
0	0	0	0	64,172,109
0	0	0	0	38,775
6,280,430	7,019,258	2,087,920	146,714,532	146,714,532
592,617	4,206,880	0	10,747,554	10,747,554
0	0	0	0	468,858
0	0	0	0	88,095
0	0	0	0	32,927
0	0	0	0	70,505,508
0	0	0	0	910,999
6,873,047	11,226,138	2,087,920	157,462,086	423,021,074
242,104	375	128,961	(67,735,679)	(58,931,462)
91,342	0	0	4,513,315	6,089,797
333,446	375	128,961	(63,222,364)	(52,841,665)
2,284,523	717	2,191,690	179,139,281	271,948,616
\$ 2,617,969	\$ 1,092	\$ 2,320,651	\$ 115,916,917	\$ 219,106,951

BOARD OF LIQUIDATION, CITY DEBT  
NOTES TO FINANCIAL STATEMENTS-MODIFIED CASH BASIS  
DECEMBER 31, 2016

A. General Information

The Board of Liquidation, City Debt (the "Board") is a component unit of the City of New Orleans (the "City"). The Board has exclusive control and direction of all matters relating to the bonded debt of the City. Accordingly, all of the City's general obligation bonds and the limited tax bonds issued for the Sewerage & Water Board of New Orleans, the Downtown Development District of New Orleans, and the Audubon Park Commission of New Orleans are sold by and through the Board. No bonds may be sold without approval of the Board. All property taxes levied by the City and dedicated to the payment of outstanding general obligation and limited tax bonds are collected by the City and, as required by law, paid over to the Board, day by day as collected. Such tax revenues are invested in fully secured money market accounts, certificates of deposit, and/or full faith and credit obligations of the U.S. Government until applied by the Board to the payment of principal and interest on outstanding bonds.

The Board annually determines the amount of Ad Valorem Tax millage necessary to be levied and collected by the City in the next fiscal year for the payment during such year of principal and interest on all outstanding general obligation bonds of the City and all such general obligation bonds proposed to be issued by the City in such year. This determination is based upon an analysis by the Board of the current and anticipated assessed value of taxable property in the City and current and anticipated cash reserves held by the Board. The assessed value of property in the City for each year is determined by the Orleans Parish Assessor and certified by the Louisiana Tax Commission as complying with the Louisiana Constitution of 1974. The annual determination of the necessary tax millage to service bonds of the City is adopted by resolution of the Board that is submitted to the City Council. The millage recommended by the Board is then levied by the City Council.

No general obligation bonds, special tax bonds, or revenue bonds of the agencies mentioned above may be issued by the City without the approval of the Board and the City Council.

BOARD OF LIQUIDATION, CITY DEBT  
NOTES TO FINANCIAL STATEMENTS-MODIFIED CASH BASIS  
(Continued)  
DECEMBER 31, 2016

General Information (Continued)

The Board requires as a condition of such approval that:

- the reasonably anticipated property tax revenues of the City be adequate to service the proposed bond issue and all outstanding bonds of the City and to maintain reasonable reserves,
- the proposed bond issue comply with any applicable legal debt limitation, and
- the purposes for which the bonds are sold be capital in nature.

All new general obligation bond issuance must be approved by a majority of the voters in the City. Act 1 of 1994 by the Louisiana Legislature establishes the legal debt limit for the City. Act 4 of 1916, as amended, by the Louisiana Legislature and Article VI, Section 33 of the Louisiana Constitution of 1974 provides that the full faith and credit of the City are pledged for its general obligation bonds and the City is authorized to levy taxes upon all taxable property in the City without limitation of rate or amount sufficient to pay the principal and interest on such bonds as they mature.

The Board issues bonds for the Sewerage & Water Board of New Orleans, the Downtown Development District of New Orleans, and the Audubon Park Commission of New Orleans. Issued in the name of the City, these bonds may be funded by the dedicated millage or water and sewer rates. The Sewerage & Water Board, the City Council, and the Board must approve the water and sewerage service rates necessary to fund any bonds. Ad Valorem Tax millage necessary to service special tax bonds is set by statute and levied by the City Council each year. Ad Valorem Tax millage necessary to service the general obligation bonded debt each year is determined by the Board, and is levied by the City Council annually.



BOARD OF LIQUIDATION, CITY DEBT  
NOTES TO FINANCIAL STATEMENTS-MODIFIED CASH BASIS  
(Continued)  
DECEMBER 31, 2016

General Information (Continued)

In addition, the Board serves in a custodial capacity for the accounts of the:

- Sewerage & Water Board of New Orleans,
- Downtown Development District of New Orleans,
- Audubon Park Commission of New Orleans,
- Lake Forest Estates Improvement District,
- Garden District Security Tax District,
- Spring Lake Improvement District,
- Lake Barrington Subdivision Improvement District,
- Lake Bullard Neighborhood Improvement District,
- Lake Carmel Subdivision Improvement District,
- Lake Oaks Subdivision Improvement District,
- Huntington Park Subdivision Improvement District,
- McKendall Estates Neighborhood Improvement District,
- Upper Hurstville Security District,
- Touro-Bouligny Security District,
- Kingswood Subdivision Improvement District, and
- Twinbrook Security District.

Funds collected for these agencies are deposited in special accounts or invested in money market accounts, certificates of deposit, and/or full faith and credit obligations of the U.S. Government. The Board pays any expenditure made from these accounts as authorized by warrants and supporting resolutions of the various agencies.

Administration expenditures paid in connection with the operations of the Board are recorded within Debt Administration.

BOARD OF LIQUIDATION, CITY DEBT  
NOTES TO FINANCIAL STATEMENTS-MODIFIED CASH BASIS  
(Continued)  
DECEMBER 31, 2016

B. Summary of Significant Accounting Policies

Fund Accounting

The Board maintains one fiduciary fund to account for its activities, the Agency Fund. An agency fund is used to account for assets held for other funds, governments, or individuals. Accordingly, the accounts of the Board are organized and maintained on the basis of funds, each of which is considered a separate accounting entity, and is maintained for the purpose of attaining objectives in accordance with the various special restrictions, regulations and limitations.

Method of Accounting

The Board prepares its financial statements on the modified cash basis of accounting wherein receipts are recognized when received rather than when earned and disbursements are recognized when disbursed rather than when incurred, except for matured and unpaid bonds and coupons, certain cost of issuance and the tax credit bond loan proceeds, which are reflected as liabilities when the obligation is incurred.

Net Position

Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, laws or regulations of other governments. Net position for debt service is restricted by enabling legislation. Net position restricted for other purposes include the amounts held on behalf of the special taxing districts.

Estimates

The Board uses estimates and assumptions in preparing the financial statements that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

BOARD OF LIQUIDATION, CITY DEBT  
NOTES TO FINANCIAL STATEMENTS-MODIFIED CASH BASIS  
(Continued)  
DECEMBER 31, 2016

Summary of Significant Accounting Policies (Continued)

Subsequent Events

Subsequent events have been evaluated through March 21, 2017, which is the date the financial statements were available to be issued.

C. Bank Balances

At December 31, 2016, the Board's deposits with banks consisted of cash and money market accounts as follows:

Demand accounts:	
Recorded	\$ 2,471,876
Reconciling items	500
	<u>2,472,376</u>
Money market accounts:	
Recorded	253,778,674
Reconciling items	39,940
	<u>253,818,614</u>
Total Bank Balances	\$ <u>256,290,990</u>

These deposits were covered by Federal Deposit Insurance or by collateral held by a third party in the Board's name as follows:

Insured	\$ 750,000
Collateralized	<u>255,540,990</u>
Total Bank Balances	\$ <u>256,290,990</u>

D. Treasury Notes

At December 31, 2016, the Board's investment in U.S. Treasury Notes, recorded at cost, totaled \$41,902,072. These Notes are available-for-sale and have a market value of \$41,929,612. These notes mature January 31, 2017, with interest credited June 2016 and January 2017.

BOARD OF LIQUIDATION, CITY DEBT  
NOTES TO FINANCIAL STATEMENTS-MODIFIED CASH BASIS  
(Continued)  
DECEMBER 31, 2016

E. Annual and Sick Leave

All present employees of the Board are permitted to accumulate annual and sick leave. Upon termination of employment, an employee is paid for their accumulated annual leave based on their current hourly rate of pay, and for their accumulated sick leave on a formula basis. If termination is the result of retirement, the employee has the option of converting their accrued sick leave to additional years of service.

As described in Note B, the Board's financial statements are prepared on the modified cash basis of accounting; accordingly, the Board's liability for annual and sick leave is not reflected in the accompanying financial statements.

F. Pension Plan

Employees of the Board are covered under the Employee's Retirement System of the City of New Orleans, a single-employer, and contributory defined benefit pension plan (the "Plan"). The Plan issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. This report may be obtained by writing the Plan at:

System Administrator  
Employee's Retirement System of the City of New Orleans  
1300 Perdido Street  
New Orleans, Louisiana 70131

Under this plan, employees with thirty years of service, or who attain age sixty with ten years of service, or age sixty-five and five years of service are entitled to a retirement allowance. The retirement allowance consists of an annuity, which is the actuarial equivalent of the employees' accumulated contribution, plus an annual pension, which, together with the annuity, provides a total retirement allowance equal to 2.5% to 4% of average compensation times the number of years of service. The maximum pension may not exceed 100% of average compensation. Pension amounts are reduced for service retirement prior to age sixty-two. Average compensation is defined as average earned annual compensation for the highest sixty consecutive months of service. Mandatory retirement age is seventy.

BOARD OF LIQUIDATION, CITY DEBT  
NOTES TO FINANCIAL STATEMENTS-MODIFIED CASH BASIS  
(Continued)  
DECEMBER 31, 2016

Pension Plan (Continued)

Pension benefits vest at age sixty or after completion of ten years of service. The Employees' Pension Plan also provides death and disability benefits.

Employees contributed 6% of their salary in 2016. Employer contributions to the plan are based upon the amount necessary to fund normal cost and amortization of past service costs over a period of thirty years, using the level percentage of payroll method. During the year, the Board's contribution to the Plan was 22.512% of covered salaries and totaled \$51,705. These disbursements are included in 'Personal Services' in the accompanying financial statements.

As described in Note B, the Board's financial statements are prepared on the modified cash basis of accounting; accordingly, the Board's pension related assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with any net pension liabilities are not reflected in the accompanying financial statements.

G. Gulf Opportunity Tax Credit Bond Loan Program

On July 19, 2006 the Board entered into Cooperative Endeavor Agreements with the State of Louisiana to secure proceeds from the State's Gulf Opportunity Tax Credit Bond Loan Program. These agreements are intended for the following purposes:

- Paying debt service of the City on outstanding debt for general obligation and special limited tax bonds.
- Paying outstanding debt for special tax bonds of the:
  - o Downtown Development District,
  - o Sewerage & Water Board of New Orleans, and
  - o Paying outstanding sewerage revenue and water revenue bonds of the Sewerage & Water Board.

BOARD OF LIQUIDATION, CITY DEBT  
NOTES TO FINANCIAL STATEMENTS-MODIFIED CASH BASIS  
(Continued)  
DECEMBER 31, 2016

Gulf Opportunity Tax Credit Bond Loan Program (Continued)

The loan proceeds were distributed to the Bank of New York, the Board's paying agent, as debt service maturities became payable. Once transferred, the debt service payments were made and the loan proceeds were recorded as loans payable in the appropriate custodial accounts.

These loans matured on July 15, 2012, at which time the borrower applied for a five year deferment, which was denied by the Louisiana Office of Administration. All borrowers have elected to make semi-annual payments in accordance with the fifteen year debt service schedule that ends on July 15, 2026. The interest rate on these loans is 4.64%.

In July 2006 \$24,713,549 was borrowed to make fiscal year 2006 debt service payments for general obligation bonds. The balance payable as of December 31, 2016 is \$18,258,317.

In July 2006 \$2,903,660 was borrowed to make the debt service payment that was due September 1, 2006 and March 1, 2007 debt service payment for the City of New Orleans Limited Tax bonds. The balance payable as of December 31, 2016 is \$2,145,218.

In July 2006 the Downtown Development District borrowed \$1,600,153 to make the debt service payments due on December 1, 2006, June 1, 2007, December 1, 2007, June 1, 2008, December 1, 2008 and June 1, 2009. The balance payable as of December 31, 2016 is \$1,182,189.

In July 2006, the Sewerage & Water Board of New Orleans borrowed \$77,465,247. \$45,965,247 was used to make debt service payments on the Drainage System Special Tax Bonds, Sewerage Service Revenue and Water Revenue Bonds that were due on December 1, 2006, June 1, 2007, December 1, 2007, June 1, 2008, and \$31,500,000 was used to make a partial payment on the maturing Sewerage Service Revenue Bond Anticipation Notes that matured on July 26, 2006. As of December 31, 2016 the balance payable is \$57,231,159.

BOARD OF LIQUIDATION, CITY DEBT  
NOTES TO FINANCIAL STATEMENTS-MODIFIED CASH BASIS  
(Continued)  
DECEMBER 31, 2016

Gulf Opportunity Tax Credit Bond Loan Program (Continued)

Maturity of long-term debt at December 31, 2016 is as follows:

Year ended	Debt Administration	Sewerage and Water Board	Downtown Development District	Total
December 31,				
2017	\$ 1,649,631	\$ 4,627,153	\$ 95,580	\$ 6,372,364
2018	1,726,173	4,841,852	100,015	6,668,040
2019	1,806,268	5,066,514	104,656	6,977,438
2020	1,890,079	5,301,601	109,512	7,301,192
2021	1,977,778	5,547,595	114,593	7,639,966
Thereafter	<u>11,353,606</u>	<u>31,846,444</u>	<u>657,833</u>	<u>43,857,883</u>
Total	<u>\$20,403,535</u>	<u>\$57,231,159</u>	<u>\$1,182,189</u>	<u>\$78,816,883</u>

Changes in long-term debt for the year ended December 31, 2016 is as follows:

	Debt Administration	Sewerage and Water Board	Downtown Development District	Total
Beginning				
Balance	\$21,980,017	\$61,653,132	\$1,273,531	\$84,906,680
Payments	<u>1,576,482</u>	<u>4,421,973</u>	<u>91,342</u>	<u>6,089,797</u>
Ending				
Balance	<u>\$20,403,535</u>	<u>\$57,231,159</u>	<u>\$1,182,189</u>	<u>\$78,816,883</u>

H. Bond Sales

On September 28, 2016, the City of New Orleans, through the Board of Liquidation, City Debt, issued \$55,125,000 General Obligation Refunding Bonds, Series 2016, for the purpose of refunding a portion of its outstanding general obligation bonds outstanding at September 28, 2016. Net proceeds from the issuance of the refunding bonds including a net original issue premium of \$6,006,909, and debt service funds in the amount of \$3,493,287 held at the Board were placed in an irrevocable escrow account and invested in a State and Local Government Security (SLGS) and open market securities that, together with interest earned thereon, will provide amounts sufficient for the payment of all principal and interest on the refunded bonds. Accordingly, the escrow account and the refunded bonds are not included in these financial statements.

BOARD OF LIQUIDATION, CITY DEBT  
NOTES TO FINANCIAL STATEMENTS-MODIFIED CASH BASIS  
(Continued)  
DECEMBER 31, 2016

Bond Sales (Continued)

On November 16, 2016, the City of New Orleans, through the Board of Liquidation, City Debt, issued \$70,000,000 Taxable Public Improvement Bonds, Issue of 2016, at a discount of \$283,957 below par. The bonds were closed on December 8, 2016, with \$69,716,275 of net bond proceeds transferred to the Treasury Department of the City of New Orleans. Debt service is due on June 1, and December 1, of each year.

I. Total (Memorandum Only) Columns

The total columns are captioned "memorandum only" because they do not represent consolidated financial information and are presented only to make financial analysis easier. Data in these columns do not present financial position in accordance with the other comprehensive basis of accounting disclosed in Note B. Inter-fund eliminations have not been made in the aggregation of this data.



**REQUIRED SUPPLEMENTAL INFORMATION - PART II**

BOARD OF LIQUIDATION, CITY DEBT  
DEBT ADMINISTRATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PENSION CONTRIBUTIONS - MODIFIED CASH BASIS  
EMPLOYEE'S RETIREMENT SYSTEM OF THE CITY OF NEW ORLEANS  
LAST TWO YEARS

	<u>2016</u>	<u>2015</u>
Statutorily required contributions	\$ 51,705	\$ 66,262
Contributions in relation to the statutorially required contributions	<u>(51,705)</u>	<u>(66,262)</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>
Covered-employee payroll during the year	\$ 229,678	\$ 293,480
Contributions as a percent of covered-employee payroll	22.512%	22.578%

Notes:

Employer contributions to the plan are based upon the amount necessary to fund normal cost and amortization of past service costs over a period of thirty years, using the level percentage of payroll method.

Information related to 2014 through 2007 is not available.

This page intentionally left blank.

## **SUPPLEMENTAL INFORMATION**

BOARD OF LIQUIDATION, CITY DEBT  
DEBT ADMINISTRATION  
COMBINING SCHEDULE OF ASSETS, LIABILITIES AND NET POSITION - MODIFIED CASH BASIS  
DECEMBER 31, 2016

	General Obligation Bonds	Capital Improvement Limited Tax	Drainage System Bonds 6 mill	Drainage System Bonds 9 mill
<u>ASSETS</u>				
Cash	\$ 1,393,858	\$ 4,613	\$ 80	\$ 23,905
Money market accounts	30,587,456	2,322,648	0	74,304
U.S. Treasury Notes-cost	41,902,072	0	0	0
<i>Total Assets</i>	<u>\$ 73,883,386</u>	<u>\$ 2,327,261</u>	<u>\$ 80</u>	<u>\$ 98,209</u>
<u>LIABILITES AND NET POSITION</u>				
Liabilities:				
Interest payable	\$ 37,389	\$ 0	\$ 80	\$ 5,755
Principal payable	58,300	0	0	18,150
Tax Credit Bond loan payable	18,258,317	2,145,218	0	0
<i>Total Liabilites</i>	<u>18,354,006</u>	<u>2,145,218</u>	<u>80</u>	<u>23,905</u>
Net Position:				
Reserve funds	37,853,638	0	0	0
Debt service funds	17,675,742	182,043	0	74,304
<i>Total Net Position</i>	<u>55,529,380</u>	<u>182,043</u>	<u>0</u>	<u>74,304</u>
<i>Total Liabilities and Net Position</i>	<u>\$ 73,883,386</u>	<u>\$ 2,327,261</u>	<u>\$ 80</u>	<u>\$ 98,209</u>

Water Revenue Bonds	Sewerage Service Revenue Bonds	Sewerage & Water Board Matured Bonds	Audubon Park Commission Bonds	Downtown Develop- ment District Tax Bonds	Defeased Bonds	Total
\$ 7,562	\$ 8,401	\$ 37,142	\$ 710	\$ 2,124	\$ 57,946	\$ 1,536,341
16,750,099	30,390,931	0	0	258,506	0	80,383,944
0	0	0	0	0	0	41,902,072
<u>\$ 16,757,661</u>	<u>\$ 30,399,332</u>	<u>\$ 37,142</u>	<u>\$ 710</u>	<u>\$ 260,630</u>	<u>\$ 57,946</u>	<u>\$ 123,822,357</u>
\$ 2,506	\$ 810	\$ 12,142	\$ 710	\$ 0	\$ 27,221	\$ 86,613
5,000	5,000	25,000	0	0	30,725	142,175
0	0	0	0	0	0	20,403,535
<u>7,506</u>	<u>5,810</u>	<u>37,142</u>	<u>710</u>	<u>0</u>	<u>57,946</u>	<u>20,632,323</u>
13,473,550	18,615,642	0	0	231,030	0	70,173,860
3,276,605	11,777,880	0	0	29,600	0	33,016,174
16,750,155	30,393,522	0	0	260,630	0	103,190,034
<u>\$ 16,757,661</u>	<u>\$ 30,399,332</u>	<u>\$ 37,142</u>	<u>\$ 710</u>	<u>\$ 260,630</u>	<u>\$ 57,946</u>	<u>\$ 123,822,357</u>

BOARD OF LIQUIDATION, CITY DEBT  
ACCOUNT OF SEWERAGE & WATER BOARD OF NEW ORLEANS  
COMBINING SCHEDULE OF ASSETS, LIABILITIES AND  
NET POSITION - MODIFIED CASH BASIS  
DECEMBER 31, 2016

	Construction & Extention Fund 2 mill	Drainage System Fund 3 mill	Drainage System Fund 6 mill
<u>ASSETS</u>			
Cash	\$ 14,126	\$ 1,241	\$ 30,933
Money market accounts	0	7,646,027	2,525,703
<i>Total Assets</i>	<u>\$ 14,126</u>	<u>\$ 7,647,268</u>	<u>\$ 2,556,636</u>
<u>LIABILITES AND NET POSITION</u>			
Liabilities:			
Tax Credit Bond loan payable	\$ 0	\$ 0	\$ 0
Net Position:			
Custodial fund (deficit)	<u>14,126</u>	<u>7,647,268</u>	<u>2,556,636</u>
<i>Total Liabilities and Net Position</i>	<u>\$ 14,126</u>	<u>\$ 7,647,268</u>	<u>\$ 2,556,636</u>

Drainage System Fund 9 mill	Water Revenue Bond Proceeds	Sewerage Service Revenue Bond Proceeds	Total
\$ 301,166	\$ 141,570	\$ 437,580	\$ 926,616
7,050,441	96,269,534	53,790,043	167,281,748
<u>\$ 7,351,607</u>	<u>\$ 96,411,104</u>	<u>\$ 54,227,623</u>	<u>\$ 168,208,364</u>
\$ 3,202,774	\$ 5,029,027	\$ 48,999,358	\$ 57,231,159
4,148,833	91,382,077	5,228,265	110,977,205
<u>4,148,833</u>	<u>91,382,077</u>	<u>5,228,265</u>	<u>110,977,205</u>
\$ 7,351,607	\$ 96,411,104	\$ 54,227,623	\$ 168,208,364
<u>\$ 7,351,607</u>	<u>\$ 96,411,104</u>	<u>\$ 54,227,623</u>	<u>\$ 168,208,364</u>



BOARD OF LIQUIDATION, CITY DEBT  
ACCOUNT OF DOWNTOWN DEVELOPMENT DISTRICT OF NEW ORLEANS  
COMBINING SCHEDULE OF ASSETS, LIABILITIES AND  
NET POSITION - MODIFIED CASH BASIS  
DECEMBER 31, 2016

	Special Tax Fund	DDD Bond Proceeds	Total
<u>ASSETS</u>			
Cash	\$ 6,346	\$ 1,481	\$ 7,827
Money market accounts	3,792,331	0	3,792,331
<i>Total Assets</i>	<u>\$ 3,798,677</u>	<u>\$ 1,481</u>	<u>\$ 3,800,158</u>
<u>LIABILITIES AND NET POSITION</u>			
Liabilities:			
Tax Credit Bond loan payable	\$ 1,182,189	\$ 0	\$ 1,182,189
Net Position:			
Custodial funds	<u>2,616,488</u>	<u>1,481</u>	<u>2,617,969</u>
<i>Total Liabilities and Net Position</i>	<u>\$ 3,798,677</u>	<u>\$ 1,481</u>	<u>\$ 3,800,158</u>

BOARD OF LIQUIDATION, CITY DEBT  
ACCOUNT OF AUDUBON PARK COMMISSION OF NEW ORLEANS  
COMBINING SCHEDULE OF ASSETS AND  
NET POSITION - MODIFIED CASH BASIS  
DECEMBER 31, 2016

	Aquarium Tax Fund	Special Tax Fund	Total
	<hr/>	<hr/>	<hr/>
<u>ASSETS</u>			
Cash	\$ 1,046	\$ 46	\$ 1,092
	<hr/>	<hr/>	<hr/>
<u>NET POSITION</u>	\$ 1,046	\$ 46	\$ 1,092
	<hr/>	<hr/>	<hr/>

BOARD OF LIQUIDATION, CITY DEBT  
ACCOUNTS OF SPECIAL TAXING DISTRICTS OF NEW ORLEANS  
COMBINING SCHEDULE OF ASSETS AND  
NET POSITION - MODIFIED CASH BASIS  
DECEMBER 31, 2016

	Garden District Security Tax District	Huntington Park Subdivision Improvement District	Kingswood Subdivision Improvement District	Lake Barrington Subdivision Improvement District	Lake Bullard Neighborhood Improvement District	Lake Carmel Subdivision Improvement District
<u>ASSETS</u>						
Money market accounts	\$ 889,766	\$ 23,953	\$ 137,952	\$ 64,108	\$ 62,892	\$ 91,753
<u>NET POSITION</u>	\$ 889,766	\$ 23,953	\$ 137,952	\$ 64,108	\$ 62,892	\$ 91,753

Lake Forest Estates Improvement District	Lake Oaks Subdivision Improvement District	McKendall Estates Neighborhood Improvement District	Spring Lake Improvement District	Touro- Boulogny Security District	Twinbrook Security District	Upper Hurstville Security District	Total
\$ 104,508	\$ 69,392	\$ 72,310	\$ 67,544	\$ 425,005	\$ 175,179	\$ 136,289	\$ 2,320,651
\$ 104,508	\$ 69,392	\$ 72,310	\$ 67,544	\$ 425,005	\$ 175,179	\$ 136,289	\$ 2,320,651

BOARD OF LIQUIDATION, CITY DEBT  
DEBT ADMINISTRATION  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS AND  
CHANGES IN NET POSITION - MODIFIED CASH BASIS  
YEAR ENDED DECEMBER 31, 2016

	General Obligation Bonds	Capital Improvement Limited Tax	Drainage System Bonds 9 mill
<u>RECEIPTS</u>			
Ad valorem taxes - Current year	\$ 80,796,366	\$ 3,859,319	\$ 0
Ad valorem taxes - Prior years	3,251,746	0	0
Bond proceeds	130,394,865	0	0
Bond proceeds - Cost of issuance	378,688	0	0
Debt service funds	0	0	2,397,075
Debt service funds - Federal subsidy - Taxable Build America Bonds	975,320	0	0
Interest on investments	424,406	0	0
Excess reserve and debt service funds	0	0	0
<i>Total Receipts</i>	<u>216,221,391</u>	<u>3,859,319</u>	<u>2,397,075</u>
<u>DISBURSEMENTS</u>			
Interest on bonds	46,628,196	432,676	367,050
Interest on bonds - Tax Credit Bond Loan	1,019,873	0	160,091
Principal on bonds	23,783,779	3,459,135	1,650,000
Principal on bonds - Tax Credit Bond Loan	1,410,731	165,751	247,463
Purchase escrow securities	64,172,109	0	0
Administrative Expenses - LADEQ	0	0	0
Personal services	468,858	0	0
Contractual services	88,095	0	0
Office expenses	32,927	0	0
Funds returned to City of New Orleans, Sewerage & Water Board, and Audubon Park Commission	69,716,275	0	0
Cost of issuance	607,164	0	0
<i>Total Disbursements</i>	<u>207,928,007</u>	<u>4,057,562</u>	<u>2,424,604</u>
Excess of Receipts Over (Under) Disbursements	8,293,384	(198,243)	(27,529)
<u>OTHER SOURCES (USES)</u>			
Change in accrued liabilities: Tax Credit Bond Loan payments	<u>1,410,731</u>	<u>165,751</u>	<u>0</u>
Change in Net Position	9,704,115	(32,492)	(27,529)
Net Position at:			
Beginning of Year	45,825,265	214,535	101,833
End of Year	<u>\$ 55,529,380</u>	<u>\$ 182,043</u>	<u>\$ 74,304</u>

Water Revenue Bonds	Sewerage Service Revenue Bonds	Audubon Park Commission Bonds	Audubon Park Commission Aquarium Bonds	Downtown Development District Tax Bonds	Defeased Bonds	Total
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 84,655,685
0	0	0	0	0	0	3,251,746
0	0	0	0	0	0	130,394,865
0	2,275	0	0	0	0	380,963
11,457,106	31,758,418	383,980	3,822,900	592,617	3,540,662	53,952,758
0	0	0	0	0	0	975,320
0	0	0	0	0	0	424,406
125,005	201,748	131	0	578	0	327,462
11,582,111	31,962,441	384,111	3,822,900	593,195	3,540,662	274,363,205
9,897,220	11,725,350	18,980	942,900	114,302	2,650,662	72,777,336
251,376	2,449,238	0	0	59,092	0	3,939,670
325,000	12,852,000	365,000	2,880,000	330,000	890,000	46,534,914
388,568	3,785,942	0	0	91,342	0	6,089,797
0	0	0	0	0	0	64,172,109
0	38,775	0	0	0	0	38,775
0	0	0	0	0	0	468,858
0	0	0	0	0	0	88,095
0	0	0	0	0	0	32,927
204,936	276,461	307,258	0	578	0	70,505,508
112,635	191,200	0	0	0	0	910,999
11,179,735	31,318,966	691,238	3,822,900	595,314	3,540,662	265,558,988
402,376	643,475	(307,127)	0	(2,119)	0	8,804,217
0	0	0	0	0	0	1,576,482
402,376	643,475	(307,127)	0	(2,119)	0	10,380,699
16,347,779	29,750,047	307,127	0	262,749	0	92,809,335
\$ 16,750,155	\$ 30,393,522	\$ 0	\$ 0	\$ 260,630	\$ 0	\$ 103,190,034

BOARD OF LIQUIDATION, CITY DEBT  
ACCOUNT OF SEWERAGE & WATER BOARD OF NEW ORLEANS  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS AND  
CHANGES IN NET POSITION - MODIFIED CASH BASIS  
YEAR ENDED DECEMBER 31, 2016

	Construction & Extention Fund 2 mill	Drainage System Fund 3 mill	Drainage System Fund 6 mill
<u>RECEIPTS</u>			
Ad valorem taxes - Current year	\$ 0	\$ 14,765,105	\$ 14,923,299
Ad valorem taxes - Prior years	7,526	608,349	615,027
Bond proceeds - Cost of issuance	0	0	0
Revenue sharing - State of Louisiana	0	563,032	0
Interest on investments	0	31,557	27,155
Reimbursement from FEMA	0	0	0
Excess reserve and debt service funds	0	0	0
<i>Total Receipts</i>	<u>7,526</u>	<u>15,968,043</u>	<u>15,565,481</u>
<u>DISBURSEMENTS</u>			
Warrants	0	8,719,657	17,544,866
Debt service	0	0	0
<i>Total Disbursements</i>	<u>0</u>	<u>8,719,657</u>	<u>17,544,866</u>
Excess of Receipts Over (Under) Disbursements	7,526	7,248,386	(1,979,385)
<u>OTHER SOURCES (USES)</u>			
Change in accrued liabilities: Tax Credit Bond Loan payments	<u>0</u>	<u>0</u>	<u>0</u>
Change in Net Position	7,526	7,248,386	(1,979,385)
Net Position at:			
Beginning of Year	6,600	398,882	4,536,021
End of Year	<u>\$ 14,126</u>	<u>\$ 7,647,268</u>	<u>\$ 2,556,636</u>

Drainage System Fund 9 mill	Water Revenue Bond Proceeds	Sewerage Service Revenue Bond Proceeds	Total
\$ 22,369,444	\$ 0	\$ 0	\$ 52,057,848
921,804	0	0	2,152,706
0	82,304	78,814	161,118
0	0	0	563,032
69,397	843,180	426,922	1,398,211
0	6,040,917	6,507,506	12,548,423
0	113,970	172,554	286,524
<u>23,360,645</u>	<u>7,080,371</u>	<u>7,185,796</u>	<u>69,167,862</u>
22,919,268	26,086,784	56,056,349	131,326,924
2,397,075	2,250,695	1,300,287	5,948,057
<u>25,316,343</u>	<u>28,337,479</u>	<u>57,356,636</u>	<u>137,274,981</u>
(1,955,698)	(21,257,108)	(50,170,840)	(68,107,119)
247,463	388,568	3,785,942	4,421,973
(1,708,235)	(20,868,540)	(46,384,898)	(63,685,146)
5,857,068	112,250,617	51,613,163	174,662,351
<u>\$ 4,148,833</u>	<u>\$ 91,382,077</u>	<u>\$ 5,228,265</u>	<u>\$ 110,977,205</u>



BOARD OF LIQUIDATION, CITY DEBT  
ACCOUNT OF DOWNTOWN DEVELOPMENT DISTRICT OF NEW ORLEANS  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS AND  
CHANGES IN NET POSITION - MODIFIED CASH BASIS  
YEAR ENDED DECEMBER 31, 2016

	Special Tax Fund	DDD Bond Proceeds	Total
<u>RECEIPTS</u>			
Ad valorem taxes - Current year	\$ 6,885,193	\$ 0	\$ 6,885,193
Ad valorem taxes - Prior years	207,111	0	207,111
Interest on investments	22,269	0	22,269
Excess reserve and debt service funds	0	578	578
<i>Total Receipts</i>	<u>7,114,573</u>	<u>578</u>	<u>7,115,151</u>
<u>DISBURSEMENTS</u>			
Warrants	6,280,430	0	6,280,430
Debt service	592,617	0	592,617
<i>Total Disbursements</i>	<u>6,873,047</u>	<u>0</u>	<u>6,873,047</u>
Excess of Receipts Over (Under) Disbursements	<u>241,526</u>	<u>578</u>	<u>242,104</u>
<u>OTHER SOURCES</u>			
Change in accrued liabilities: Tax Credit Bond Loan payments	<u>91,342</u>	<u>0</u>	<u>91,342</u>
Change in Net Position	332,868	578	333,446
Net Position at:			
Beginning of Year	2,283,620	903	2,284,523
End of Year	<u>\$ 2,616,488</u>	<u>\$ 1,481</u>	<u>\$ 2,617,969</u>

BOARD OF LIQUIDATION, CITY DEBT  
ACCOUNT OF AUDUBON PARK COMMISSION OF NEW ORLEANS  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS AND  
CHANGES IN NET POSITION - MODIFIED CASH BASIS  
YEAR ENDED DECEMBER 31, 2016

	Aquarium Tax Fund	Special Tax Fund	Total
<u>RECEIPTS</u>			
Ad valorem taxes - Current year	\$ 9,473,497	\$ 1,013,921	\$ 10,487,418
Ad valorem taxes - Prior years	390,037	41,801	431,838
Excess reserve and debt service funds	0	307,257	307,257
<i>Total Receipts</i>	<u>9,863,534</u>	<u>1,362,979</u>	<u>11,226,513</u>
<u>DISBURSEMENTS</u>			
Warrants	6,040,000	979,258	7,019,258
Debt service	3,822,900	383,980	4,206,880
<i>Total Disbursements</i>	<u>9,862,900</u>	<u>1,363,238</u>	<u>11,226,138</u>
Change in Net Position	634	(259)	375
Net Position at:			
Beginning of Year	412	305	717
End of Year	<u>\$ 1,046</u>	<u>\$ 46</u>	<u>\$ 1,092</u>

BOARD OF LIQUIDATION, CITY DEBT  
ACCOUNTS OF SPECIAL TAXING DISTRICTS OF NEW ORLEANS  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS AND  
CHANGES IN NET POSITION - MODIFIED CASH BASIS  
YEAR ENDED DECEMBER 31, 2016

	Garden District Security Tax District	Huntington Park Subdivision Improvement District	Kingswood Neighborhood Improvement District	Lake Barrington Subdivision Improvement District	Lake Bullard Neighborhood Improvement District	Lake Carmel Subdivision Improvement District
<u>RECEIPTS</u>						
Ad valorem taxes - Current year	\$ 800,047	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Ad valorem taxes - Prior years	10,551	0	0	0	0	0
Fee - Current year	0	31,185	73,929	66,528	68,558	80,439
Fee - Prior year	0	5,123	7,390	6,163	2,475	8,702
Interest on investments	2,807	67	370	179	193	264
<i>Total Receipts</i>	<u>813,405</u>	<u>36,375</u>	<u>81,689</u>	<u>72,870</u>	<u>71,226</u>	<u>89,405</u>
<u>DISBURSEMENTS</u>						
Warrants	<u>880,000</u>	<u>28,000</u>	<u>80,000</u>	<u>57,500</u>	<u>80,000</u>	<u>75,000</u>
Change in Net Position	(66,595)	8,375	1,689	15,370	(8,774)	14,405
Net Position at:						
Beginning of Year	<u>956,361</u>	<u>15,578</u>	<u>136,263</u>	<u>48,738</u>	<u>71,666</u>	<u>77,348</u>
End of Year	<u>\$ 889,766</u>	<u>\$ 23,953</u>	<u>\$ 137,952</u>	<u>\$ 64,108</u>	<u>\$ 62,892</u>	<u>\$ 91,753</u>

Lake Forest Estates Improvement District	Lake Oaks Subdivision Improvement District	McKendall Estates Neighborhood Improvement District	Spring Lake Improvement District	Touro- Bouligny Security District	Twinbrook Security District	Upper Hurstville Security District	Total
\$ 0	\$ 0	\$ 0	\$ 0	\$ 333,543	\$ 0	\$ 0	\$ 1,133,590
0	0	0	0	7,791	0	0	18,342
61,422	109,296	32,670	37,903	0	245,470	212,172	1,019,572
2,881	1,188	495	1,386	0	2,351	401	38,555
274	210	191	156	1,077	599	435	6,822
64,577	110,694	33,356	39,445	342,411	248,420	213,008	2,216,881
83,420	99,000	25,000	30,000	240,000	235,000	175,000	2,087,920
(18,843)	11,694	8,356	9,445	102,411	13,420	38,008	128,961
123,351	57,698	63,954	58,099	322,594	161,759	98,281	2,191,690
\$ 104,508	\$ 69,392	\$ 72,310	\$ 67,544	\$ 425,005	\$ 175,179	\$ 136,289	\$ 2,320,651

BOARD OF LIQUIDATION, CITY DEBT  
SCHEDULE OF BOND SALES  
YEAR ENDED DECEMBER 31, 2016

**Taxable Public Improvement Bonds, Issue of 2016**

Sold: November 16, 2016      Delivered: December 8, 2016

Bonds Dated: December 8, 2016, and due December 1, 2017 through December 1, 2046

Average life of issue: 18.372 years

Net Interest Cost: 4.398%

True Interest Cost: 4.363%

Sold to: Morgan Stanley & Co., Inc.

Sources:

Bond Proceeds	\$ 70,000,000
Interest on Good Faith Deposit	232
Underwriters Discount	(283,957)
Total	<u><u>\$ 69,716,275</u></u>

Uses:

Proceeds transferred to City of New Orleans	<u><u>\$ 69,716,275</u></u>
---	-----------------------------

Bonds Proceeds transferred to City of New Orleans Treasury Department  
on December 8, 2016.

**General Obligation Refunding Bonds, Series 2016**

Sold: September 15, 2016      Delivered: September 28, 2016

Bonds Dated: September 28, 2016, and due December 1, 2017 through December 1, 2036

Average life of issue: 11.731 years

Net Interest Cost: 2.907%

True Interest Cost: 2.723%

Sold to: Bank of America Merrill Lynch

Sources:

Bond Proceeds	\$ 55,125,000
Net Original Issue Premium	6,006,909
Debt Service Funds	3,493,287
Total	<u><u>\$ 64,625,196</u></u>

Uses:

SLGS Purchases	3,493,287
Open Market Securities Purchases	60,678,822
Cost of Issuance	378,688
Underwriters Discount	74,399
Total	<u><u>\$ 64,625,196</u></u>

This page intentionally left blank.

BOARD OF LIQUIDATION, CITY DEBT  
SCHEDULE OF BONDED DEBT ADMINISTERED BY THE BOARD OF LIQUIDATION, CITY DEBT  
DECEMBER 31, 2016

	Date of Bonds	Final Serial Maturity	Average Annual Interest Cost
<u>GENERAL OBLIGATION BONDS (Note B.)</u>			
General Obligation Refunding Bonds, Series 1991 (Notes C. and D.)	Sep. 1, 1991	Sep. 1, 2018	7.071%
General Obligation Refunding Bonds, Series 1998 (Note D.)	Dec. 1, 1998	Dec. 1, 2021	4.948%
Public Improvement Bonds, Issue of 2007A	Dec. 14, 2007	Dec. 1, 2036	5.086%
Public Improvement Bonds, Issue of 2010A Taxable Build America Bonds	Jan. 19, 2010	Dec. 1, 2039	8.405%
Taxable Public Improvement Bonds, Issue of 2013A	March 1, 2013	Dec. 1, 2042	4.680%
Taxable Public Improvement Bonds, Issue of 2014A	Jan. 21, 2014	Dec. 1, 2043	5.901%
Taxable Public Improvement Bonds, Issue of 2015A	April 29, 2015	Dec. 1, 2044	4.215%
Taxable Public Improvement Bonds, Issue of 2016	Dec. 8, 2016	Dec. 1, 2046	4.363%
General Obligation Refunding Bonds, Series 2012	Aug. 28, 2012	Dec. 1, 2033	3.231%
General Obligation Refunding Bonds, Series 2015	Nov. 24, 2015	Dec. 1, 2034	2.667%
General Obligation Refunding Bonds, Series 2016	Sept. 28, 2016	Dec. 1, 2036	2.723%
<u>LIMITED TAX BONDS (Note E.)</u>			
Refunding Bonds, Series 2015A	Feb. 26, 2015	Sept. 1, 2021	1.845%
Tax Bonds, Series 2015B	Feb. 26, 2015	Sept. 1, 2021	2.310%
<u>DRAINAGE SYSTEM SPECIAL TAX BONDS (Note F.)</u>			
Drainage System Bonds, Series 2014 (9 mill)	Nov. 20, 2014	Dec. 1, 2022	1.888%
<u>SEWERAGE SERVICE REVENUE BONDS (Note G.)</u>			
Bond Series 2014	July 2, 2014	June 1, 2044	3.858%
Bond Series 2015	Dec. 17, 2015	June 1, 2045	4.060%
<u>SEWERAGE SERVICE REVENUE SUBORDINATE BONDS (Note G.)</u>			
LA Department of Environmental Quality Revolving Loan Series 2011	Nov. 22, 2011	Nov. 1, 2032	0.950%

See accompanying notes.

Principal due 2017	Interest due 2017	Debt Service due 2017	Amount Outstanding (Note A.)
\$ 4,118,227	\$ 21,321,773	\$ 25,440,000	\$ 7,957,123
3,460,000	2,436,225	5,896,225	44,295,000
1,945,000	97,250	2,042,250	1,945,000
875,000	2,936,202	3,811,202	35,350,000
840,000	1,695,617	2,535,617	37,625,000
675,000	2,159,675	2,834,675	37,955,000
1,255,000	2,634,766	3,889,766	63,795,000
1,405,000	2,761,742	4,166,742	70,000,000
4,580,000	7,648,950	12,228,950	154,395,000
6,630,000	3,168,875	9,798,875	69,120,000
915,000	2,147,975	3,062,975	55,125,000
<u>\$ 26,698,227</u>	<u>\$ 49,009,050</u>	<u>\$ 75,707,277</u>	<u>\$ 577,562,123</u>
\$ 2,476,902	\$ 237,807	\$ 2,714,709	\$ 12,885,765
1,050,821	126,281	1,177,102	5,466,728
<u>\$ 3,527,723</u>	<u>\$ 364,088</u>	<u>\$ 3,891,811</u>	<u>\$ 18,352,493</u>
<u>\$ 1,690,000</u>	<u>\$ 334,050</u>	<u>\$ 2,024,050</u>	<u>\$ 11,100,000</u>
\$ 12,970,000	\$ 6,339,825	\$ 19,309,825	\$ 135,335,000
0	5,000,000	5,000,000	100,000,000
<u>\$ 12,970,000</u>	<u>\$ 11,339,825</u>	<u>\$ 24,309,825</u>	<u>\$ 235,335,000</u>
<u>\$ 427,000</u>	<u>\$ 69,664</u>	<u>\$ 496,664</u>	<u>\$ 7,333,000</u>



BOARD OF LIQUIDATION, CITY DEBT  
SCHEDULE OF BONDED DEBT ADMINISTERED BY THE BOARD OF LIQUIDATION, CITY DEBT  
(CONTINUED)  
DECEMBER 31, 2016

	Date of Bonds	Final Serial Maturity	Average Annual Interest Cost
<u>WATER REVENUE BONDS (Note H.)</u>			
Series 2014	Jul. 2, 2014	Dec. 1, 2044	4.429%
Series 2015	Dec. 17, 2015	Dec. 1, 2045	4.052%
<u>AUDUBON PARK COMMISSION AQUARIUM BONDS 3.8 MILL (Note I.)</u>			
Bond Series 2011A-1	Sept. 22, 2011	Oct. 1, 2021	3.085%
<u>DOWNTOWN DEVELOPMENT DISTRICT TAX BONDS 22.97 MILL (Note J.)</u>			
Limited Tax Bonds Series 2012	June 13, 2012	Dec. 1, 2026	2.680%

See accompanying notes.

Principal due 2017	Interest due 2017	Debt Service due 2017	Amount Outstanding (Note A.)
\$ 2,540,000	\$ 5,160,000	\$ 7,700,000	\$ 103,200,000
0	4,940,550	4,940,550	100,000,000
<u>\$ 2,540,000</u>	<u>\$ 10,100,550</u>	<u>\$ 12,640,550</u>	<u>\$ 203,200,000</u>
<u>\$ 3,025,000</u>	<u>\$ 798,900</u>	<u>\$ 3,823,900</u>	<u>\$ 16,615,000</u>
<u>\$ 345,000</u>	<u>\$ 105,458</u>	<u>\$ 450,458</u>	<u>\$ 3,935,000</u>

BOARD OF LIQUIDATION, CITY DEBT  
SCHEDULE OF BONDED DEBT ADMINISTERED BY THE BOARD OF LIQUIDATION, CITY DEBT  
(CONTINUED)  
DECEMBER 31, 2016

	Date of Bonds	Date of Defeasance	Date of Calls or Final Maturity
<u>DEFEASED BONDS - DEBT SERVICE</u>			
<u>GUARANTEED BY ESCROW AGREEMENTS</u>			
GENERAL OBLIGATION BONDS - DEFEASED (Note K.)			
Public Improvement Bonds, Issue of 2007	Dec. 14, 2007	Sept. 28, 2016	Dec. 1, 2017
SEWERAGE & WATER BOARD OF NEW ORLEANS - DEFEASED (Note L.)			
Sewerage Service Revenue Bonds, Series 2009	July 14, 2009	July 2, 2014	Jun. 1, 2019

See accompanying notes.

Principal due 2017	Interest due 2017	Debt Service due 2017	Amount Outstanding (Note A.)
<u>\$ 60,105,000</u>	<u>\$ 3,066,075</u>	<u>\$ 63,171,075</u>	<u>\$ 60,105,000</u>
<u>\$ 940,000</u>	<u>\$ 1,066,713</u>	<u>\$ 2,006,713</u>	<u>\$ 17,960,000</u>

BOARD OF LIQUIDATION, CITY DEBT  
NOTES TO SCHEDULE OF BONDED DEBT ADMINISTERED  
BY THE BOARD OF LIQUIDATION, CITY DEBT  
DECEMBER 31, 2016

- A. Amount Outstanding - Amount excludes balances recorded as liabilities in the Combining Statement of Assets, Liabilities and Net Position - Modified Cash Basis
- B. General Obligation Bonds - Legal Debt Limit: \$1,445,295,996; Debt Service Coverage: Unlimited Ad Valorem Tax Levy; Reserve Fund: Sufficient to cover 1/2 of the high year's Principal and Interest due.
- C. General Obligation Bonds, Series 1991 - Portions of these series were refunded in 1998 and 2002. The debt service is guaranteed by escrow agreements.
- D. General Obligation Refunding Bonds, Series 1998 - A portion of these Issues Refunded in 2012. The debt service is guaranteed by escrow agreements.
- E. Limited Tax Bonds - The debt service coverage is a tax yield of 100% of the debt service due.
- F. Drainage System Bonds (9 mill) - The debt service coverage is a tax yield of 1105% of the debt service due.
- G. Sewerage Service Revenue Bonds - Debt Service Coverage: The Sewerage and Water Board of New Orleans adopted a new Sewerage Service Revenue General Bond Resolution on May 21, 2014, and approved by the Board of Liquidation, City Debt, on May 29, 2014. LADEQ Sewerage Service Subordinate Revenue Bonds, Series 2011 payable May and November as loan proceeds drawn not to exceed \$9,000,000 from the Louisiana State Revolving Loan Program. Effective November 1, 2014, as a result of loan proceeds being drawn in full, the repayment of the LADEQ Bonds, Series 2011, will follow a fixed debt service schedule. On December 31, 2016, the outstanding bonds totalled \$7,333,000. The issuance of Sewerage Service Revenue and Refunding Bonds, Series 2014 on June 18, 2014, resulted in 1) the LADEQ Sewerage Service Subordinate Revenue Bonds, Series 2011, were elevated to parity status 2) the rate covenant net revenues shall be sufficient in each tested fiscal year to be at least equal to each of the following: (A) 125% of the annual debt service with respect to senior debt for such fiscal year; and (B) 110% of the aggregate annual debt service with respect to senior debt and subordinate debt for such fiscal year. In all cases, annual debt service related to the Cooperative Endeavor Agreement GO Zone Indebtedness and all Department of Public Works payments shall be excluded from the foregoing calculations. 3) The common debt service reserve requirement shall mean, for all common debt service reserve secured bonds, the least of (i) 10% of the aggregate original stated principal amount of all common debt service reserve secured bonds (ii) the maximum amount of aggregate annual debt service on all common debt service reserve secured bonds in any fiscal year, or (iii) 125% of average aggregate annual debt service on all common debt service reserve secured bonds.

BOARD OF LIQUIDATION, CITY DEBT  
NOTES TO SCHEDULE OF BONDED DEBT ADMINISTERED  
BY THE BOARD OF LIQUIDATION, CITY DEBT  
(CONTINUED)  
DECEMBER 31, 2016

- H. Water Revenue Bonds - Debt Service Coverage: The Sewerage and Water Board of New Orleans adopted a new Water Revenue General Bond Resolution on May 21, 2014, and approved by the Board of Liquidation, City Debt, on May 29, 2014. The issuance of Water Revenue and Refunding Bonds, Series 2014 on June 18, 2014, resulted in 1) Net Revenues shall be sufficient in each Tested Fiscal Year to be at least equal to each of the following: (A) 125% of the annual debt service with respect to senior debt for such fiscal year; and (B) 110% of the aggregate annual debt service with respect to senior debt and subordinate debt for such fiscal year. The rate covenant net revenues, excluding transfers from the rate stabilization fund to the revenue fund and the proceeds of grants, in each tested fiscal year shall at least equal 100% of annual debt service on senior debt and subordinate debt for such fiscal year. In all cases, the annual debt service related to the CEA GO Zone indebtedness and all DPW Payments shall be excluded from the foregoing calculations. 2) The common debt service reserve requirement shall mean, for all common debt service reserve secured bonds, the least of (i) 10% of the aggregate original stated principal amount of all common debt service reserve secured bonds (provided that if any common debt service reserve secured bonds have more than a de minimis (2%) amount of original issue discount or premium, the issue price of such Common Debt Service Reserve Secured Bonds (net of pre-issuance accrued interest) is used to measure the 10% limitation in lieu of its stated principal amount), (ii) the maximum amount of aggregate annual debt service on all common debt service reserve secured bonds in any fiscal year, or (iii) 125% of average aggregate annual debt service on all common debt service reserve secured bonds.
- I. Audubon Park Commission 3.8 Mill Bonds - Debt Service Coverage: 2016 tax yield 248% of debt service due. Reserve Fund: None.
- J. Downtown Development District Bonds - Debt Service Coverage: 2016 tax yield 1,528% of debt service due. Reserve Fund: Sufficient to cover 1/2 of the high year's principal and interest due. This issue was used to refund the outstanding portion of Downtown Development District Bonds, Series 2001.
- K. Public Improvement Bonds, Series 2007: Only a portion were refunded in 2016. Defeased bonds are not obligations of the City of New Orleans.
- L. Sewerage Service Revenue Bonds: Only a portion were refunded and the other portion was defeased in 2014. Defeased bonds are not obligations of the City of New Orleans.

BOARD OF LIQUIDATION, CITY DEBT  
SCHEDULE OF DEDICATED AD VALOREM TAX MILLAGE  
AVAILABLE FOR SERVICING BONDED DEBT  
DECEMBER 31, 2016

	<u>1993</u> through <u>2002</u>
<u>DEBT SERVICE</u>	26.90
<u>CAPITAL IMPROVEMENT LIMITED TAX (Note B.)</u>	2.50
<u>SEWERAGE &amp; WATER BOARD (Note C):</u>	
Construction & Extension of Sewerage, Water & Drainage System (Tax expired 12/31/91)	N/A
Operation, Maintenance and Construction & Extension of Drainage System	6.40
Operation, Maintenance and Construction of Drainage System	6.48
Operation, Maintenance and Construction of Drainage System	9.71
<u>AUDUBON PARK COMMISSION:</u>	
Audubon Park Zoo	0.44
Audubon Park Aquarium	4.11
<u>DOWNTOWN DEVELOPMENT DISTRICT</u>	15.90

See accompanying notes.

Millage (Note A.)					
2003 through <u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	2010 through <u>2017</u>
28.40	38.20	31.70	23.80	23.80	25.50
2.50	2.50	2.50	1.82	1.82	1.82
N/A	N/A	N/A	N/A	N/A	N/A
6.40	6.40	6.40	4.66	4.54	4.66
6.48	6.48	6.48	4.71	4.60	4.71
9.71	9.71	9.71	7.06	6.89	7.06
0.44	0.44	0.44	0.32	0.32	0.32
4.11	4.11	4.11	2.99	2.99	2.99
15.90	15.90	15.90	14.76	14.76	14.76



BOARD OF LIQUIDATION, CITY DEBT  
NOTES TO SCHEDULE OF DEDICATED AD VALOREM TAX MILLAGE  
AVAILABLE FOR SERVICING OF BONDED DEBT  
DECEMBER 31, 2016

- A. Millage is approved in December of each year by the City Council of New Orleans for the new tax year.
- B. The 2.5 mills for Capital Improvement Limited Tax is in effect for the first time in 1996.
- C. The Sewerage & Water Board Drainage System Fund 3 Mill Tax was renewed on December 10, 2016 for 30 years.

BOARD OF LIQUIDATION, CITY DEBT  
SEWERAGE & WATER BOARD MATURED BONDS - DEBT ADMINISTRATION  
COMBINING SCHEDULE OF ASSETS AND LIABILITIES - MODIFIED CASH BASIS  
DECEMBER 31, 2016

	Sewerage, Water & Drainage Bonds 2 mill *	Drainage System Bonds 3 mill 6.40	Total
<u>ASSETS</u>			
Cash	\$ 30,243	\$ 6,899	\$ 37,142
<u>LIABILITIES</u>			
Interest payable	\$ 10,243	\$ 1,899	\$ 12,142
Principal payable	20,000	5,000	25,000
<i>Total Liabilities</i>	\$ 30,243	\$ 6,899	\$ 37,142

\* Tax expired December 31, 1991.

This page intentionally left blank.

BOARD OF LIQUIDATION, CITY DEBT  
 DEFEASED BONDS - DEBT ADMINISTRATION COMBINING SCHEDULE  
 OF ASSETS, LIABILITIES, RECEIPTS AND DISBURSEMENTS - MODIFIED CASH BASIS  
 DECEMBER 31, 2016

	General Obligation Bonds	Sewerage Service Revenue Bonds	Water Revenue Bonds	Audubon Park Commission Improve- ment Bonds	Total
<u>RECEIPTS</u>					
Debt service funds	\$ 1,533,037	\$ 2,007,625	\$ 0	\$ 0	\$ 3,540,662
<u>DISBURSEMENTS</u>					
Interest on bonds	\$ 1,533,037	\$ 1,117,625	\$ 0	\$ 0	\$ 2,650,662
Principal on bonds	0	890,000	0	0	890,000
Total Disbursements	\$ 1,533,037	\$ 2,007,625	\$ 0	\$ 0	\$ 3,540,662
<u>ASSETS</u>					
Cash	\$ 33,612	\$ 14,320	\$ 7,795	\$ 2,219	\$ 57,946
<u>LIABILITIES</u>					
Interest payable	\$ 15,422	\$ 1,785	\$ 7,795	\$ 2,219	\$ 27,221
Principal payable	18,190	12,535	0	0	30,725
Total Liabilities	\$ 33,612	\$ 14,320	\$ 7,795	\$ 2,219	\$ 57,946

BOARD OF LIQUIDATION, CITY DEBT  
SCHEDULE OF ITEMIZED DISBURSEMENTS - INTEREST, PREMIUM AND PRINCIPAL PAID  
FOR THE YEAR ENDED DECEMBER 31, 2016

	Interest Paid	
	Debt Service Fund	Federal Subsidy Taxable BAB
<b>BONDS</b>		
<u>GENERAL OBLIGATION BONDS</u>		
Public Improvement Bonds, Issue of 2007A	\$ 1,723,538	\$ 0
Public Improvement Bonds, Issue of 2010A BABs	2,016,230	975,320
Taxable Public Improvement Bonds, Issue of 2013A	1,720,067	0
Taxable Public Improvement Bonds, Issue of 2014A	2,179,475	0
Taxable Public Improvement Bonds, Issue of 2015A	2,682,966	0
General Obligation Refunding Bonds, Series 1991	21,026,221	0
General Obligation Refunding Bonds, Series 1998	2,615,525	0
General Obligation Refunding Bonds, Series 2012	7,824,750	
General Obligation Refunding Bonds, Series 2015	3,488,208	
General Obligation Refunding Bonds, Series 2016	375,896	0
<i>Total General Obligation Bonds</i>	<u>45,652,876</u>	<u>975,320</u>
<u>SPECIAL TAX BONDS</u>		
Limited Tax Bonds, Series 2015A	282,777	0
Taxable Limited Tax Bonds, Series 2015B	149,898	0
<i>Total Limited Tax Bonds</i>	<u>432,675</u>	<u>0</u>
<u>SEWER &amp; WATER BOARD SPECIAL TAX BONDS</u>		
Drainage System Bonds, Series 2014	<u>367,050</u>	<u>0</u>
<u>SEWER &amp; WATER BOARD REVENUE BONDS</u>		
Sewerage Service Revenue Bonds, Series 2014	6,912,675	0
Sewerage Service Revenue Bonds, Series 2015	4,777,778	
Water Revenue Bonds, Series 2014	5,176,250	
Water Revenue Bonds, Series 2015	4,720,970	0
<i>Total Sewer &amp; Water Board Revenue Bonds</i>	<u>21,587,673</u>	<u>0</u>
<u>SEWERAGE &amp; WATER BOARD SUBORDINATE REVENUE BONDS</u>		
Sewerage Revenue Subordinate Bonds, Series 2011	<u>73,672</u>	<u>0</u>
<u>AUDUBON COMMISSION SPECIAL TAX BONDS</u>		
Audubon Park Commission Improvement Bonds, Series 1997	18,980	0
Audubon Park Commission Aquarium Bonds, Series 2011A-2	942,900	0
<i>Total Audubon Park Commission Bonds</i>	<u>961,880</u>	<u>0</u>
<u>DOWNTOWN DEVELOPMENT DISTRICT SPECIAL TAX BONDS</u>		
Downtown Development District Special Tax Bonds, Series 2012	<u>114,302</u>	<u>0</u>
<b>DEFEASED BONDS</b>		
<u>GENERAL OBLIGATION DEFEASED BONDS</u>		
Public Improvement Bonds, Issue of 2007	1,533,037	0
<i>Total General Obligation Defeased Bonds</i>	<u>\$ 1,533,037</u>	<u>\$ 0</u>

	Principal Paid	
Total Interest	Debt Service Fund	Total Interest, Premium and Principal
\$ 1,723,538	\$ 1,865,000	\$ 3,588,538
2,991,550	845,000	3,836,550
1,720,067	815,000	2,535,067
2,179,475	660,000	2,839,475
2,682,966	1,205,000	3,887,966
21,026,221	4,418,779	25,445,000
2,615,525	3,260,000	5,875,525
7,824,750	4,395,000	12,219,750
3,488,208	6,320,000	9,808,208
375,896	0	375,896
46,628,196	23,783,779	70,411,975
282,777	2,436,752	2,719,529
149,898	1,022,383	1,172,281
432,675	3,459,135	3,891,810
367,050	1,650,000	2,017,050
6,912,675	12,430,000	19,342,675
4,777,778	0	4,777,778
5,176,250	325,000	5,501,250
4,720,970	0	4,720,970
21,587,673	12,755,000	34,342,673
73,672	422,000	495,672
18,980	365,000	383,980
942,900	2,880,000	3,822,900
961,880	3,245,000	4,206,880
114,302	330,000	444,302
1,533,037	0	1,533,037
\$ 1,533,037	\$ 0	\$ 1,533,037

BOARD OF LIQUIDATION, CITY DEBT  
SCHEDULE OF ITEMIZED DISBURSEMENTS-INTEREST, PREMIUM AND PRINCIPAL PAID  
(CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2016

	Debt Service Fund	Interest Paid Federal Subsidy Taxable BAB
<u>SEWER &amp; WATER BOARD REVENUE BONDS</u>		
Sewerage Service Revenue Bonds, Series 2009	\$ 1,117,625	\$ 0
<i>Total Itemized Disbursements-Interest, Principal and Premium Paid excluding GO Zone Loan Payments</i>	<u>71,840,790</u>	<u>975,320</u>
<b>GO ZONE LOAN PAID TO LA DEPARTMENT OF ADMINISTRATION</b>		
<u>GENERAL OBLIGATION BONDS</u>		
General Obligation Bonds	<u>1,019,873</u>	<u>0</u>
<u>SPECIAL TAX BONDS</u>		
Limited Tax Bonds, Series 2005	<u>0</u>	<u>0</u>
<u>SEWER &amp; WATER BOARD SPECIAL TAX BONDS</u>		
Drainage System Bonds, Series 1998	56,921	0
Drainage System Bonds, Series 2002	103,170	0
Total Drainage System 9 mill bonds	<u>160,091</u>	<u>0</u>
<u>SEWER &amp; WATER BOARD REVENUE BONDS</u>		
Sewerage Service Revenue Bonds, Series 1997	185,338	0
Sewerage Service Revenue Bonds, Series 1998	146,347	0
Sewerage Service Revenue Bonds, Series 2000	103,401	0
Sewerage Service Revenue Bonds, Series 2000B	124,115	0
Sewerage Service Revenue Bonds, Series 2001	196,066	0
Sewerage Service Revenue Bonds, Series 2002	328,412	0
Sewerage Service Revenue Bonds, Series 2003	18,360	0
Sewerage Service Revenue Bonds, Series 2004	183,939	0
Sewerage Service Revenue Refunding BANS, Series 2005	1,163,260	0
Total Sewerage Service Revenue Bonds	<u>2,449,238</u>	<u>0</u>
Water Revenue Bonds, Series 1998	91,676	0
Water Revenue Bonds, Series 2002	159,700	0
Total Water Revenue Bonds	<u>251,376</u>	<u>0</u>
<u>DOWNTOWN DEVELOPMENT DISTRICT SPECIAL TAX BONDS</u>		
Downtown Development District Special Tax Bonds	<u>59,092</u>	<u>0</u>
<i>Total GO Zone Paid to LA Department of Administration</i>	<u>3,939,670</u>	<u>0</u>
<i>Total Itemized Disbursements-Interest, Principal and Premium Paid</i>	<u><u>\$ 75,780,460</u></u>	<u><u>\$ 975,320</u></u>

	Principal Paid	
Total Interest	Debt Service Fund	Total Interest, Premium and Principal
\$ 1,117,625	\$ 890,000	\$ 2,007,625
72,816,110	46,534,914	119,351,024
1,019,873	1,410,731	2,430,604
0	165,751	165,751
56,921	87,987	144,908
103,170	159,476	262,646
160,091	247,463	407,554
185,338	286,488	471,826
146,347	226,218	372,565
103,401	159,833	263,234
124,115	191,853	315,968
196,066	303,072	499,138
328,412	507,648	836,060
18,360	28,380	46,740
183,939	284,326	468,265
1,163,260	1,798,124	2,961,384
2,449,238	3,785,942	6,235,180
91,676	141,709	233,385
159,700	246,859	406,559
251,376	388,568	639,944
59,092	91,342	150,434
3,939,670	6,089,797	10,029,467
\$ 76,755,780	\$ 52,624,711	\$ 129,380,491



**PACIERA, GAUTREAU & PRIEST, LLC**

**CERTIFIED PUBLIC ACCOUNTANTS**

3209 RIDGELAKE DRIVE, SUITE 200

METAIRIE, LA 70002

(504) 486-5573

FAX (504) 486-6091

www.pgpcpa.com

KIRTH M. PACIERA, C.P.A.  
RENE G. GAUTREAU, C.P.A.  
TIMOTHY L. PRIEST, C.P.A.

MEMBERS OF  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

SIDNEY T. SPILSBURY, C.P.A.  
(1905-1985)  
KEITH T. HAMILTON, C.P.A.  
(1932-2003)  
LEROY P. LEGENDRE, C.P.A.  
(Retired)

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

Mrs. Mary K. Zervigon, President, and Members  
Board of Liquidation, City Debt  
New Orleans, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Board of Liquidation, City Debt as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Board of Liquidation, City Debt's basic financial statements, and have issued our report thereon dated March 21, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Board of Liquidation, City Debt's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board of Liquidation, City Debt's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board of Liquidation, City Debt's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *signification 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.

Mrs. Mary K. Zervigon, President, and Members  
Board of Liquidation, City Debt

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

#### Compliance and Other Matters

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

#### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Metairie, Louisiana

March 21, 2017