

In the opinion of Co-Bond Counsel, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; it should be noted, however, that for the purpose of computing the alternative minimum tax imposed on certain corporations, such interest is taken into account in determining adjusted current earnings. Under the Act, the Bonds and the income therefrom are exempt from all taxation by the State of Louisiana or any political subdivision thereof. See "TAX EXEMPTION" herein and the proposed form of the opinion of Co-Bond Counsel attached as Appendix "H" hereto.

\$75,440,000
CITY OF NEW ORLEANS, LOUISIANA
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015

Dated: Date of Delivery

Due: December 1, as shown on inside cover

The referenced General Obligation Refunding Bonds, Series 2015 (the "Bonds") of the City of New Orleans, Louisiana (the "City" or "Issuer") are being initially issued as fully registered bonds without coupons in denominations of \$5,000 each, or any integral multiple thereof within a single maturity, and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. **Purchasers of the Bonds will not receive certificates representing their interest in the Bonds purchased.** Purchases of the Bonds may be made only in book-entry form in authorized denominations by credit to participating broker-dealers and other institutions on the books of DTC as described herein. Principal of and interest on the Bonds will be payable by U.S. Bank National Association, Nashville, Tennessee, or any successor paying agent (the "Paying Agent"), to DTC, which will remit such payments in accordance with its normal procedures, as described herein. Interest on the Bonds is payable on June 1, 2016, and semiannually thereafter on December 1 and June 1 of each year. See Appendix "J" - Book-Entry Only System.

The Bonds maturing on December 1, 2026, and thereafter, shall at the option of the Issuer, acting through the Board of Liquidation, City Debt (the "Board of Liquidation") be subject to redemption, prior to their stated maturities, on and after December 1, 2025, in whole or in part at any time, and if less than a full maturity, then by lot within such maturity at a redemption price equal to the principal net amount of the Bonds to be redeemed plus accrued interest to the redemption date. Any Bonds made the subject of such call or calls shall be redeemed at the principal amount thereof plus accrued interest to the date fixed for redemption. The Bonds are not required to be redeemed in inverse order of maturity.

The Bonds are general obligations of the City, for which the full faith and credit of the City is pledged, and are secured by and payable from ad valorem taxes upon all the property subject to such taxation within the City in an amount sufficient to pay the principal of and the interest on the Bonds.

The Maturity Schedule for the Bonds appears on the inside cover hereof.

The Bonds are offered when, as and if issued and received by the Underwriters subject to the joint approving opinion of Foley & Judell, L.L.P., New Orleans, Louisiana; McKee Law Firm, L.L.C., New Orleans, Louisiana; and Haley Law Firm, L.L.C., New Orleans, Louisiana, Co-Bond Counsel. Public Financial Management, Inc., Memphis, Tennessee, and CLB Porter, L.L.C., New Orleans, Louisiana, serve as independent Co-Municipal Advisors to the Issuer. Certain matters will be passed upon for the Issuer by Beirne, Maynard and Parsons, L.L.P., New Orleans, Louisiana, counsel to the Board of Liquidation, and for the Underwriter by its Counsel, Dentons US LLP, New Orleans, Louisiana. It is expected that the Bonds in definitive form will be available for delivery to DTC in New York, New York, on or about November 24, 2015, against payment therefor.

The date of this Official Statement is November 5, 2015. This cover page contains information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

J.P. Morgan

Citigroup
Raymond James

Loop Capital Markets
Wells Fargo Securities

\$75,440,000
CITY OF NEW ORLEANS, LOUISIANA
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015

MATURITY SCHEDULE
(Base CUSIP No. 64763F)

| Due | | Interest | | | |
|---------------|---------------|-----------------|--------------|--------------|---------------|
| Dec. 1 | Amount | Rate | Yield | Price | CUSIPs |
| 2016 | \$6,320,000 | 4.000% | 0.60% | 103.450 | UX5 |
| 2017 | 6,630,000 | 4.000 | 0.95 | 106.086 | UY3 |
| 2018 | 6,910,000 | 4.000 | 1.19 | 108.309 | UZ0 |
| 2019 | 7,190,000 | 4.000 | 1.43 | 110.003 | VA4 |
| 2020 | 7,490,000 | 5.000 | 1.73 | 115.655 | VB2 |
| 2021 | 7,855,000 | 5.000 | 2.02 | 116.810 | VC0 |
| 2022 | 3,480,000 | 5.000 | 2.25 | 117.763 | VD8 |
| 2023 | 3,670,000 | 5.000 | 2.49 | 118.144 | VE6 |
| 2024 | 3,870,000 | 5.000 | 2.72 | 118.126 | VF3 |
| 2025 | 4,075,000 | 5.000 | 2.87 | 118.432 | VG1 |
| 2026 | 4,290,000 | 5.000 | 2.97* | 117.480 | VH9 |
| 2027 | 4,520,000 | 5.000 | 3.10* | 116.256 | VJ5 |
| 2028 | 2,470,000 | 4.000 | 3.31* | 105.842 | VK2 |
| 2029 | 2,570,000 | 5.000 | 3.26* | 114.770 | VL0 |
| 2030 | 750,000 | 3.500 | 3.57 | 99.191 | VM8 |
| 2031 | 785,000 | 3.625 | 3.67 | 99.457 | VN6 |
| 2032 | 815,000 | 3.625 | 3.69 | 99.183 | VP1 |
| 2033 | 855,000 | 3.750 | 3.80 | 99.351 | VQ9 |
| 2034 | 895,000 | 3.750 | 3.82 | 99.059 | VR7 |

* Priced to December 1, 2025 par call.

CUSIP Numbers © Copyright 2015, American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by S&P Capital IQ., a part of the McGraw-Hill Companies, Inc. The Issuer takes no responsibility for the accuracy of the CUSIP numbers, which are included solely for the convenience of the owners of the Bonds. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions.

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE CITY OF NEW ORLEANS, LOUISIANA (THE “CITY”), THE BOARD OF LIQUIDATION, CITY DEBT (THE “BOARD OF LIQUIDATION”) OR THE UNDERWRITERS LISTED ON THE FRONT COVER (COLLECTIVELY, THE “UNDERWRITERS”) TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE BONDS OR THE MATTERS DESCRIBED HEREIN, OTHER THAN THOSE CONTAINED IN THIS OFFICIAL STATEMENT, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE CITY OR THE BOARD OF LIQUIDATION. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, NOR SHALL THERE BE ANY SALE OF THE BONDS, BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE. THE INFORMATION SET FORTH HEREIN CONCERNING THE DEPOSITORY TRUST COMPANY (“DTC”) HAS BEEN FURNISHED BY DTC, AND NO REPRESENTATION IS MADE BY THE CITY OR THE BOARD OF LIQUIDATION AS TO THE COMPLETENESS OR ACCURACY OF SUCH INFORMATION. ALL OTHER INFORMATION SET FORTH HEREIN HAS BEEN OBTAINED FROM THE CITY AND OTHER SOURCES WHICH ARE BELIEVED TO BE RELIABLE BUT IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS. THE INFORMATION AND EXPRESSIONS OF OPINION CONTAINED HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE MATTERS DESCRIBED HEREIN SINCE THE DATE HEREOF. THIS OFFICIAL STATEMENT IS SUBMITTED IN CONNECTION WITH THE SALE OF THE BONDS REFERRED TO HEREIN AND MAY NOT BE REPRODUCED OR USED, IN WHOLE OR IN PART, FOR ANY OTHER PURPOSE. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE A CONTRACT BETWEEN THE CITY OR THE BOARD OF LIQUIDATION AND ANY ONE OR MORE OF THE PURCHASERS OR REGISTERED OWNERS OF THE BONDS.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE BOND RESOLUTION BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATIONS OF THE CITY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

THE UNDERWRITERS HAVE REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH AND AS PART OF THEIR RESPONSIBILITY TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITERS DO NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

BY ITS PURCHASE OF THE BONDS, AN INVESTOR IS ACKNOWLEDGING THAT IT HAS REVIEWED ALL THE INFORMATION IT DEEMS NECESSARY TO MAKE AN INFORMED DECISION, AND THAT IT IS NOT RELYING ON ANY REPRESENTATION OF THE UNDERWRITERS OR ANY OF ITS OFFICERS, REPRESENTATIVES, AGENTS OR DIRECTORS IN REACHING ITS DECISION TO PURCHASE BONDS.

THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS EITHER IN BOUND PRINTED FORM (“ORIGINAL BOUND FORMAT”) OR IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITES www.munideals.com and <http://www.bolcd.com>. THIS OFFICIAL STATEMENT MAY BE RELIED UPON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT OR AS PRINTED IN ITS ENTIRETY DIRECTLY FROM SUCH WEBSITES.

Cautionary Statements Regarding Forward-Looking Statements in this Official Statement

This Official Statement is marked with a dated date and speaks only as of that dated date. Readers are cautioned not to assume that any information has been updated beyond the dated date except as to any portion of the Official Statement that expressly states that it constitutes an update concerning specific recent events occurring after the dated date of the Official Statement. Any information contained in the portion of the Official Statement indicated to concern recent events speaks only as of its date. The City and the Board of Liquidation expressly disclaim any duty to provide an update of any information contained in this Official Statement, except as agreed upon by said parties pursuant to the Form of Continuing Disclosure Certificate included herein as Appendix “I”.

The information contained in this Official Statement may include forward looking statements by using forward-looking words such as “may,” “will,” “should,” “expects,” “believes,” “anticipates,” “estimates,” “budgets” or others. The reader is cautioned that forward-looking statements are subject to a variety of uncertainties that could cause actual results to differ from the projected results. Those risks and uncertainties include general economic and business conditions, and various other factors which are beyond the control of the City and the Board of Liquidation.

This Official Statement contains projections of revenues, expenditures and other matters. Because the City and the Board of Liquidation cannot predict all factors that may affect future decisions, actions, events or financial circumstances, what actually happens may be different from what is included in forward-looking statements.

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CITY OF NEW ORLEANS, LOUISIANA

MAYOR

Mitchell J. Landrieu

CITY COUNCIL

Jason R. Williams, *Councilmember at Large, President*
Stacy S. Head, *Councilmember at Large, Vice-President*
Susan G. Guidry, *Councilmember District "A"*
LaToya Cantrell, *Councilmember District "B"*
Nadine M. Ramsey, *Councilmember District "C"*
Jared C. Brossett, *Councilmember District "D"*
James Austin Gray II, *Councilmember District "E"*

BOARD OF LIQUIDATION, CITY DEBT

Mary K. Zervigon, President

Richard P. Wolfe, Vice President

Mitchell J. Landrieu, *ex officio*

Jason R. Williams, *ex officio*

Alan C. Arnold

Henry F. O'Connor, Jr.

Stacy S. Head, *ex officio*

W. Raymond Manning

Mark M. Moody

David W. Gernhauser, *Secretary*

CONSULTANTS AND ADVISORS

Co-Bond Counsel

Foley & Judell, L.L.P.

McKee Law Firm, LLC

Haley Law Firm, L.L.C.

Co-Municipal Advisors

Public Financial Management, Inc.

C. Lyle Barney & Company

Legal Counsel, Board of Liquidation, City Debt

Beirne, Maynard & Parsons, L.L.P.

Auditors for the City of New Orleans

Postlethwaite & Netterville, APAC

Auditors for the Board of Liquidation, City Debt

Paciera, Gautreau & Priest, LLC

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OFFICIAL STATEMENT

\$75,440,000

CITY OF NEW ORLEANS, LOUISIANA

GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015

INTRODUCTORY STATEMENT

This Official Statement of the City of New Orleans, Louisiana (either the “Issuer,” the “City” or “New Orleans”) is provided to furnish information with respect to the referenced Bonds (the “Bonds”). The Bonds are being issued pursuant to a resolution adopted by the Board of Liquidation, City Debt (the “Board of Liquidation”) on October 21, 2015 (the “Bond Resolution”) and a Certificate of Determination executed by the President and Secretary of the Board of Liquidation on November 5, 2015.

The descriptions and summaries of the City, the Board of Liquidation, the Bonds, the Bond Resolution and various documents hereinafter set forth do not purport to be comprehensive or definitive and are qualified by reference to such entity, act, resolution, ordinance, document or instrument so referred to or summarized.

Additional information about the City and the Parish of Orleans (the “Parish”) is included in Appendix “B” hereto. The Comprehensive Annual Financial Report of the City for the year ended December 31, 2014 can be viewed using the links included in Appendix “C” hereto. The Summary Budget of the City for the year ending December 31, 2015 is included in Appendix “D” hereto. Audited financial statements of the Board of Liquidation for the year ended December 31, 2014 are included in Appendix “E” hereto. The form of legal opinion of Foley & Judell, L.L.P., McKee Law Firm, L.L.C and Haley Law Firm, L.L.C. (collectively, “Co-Bond Counsel”), is included in Appendix “H” hereto.

Maps indicating the general location of the City in the State of Louisiana (the “State”) are included before Appendix “A” hereto.

Reference in this Official Statement to owner, holder, registered owner, Bondholder or Bond owner means the registered owner of the Bonds determined in accordance with the Bond Resolution.

This Official Statement contains information which has been furnished or obtained from the sources indicated. The factors affecting the City’s financial condition and the security for the Bonds are described throughout this Official Statement, which should be read in its entirety. The summaries of and references to all documents, statutes, reports and other instruments referred to herein do not purport to be complete and each such document, statute, report or instrument is qualified in its entirety by reference to each such document, statute, report or instrument, copies of which are available from the Board of Liquidation.

Authorization of Bonds

The Bonds are authorized and issued pursuant to Chapter 4, Part XIV of Title 39 of the Louisiana Revised Statutes of 1950, as amended (the “Act”) and Chapter 14-A, Title 39 of the Louisiana Revised Statutes of 1950, as amended.

The issuance, sale and delivery of the Bonds was approved by the City Council of New Orleans (the “City Council”), the governing authority of the Issuer, on September 3, 2015.

Board of Liquidation, City Debt; Administration of General Obligation Bonds

The Louisiana Legislature (the “Legislature”) created the Board of Liquidation pursuant to Act No. 133 of the 1880 Regular Session of the Legislature, as amended various times, most recently by Act 628 of the 1995 Regular Session of the Legislature, to provide security for the holders of general obligation debt of the City by having an independent body with exclusive control and direction of all matters related to general obligation bonded debt of the City. Under Louisiana law, the Board of Liquidation is responsible for separating and administering funds dedicated to the repayment of the general obligation debt from the operating budget of the City. All *ad valorem* taxes levied by the City Council in each year for the payment of general obligation bonds, such as the Bonds, when paid are transferred to the Board of Liquidation, which has responsibility for the deposit and investment of such tax receipts and the servicing of the outstanding general obligation bonds. Once the property tax dollars are received by the Board of Liquidation, they are irrevocably dedicated to repay debt service on the City’s general obligation bonds unless the obligation is otherwise discharged as provided by law.

PURPOSE OF ISSUE

The Bonds are being issued for the purpose of (i) refunding the Issuer’s outstanding Public Improvement Bonds, Issue of 2005A, dated May 24, 2005, and maturing December 1, 2016 to December 1, 2034 (the “2005A Bonds”), (ii) refunding the Issuer’s outstanding General Obligation Refunding Bonds, Series 2005, dated July 6, 2005 and maturing December 1, 2016 to December 1, 2029 (the “2005 GO Bonds,” and together with the 2005A Bonds, the “Refunded Bonds”), and (iii) paying the costs of issuance of the Bonds. The Refunded Bonds are described in Appendix “A” hereto.

PLAN OF REFUNDING

As a condition of the issuance of the Bonds, the Issuer has bound and obligated itself to:

(a) Deposit irrevocably in trust with U.S. Bank National Association (in such capacity, the “Escrow Agent”) under the terms and conditions of the Escrow Agreement, as described in the Bond Resolution, an amount of the proceeds derived from the issuance and sale of the Bonds, together with additional moneys of the Board of Liquidation, as will enable the Escrow Agent to pay and redeem the Refunded Bonds on December 28, 2015 (the “Redemption Date”). The moneys so deposited with the Escrow Agent shall constitute a trust fund (the “Escrow Fund”) irrevocably dedicated for the use and benefit of the owners of the Refunded Bonds. A portion of the moneys deposited in the Escrow Fund will be applied on the date of delivery of the Bonds to the purchase of a United States State and Local Government Series Obligation. Such obligation, together with the interest thereon and the cash on deposit in the Escrow Fund, will be sufficient to pay the entire outstanding principal of and interest accrued on the Refunded Bonds on the Redemption Date.

(b) Retain in a cost of issuance account such amount of the proceeds of the Bonds as will enable the Board to pay the Costs of Issuance and the costs properly attributable to the establishment and administration of the Escrow Fund.

SOURCES AND USES OF FUNDS

SOURCES

| | |
|--|------------------------|
| Bond Proceeds | \$75,440,000.00 |
| Original Issue Premium/Discount | 9,122,101.90 |
| Additional Funds of the Board of Liquidation | <u>6,730,912.97</u> |
| Total Sources | <u>\$91,293,014.87</u> |

USES

| | |
|---------------------------|------------------------|
| Deposit to Escrow Account | \$90,792,257.48 |
| Costs of Issuance* | <u>500,757.39</u> |
| Total Uses | <u>\$91,293,014.87</u> |

* Includes Underwriters' discount, financial advisory fees, legal and required fees and costs and other issuance costs.

SECURITY FOR THE BONDS

The Bonds are general obligations of the City and are payable from a special *ad valorem* tax, unlimited as to rate and amount, levied by the City on all property subject to taxation within the City. The Bonds are secured by a pledge of the full faith and credit of the City. The City Council is required under the Constitution and laws of the State to impose and collect annually, in excess of all other taxes, a tax on all property subject to taxation within the City sufficient to pay the principal of and interest and redemption premiums, if any, on all of the City's general obligation bonds in each year. This special tax, when collected, is immediately segregated and paid over to the Board of Liquidation to be used for the payment of debt service on the Bonds as set forth below. See Appendix "B" for more information regarding the assessed value of property in the City and the *ad valorem* tax collection record of the City.

Article VI, Section 33(B) of the Louisiana Constitution of 1974, as amended, provides as follows:

"Section 33. Political Subdivisions; General Obligation Bonds.

Section 33(B) Full Faith and Credit. The full faith and credit of a political subdivision is hereby pledged to the payment of general obligation bonds issued by it under this constitution or the statute or proceedings pursuant to which they are issued. The governing authority of the issuing political subdivision shall levy and collect or cause to be levied and collected on all taxable property in the political subdivision ad valorem taxes sufficient to pay principal and interest and redemption premiums, if any, on such bonds as they mature."

Section 39:1034 of the Louisiana Revised Statutes of 1950, as amended, provides as follows with respect to the City:

Section 1034. Authority to issue particular type bonds

A. General obligation bonds.

- (1) Authorization; election. Subject to the approval of the State Bond Commission, or its successor, general obligation bonds may be issued by the City if authorized by a majority of the electors of the City voting on the proposition(s) at an election called by ordinance or*

resolution adopted by affirmative vote of a majority of the members of the council and conducted substantially in accordance with the provisions of Chapter 6-A of Title 18 of the Louisiana Revised Statutes of 1950, as amended. Prior to the holding of any election to authorize the issuance of general obligation bonds, the ordinance or resolution of the council ordering and calling the election must be approved by resolution adopted by a majority of the members of the Board of Liquidation.

- (2) Debt limit. No general obligation bonds shall be issued by the City in an amount which shall exceed the limit of indebtedness provided for municipalities in R.S. 39:562(B), or five hundred million dollars, whichever is greater.*
- (3) Security. All general obligation bonds of the City shall be payable from ad valorem taxes levied by the council on all the property subject to taxation within the City sufficient in amount to pay principal and interest and redemption premiums, if any, thereon as they respectively become due and shall be additionally secured by a pledge of the full faith and credit of the City.*
- (4) Obligation to impose and collect taxes. The council shall impose and collect annually in excess of all other taxes, a tax on all the property subject to taxation within the City sufficient to pay the principal and interest and redemption premiums, if any, on all general obligation bonds in each year. All ad valorem taxes levied by the council in each year for the payment of general obligation bonds shall, upon their receipt, be transferred daily to the Board of Liquidation which shall have responsibility for the deposit of such receipts and for the investment and reinvestment of such receipts and the servicing of the outstanding general obligation bonds.*
- (5) Failure to collect taxes; default in collection. Should the council neglect or fail for any reason to impose or collect sufficient taxes for the payment of the principal or interest or redemption premiums, if any, on any general obligation bonds, any person in interest may enforce imposition and collection thereof in any court having jurisdiction of the subject matter, and any suit, action, or proceeding brought by such person in interest for such purpose shall be a preferred cause, and shall be heard by a court of competent jurisdiction and disposed of without delay. In the event of any default in the imposition and collection of any taxes required for the payment of the principal and interest and redemption premiums, if any, on any general obligation bonds, the Board of Liquidation shall, itself, by proper resolution, have the power to levy and collect the taxes required for the payment of principal and interest and redemption premiums, if any, and shall certify the rate and necessity therefor and cause the same to be imposed and collected at the same time and in the same manner as other taxes are imposed and collected in the City.*
- (6) Refunding bonds. The City and public entities are hereby authorized to issue refunding bonds for the purposes of refunding, readjusting, restructuring, refinancing, extending, or unifying the whole or any part of its outstanding bonds in an amount sufficient to provide the funds necessary to effectuate the purpose for which the refunding bonds are being issued and to pay all costs associated therewith. Such refunding bonds may be issued in accordance with the provisions of Chapter 14-A of Title 39 of the Louisiana Revised Statutes of 1950, except that in the case of refunding bonds which are general obligations of the City or are payable from limited or special ad valorem taxes, the Board of Liquidation shall be considered to be the governing body of the issuer where such term is used in connection with the issuance of the refunding bonds in said Chapter 14-A. In case of refunding bonds payable from sales tax revenues, the Board of Liquidation shall approve the issuance of such bonds by resolution adopted by affirmative vote of a majority of its members, and the Board of Liquidation shall sell such bonds. In those instances where the bonds being refunded were subject to the approval of the council, the resolution providing for the issuance of the refunding bonds shall be approved by resolution adopted by the affirmative vote of a majority of the members of the council.*

Upon delivery of the Bonds, the City will have \$554,505,902 of general obligation bonds outstanding.

Security Interest

The Bond Resolution provides for a pledge by the Issuer of the revenues of the unlimited *ad valorem* tax referenced above as security for the Bonds. Pursuant to the Louisiana Constitution, the proceeds of such tax may only be used to pay debt service on the Bonds. Pursuant to Section 39:1430.1 of the Louisiana Revised Statutes of 1950, as amended, the tax collections so pledged and then or thereafter received by the Issuer or paying agent shall be subject to a first priority lien in favor of bondholders, and no filing is required under Chapter 9 of the Uniform Commercial Code as enacted in the State for the perfection and priority of such pledge.

Millage Rate Setting and Procedures

The Board of Liquidation annually recommends to the City Council the property tax millage to be levied for the payment of debt service on the City's general obligation bonded indebtedness for the succeeding year. The Board of Liquidation's millage recommendation takes into consideration the debt service requirements on outstanding and proposed bonds, assessed valuations, net of homestead exemptions, and an assumed rate of property tax collections. The property tax levied for the purpose of paying debt service on the City's general obligation debt is separate from all other property taxes levied by the City Council and is dedicated solely for such purpose. All collections of the property tax dedicated to pay general obligation debt are required by statute to be paid over to the Board of Liquidation daily as collected by the City's Department of Finance. The Board of Liquidation is responsible for depositing, investing and reinvesting such receipts and for paying debt service on general obligation debt. In the event tax collections dedicated to the payment of debt service are insufficient therefor, the Board of Liquidation may use its available funds on hand and not dedicated to other purposes to pay debt service and is empowered to levy an additional tax to pay such deficiency. The Act provides that the Board of Liquidation shall be continued while any of the City's general obligation bonds are outstanding and unpaid and its powers with respect to payment of the general obligation bonds shall not be diminished.

For more detailed information on the assessment and collection procedures, see "SOURCE OF REVENUE" herein.

Estimated Millage Required to Service the Bonds

The Issuer levied 25.50 mills on the 2015 tax roll for interest and principal payments on its outstanding general obligation bonds, and the Board of Liquidation has recommended the same amount be levied on the 2016 tax roll (although the City Council is not required to officially levy such taxes until December 1, 2015). The Issuer estimates that this millage will be adequate and will produce sufficient revenue to service the Issuer's outstanding general obligation bonds and the Bonds. For additional information, see Appendix "G" hereto.

DESCRIPTION OF THE BONDS

Amount of Bonds Being Issued

Seventy-Five Million Four Hundred Forty Thousand Dollars (\$75,440,000) of General Obligation Refunding Bonds, Series 2015 of the Issuer are being issued.

Date of Issue

The Bonds are dated as of their date of delivery, which is anticipated to be on November 24, 2015.

Purchase of Bonds

The Bonds are being purchased by J.P. Morgan Securities LLC, as senior managing underwriter; Citigroup Global Markets Inc.; Loop Capital Markets, LLC; Raymond James & Associates, Inc. and Wells Fargo Securities as co-managing underwriters (collectively, the "Underwriters"). See "UNDERWRITING" herein.

Paying Agent

U.S. Bank National Association, in the City of Nashville, State of Tennessee (the "Paying Agent"), is designated as the initial paying agent for the bonds pursuant to the Bond Resolution.

Average Life

The average life of the Bonds is approximately 6.946 years from their dated date.

Form and Denominations

The Bonds are initially issuable as fully registered bonds in "book-entry" only form and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds, and purchasers of the Bonds will not receive certificates representing their interest in the Bonds purchased. (See "BOOK-ENTRY ONLY SYSTEM.") The Bonds are being issued in the denomination of Five Thousand Dollars (\$5,000) or any integral multiple thereof within a single maturity.

Maturities and Interest Payment Dates

The Bonds will mature on December 1 in the years and in the principal amounts indicated on the inside cover page of this Official Statement. Interest on the Bonds is payable on June 1 and December 1 of each year, commencing June 1, 2016 (each an "Interest Payment Date"), at the rates per annum indicated on the inside cover page hereof. The Bonds shall bear interest from the date thereof or from the most recent Interest Payment Date to which interest has been paid or duly provided for.

Redemption Provisions

The Bonds maturing on December 1, 2026, and thereafter, shall at the option of the Issuer, acting through the Board of Liquidation, be subject to redemption, prior to their stated maturities, on and after December 1, 2025, in whole or in part at any time, and if less than a full maturity, then by lot within such maturity at a redemption price equal to the principal net amount of the Bonds to be redeemed plus accrued interest to the redemption date. Any Bonds made the subject of such call or calls shall be redeemed at the principal amount thereof plus accrued interest to the date fixed for redemption.

In the event a Bond to be redeemed is of a denomination larger than \$5,000, a portion of such Bond (\$5,000 or any multiple thereof) may be redeemed. Notice of any such redemption shall be given by the Board of Liquidation to the Paying Agent at least thirty (30) days prior to the date fixed for redemption.

Notice of redemption shall be given by the Paying Agent by mailing a copy of the redemption notice by first class mail, postage prepaid, not less than thirty (30) days prior to the redemption date addressed to the registered owner of each bond to be redeemed in whole or in part at the address as shown on the registration books of the Paying Agent. Any such notice may be made contingent upon the deposit of funds to accomplish the redemption or rescinded by the Issuer at any time.

Bonds May Be Defeased

Pursuant to Chapter 14 of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and the Bond Resolution, the Bonds, in whole or in part, shall be defeased and shall be deemed to be paid and shall no longer be considered to be outstanding under the Bond Resolution, and the covenants, agreements, and obligations contained in the Bond Resolution with respect to such Bonds shall be discharged if one of the following shall occur:

- (1) There is deposited in an irrevocable trust with a bank which is a member of the Federal Deposit Insurance Corporation, or its successor, or with a trust company, monies in an amount sufficient to pay in full the principal of and interest and call premiums, if any, on such Bonds to their stated maturity or to the date fixed for their redemption if irrevocable provision has been made for the call thereof.
- (2) There is deposited in an irrevocable trust with a bank which is a member of the Federal Deposit Insurance Corporation, or its successor, or with a trust company, noncallable direct general obligations of the United States of America or obligations unconditionally guaranteed in principal and interest by the United States of America, including certificates or other evidence of an ownership interest in such noncallable direct obligations, which may consist of specified portions of interest thereon, such as those securities commonly known as CATS, TIGRS, and STRPS, the principal of and interest on which, when added to other monies, if any, deposited therein, shall be sufficient to pay when due the principal of and interest and call premiums, if any, on such Bonds to their stated maturity or to the date fixed for their redemption if irrevocable provision has been made for the call thereof.

Neither the obligations or the moneys deposited in irrevocable trust nor the principal or interest payments on any such obligations shall be withdrawn or used for any purpose other than for the payment of the principal of and interest on the Bonds defeased. The owners of the Bonds which are so defeased shall have an express lien on such moneys or governmental obligations until paid out, used, and applied as set forth above.

Provisions Applicable if Book-Entry Only System is Terminated

General. Purchasers of Bonds will receive principal and interest payments, and may transfer and exchange Bonds, pursuant to the following provisions only if the book-entry only system is terminated. Otherwise, payments and transfers will be made only as described in Appendix “J”-Book-Entry Only System.

Place of Payment. The Bonds will be payable at the designated corporate trust office of the Paying Agent in the City of Nashville, Tennessee, or at the office of any successor thereto.

Payment of Interest. Upon discontinuation of the book-entry only system, interest on the Bonds will be payable by check mailed on or before the Interest Payment Date by the Paying Agent to the registered owner, determined as of the close of business on the 15th calendar day of the month next preceding an Interest Payment Date (the “Record Date”), whether or not such day is a Business Day (as defined in the Bond Resolution), at the address of such registered owner as it appears on the registration books of the Paying Agent.

The person in whose name any Bond then outstanding is registered at the close of business on the Record Date with respect to an Interest Payment Date shall be entitled to receive the interest payable with respect to such Interest Payment Date notwithstanding the cancellation of such Bond upon any registration of transfer or exchange thereof subsequent to such Record Date and prior to such Interest Payment Date.

Provisions for Transfer, Registration and Assignment. Except as provided under DTC’s book-entry only system, the Bonds may be transferred, registered and assigned only on the registration books of the Paying Agent, and such registration shall be at the expense of the Issuer. A Bond may be assigned by the execution of an assignment form on the Bonds or by other instruments of transfer and assignment acceptable to the Paying Agent. A new Bond or Bonds will be delivered by the Paying Agent to the last assignee (the new registered owner) in exchange for such transferred and assigned Bonds after receipt of the Bonds to be transferred in proper form. Such new Bond or Bonds must be in the denomination of \$5,000 or any integral multiple thereof within a single maturity. Neither the Issuer nor the Paying Agent shall be required to issue, register, transfer or exchange any Bond during a period beginning at the opening of business on the 15th day of the month next preceding an interest payment date and ending at the close of business on the interest payment date.

SOURCE OF REVENUE

The following information with respect to certain property tax and related matters is included in this Official Statement to provide background information relating to the tax revenues securing the payment of the Bonds.

Assessment Procedure

All taxable property in the State is required by law to be assessed annually at a percentage of its fair market value or use value by assessors elected for four year terms, except that public service property is assessed directly by the Louisiana Tax Commission (the “Tax Commission”). Property tax assessments are required to be equal and uniform throughout the State.

The Constitution provides that the classifications of property subject to *ad valorem* taxation and the percentage of fair market value applicable to each classification for the purpose of determining assessed valuation are as follows:

| <u>Classifications</u> | <u>Percentages</u> |
|--|--------------------|
| 1. Land | 10% |
| 2. Improvements for residential purposes | 10% |
| 3. Electric cooperative properties, excluding land | 15% |
| 4. Public service properties, excluding land | 25% |
| 5. Other Property | 15% |

The Constitution also provides that agricultural, horticultural, marsh lands, timber lands and certain historic buildings are to be assessed at 10% of “use” value. Fair market values are determined by the assessors, subject to review and final certification by the Tax Commission.

Under the Constitution, the assessor is required to determine the fair market value of all property subject to taxation within the City, except public service properties that are valued by the Tax Commission. The Tax Commission is required by statute to measure annually the level of appraisals or assessments and the degree of uniformity of assessments for each major class and type of property in each parish throughout the State and to hold a public hearing to hear any complaints. If the appraisal or assessment level of a parish deviates by more than 10% from the percentage of fair market or use valuation, the Tax Commission is to order the assessor, within a period of one year, to reappraise all property within the parish or district or within one or more property classifications, certify the assessment lists for the year in which the order is issued, and in the following year again measure the level of appraisals or assessments for each major class and type of property in the parish. If the appraisal or assessment levels of a parish deviate again by more than 10% from the required percentage of fair market or use value, the Tax Commission may not certify the assessment rolls.

Real property subject to taxation is required to be reappraised and valued at intervals of not more than four years and personal property subject to taxation is required to be reappraised and valued on an annual basis. The revised “Real/Personal Property Rules and Regulations” of the Tax Commission provide that the assessors may use the cost, income and market approaches in making appraisals of residential, commercial and industrial land and improvements. An assessor may reappraise real property based on property transfers more often than every four years if the trends established by the transfers indicate that property value fluctuations are creating inequities within the assessing district by property classifications, however, the reappraisal shall not be applied on a parcel by parcel basis, but rather to all parcels in a particular geographical area. Improvements are added to the tax rolls on the August 1 following the year the improvements are completed. A general reappraisal of property was made by the assessor for the 2012 tax roll, at which time the assessed valuations had a slight increase over prior years. There can be no guaranty that the assessed valuation of the City will increase in future years. For additional information, see Appendix “B” herein.

Prior to January 1, 2011, there were seven assessors in the Parish, each representing a separate district; however, on that date the Parish switched to the single assessor system utilized in the other parishes in the State. The current Orleans Parish Assessor is Erroll G. Williams.

By law, assessment lists shall be open for public inspection from August 1 through August 15 of each year in the Parish, and the Orleans Parish Assessor must finish the preparation and listing on the assessment lists of all real and personal property and certify his roll to the Board of Review. The Board of Review is required to certify the roll to the Tax Commission on or before October 20 of each year. The roll is then filed with the tax collector (City’s Director of Finance). The City Council, as the governing authority of the City, annually adopts by December 1 an

ordinance levying the *ad valorem* taxes (other than the *ad valorem* taxes levied by the Orleans Law Enforcement District, Orleans Parish School Board and the Orleans Levee District) on taxable real and personal property for the following calendar year. Taxes on both real and personal property are payable on January 1 and are delinquent February 1.

The Tax Commission may change or correct any and all assessments of property for the purposes of taxation during the year. Such changes may be made at any time before the taxes levied have actually been paid.

Taxpayers may pay their *ad valorem* taxes under protest by paying the full amount due and giving notice at the time of payment of their intention to file suit. The amount paid under protest is held in escrow (a) for 30 days pending initiation of a suit after which period such amount is surrendered and considered paid in full or (b) if a suit is timely filed, until final judicial determination.

Constitutional Amendments

At an election held on September 30, 2006, the voters of the State approved an amendment to the Constitution generally providing that owners of homes damaged in a disaster are permitted to retain their homestead exemption if they are unable to reoccupy the destroyed or uninhabitable home, if they file an annual affidavit with the assessor stating their intention to reoccupy the home by December 31 of the fifth year after the initial affidavit filed in the calendar year after the disaster. Homeowners entitled to the special assessment level, hereinafter described, are permitted to retain the pre-disaster assessment on their repaired or rebuilt homestead, provided they reoccupy the home by December 31 of the fifth year after the initial affidavit to retain the special assessment. The special assessment level is the artificial freeze in assessed value for owners over age 65 with an income of under approximately \$58,000.

At various other elections, the voters of the State have approved amendments to the Constitution that affect the assessed value of the Issuer and the levy and collection of *ad valorem* taxes in the territory of the Issuer. These amendments include a property tax assessment freeze for certain military and disabled persons, a property tax exemption for leased medical equipment, a municipal property tax exemption for motor vehicles, a property tax exemption for consigned art and an increase in the homestead exemption (from \$7,500 to \$15,000 of assessed valuation) for veterans with a service-connected disability rating of one hundred percent unemployability or total disability by the United States Department of Veterans Affairs. The Issuer cannot guarantee whether future amendments to the Constitution will be proposed or approved by voters.

Homestead Exemptions

Under the Constitution, \$7,500 of the assessed value of property applicable to owner-occupied residences is exempt from property tax in the Parish (except for certain millage levied for police and fire protection) and with the exception that the homestead exemption for 100% disabled veterans and their surviving spouses is \$15,000 of assessed value. In all other parishes in the State, taxes for municipal purposes are applied to the total assessed valuation of the property being taxed.

Approximately 12.11% of the total assessed valuation of the Issuer for 2015 represents homestead exempt property. The special *ad valorem* tax levied by the Issuer to service the Bonds is subject to homestead exemption.

Tax Rate Adjustment

The tax rate adjustment provisions of the Constitution and Section 47:1705 of the Louisiana Revised Statutes of 1950, as amended, are *not* applicable to the *ad valorem* tax levied by the Issuer to service the Bonds.

POLITICAL SUBDIVISIONS ARE REQUIRED TO CONTINUE TO LEVY WITHOUT LIMITATION *AD VALOREM* TAXES AT SUCH RATES AS MAY BE NECESSARY TO SERVICE GENERAL OBLIGATION BONDS.

Penalty for Nonpayment of Taxes

A delinquent tax accrues interest at a rate of one percent for each month or portion of a month the tax remains unpaid (normally, as of February 1).

Property Tax Collections

The property taxes for the calendar year 2015 are currently being collected by the City Finance Department. Section 47:1997.1 of the Louisiana Revised Statutes of 1950, as amended, provides that in Orleans Parish, each tax recipient body that receives a portion of *ad valorem* taxes must reimburse the City's Finance Director for the cost of collection, not to exceed two percent (2%).

The cost of collection is deducted from each tax recipient governing bodies' proportionate share of the taxes with the proceeds received from the collection charge to be deposited in the City's General Fund. In addition, the Assessor receives two percent (2%) of the amount of taxes levied pursuant to La. R.S. 47:1925.8, which provides that the Orleans Parish Assessor's Office shall be funded annually no later than March 1 by the City with no less than two percent of the *ad valorem* taxes levied on property in the City and Orleans Parish. The total amount of revenue received by the Assessor's Office shall never be less than that received by the former Board of Assessors for Orleans Parish in 2006.

See Appendix "B" for more information regarding the assessed value of property in the City and the *ad valorem* tax collection record of the City.

Sales of Adjudicated Properties

In July 2015, the City began auctioning adjudicated properties with significant success. Several hundred properties have been or will be auctioned in 2015. In addition, a number of property owners redeemed their properties prior to the scheduled auction by paying the back taxes and penalties owed to the City and other tax recipient entities.

DEBT STATEMENT

Short Term Debt

The City has no outstanding short term indebtedness other than normal accounts payable or as otherwise stated in this Official Statement.

Long Term Debt

The details of the long term debt of the City are presented in the Debt Statement included as Appendix "F" and under the caption "Trend of Indebtedness" below.

General Obligation Bonds of the City

The total principal amount of general obligation bonds of the City that may be at any time outstanding is limited by the Act to the greater of \$500,000,000 or 35% of the total assessed valuation of the City (\$1,326,595,631 based on City's 2015 total assessed valuation). The limited tax bonds and the revenue bonds of the City are not included in or subject to this limitation, and refunded general obligation bonds are not considered outstanding for this purpose. As of November 2, 2015, the City had \$567,285,902 aggregate principal amount of its general obligation bonds outstanding (excluding the Bonds). The issuance of general obligation bonds subject to this limitation must be approved by the City's voters at an election. See "SECURITY FOR THE BONDS-Legal Debt Limit" herein.

In connection with the submission of the City's operating and capital budgets for Fiscal year 2016, Mayor Landrieu stated his intention to request that the City Council call an election to permit the issuance of up to \$100,000,000 in additional general obligation bonds of the City. If a majority of the voters approve the issuance of the additional general obligation bonds, the City intends to issue the first series of the bonds in 2016.

Overlapping Bonded Debt of Other Entities Secured by *Ad Valorem* Taxation

As of November 2, 2015, the Law Enforcement District of the Parish of Orleans, State of Louisiana had a total of \$40,105,000 of general obligation bonds outstanding which are secured by and payable from unlimited *ad valorem* taxes.

As of November 2, 2015, the Parishwide School District of the Parish of Orleans, State of Louisiana had a total of \$51,615,000 of general obligation bonds for public school purposes outstanding which are secured by and payable from unlimited *ad valorem* taxes, and the Orleans Parish School Board had a total of \$79,055,000 of revenue bonds outstanding which are payable from (i) an *ad valorem* tax of 27.65 mills and (ii) the net revenues from a one-half of one percent (½%) sales and use tax authorized in an election held on November 4, 1980.

Limited Tax Bonds of the City and its Agencies

As of November 2, 2015, the City had outstanding \$15,322,517 Limited Tax Refunding Bonds, Series 2015A ("2015A Tax Bonds"), dated February 26, 2015 and maturing September 1, 2015 to September 1, 2021, inclusive, and \$6,489,111 Taxable Limited Tax Bonds, Series 2015B ("2015B Tax Bonds"), dated February 26, 2015 and maturing September 1, 2016 to September 1, 2021, inclusive, secured by the net proceeds of a 1.82 mills *ad valorem* tax authorized in an election held on July 15, 1995, to finance repairs, renovations and improvements to parks, playgrounds and recreation facilities and for the acquisition of fire fighting, sanitation, and mosquito control equipment.

As of November 2, 2015, the City had outstanding \$186,110,000 of Taxable Limited Tax Refunding Bonds, Series 2012 ("Series 2012 Refunding Bonds"), dated October 23, 2012, which were issued for the purposes of refunding, restructuring and extending the City's outstanding Taxable Pension Revenue Bonds, Series 2000, and Taxable Bonds, Series 2011. The Series 2012 Refunding Bonds are payable from proceeds derived from the levy and collection of a special *ad valorem* tax of 14.91 mills (13.91 mills adjusted due to reassessment) which the City is authorized to levy for general purposes pursuant to the Louisiana Constitution of 1974, as amended (the "Constitutional Tax").

The City is authorized to issue limited tax bonds for the Audubon Commission payable solely from the proceeds of special *ad valorem* taxes. The maximum principal and interest payable in any year on Audubon Commission limited tax bonds at any time outstanding may not exceed 75% of the revenues of the respective tax dedicated therefor in the calendar year next preceding the date of the adoption by the Audubon Commission of the resolution authorizing the issuance of said bonds. As of November 2, 2015, the Audubon Commission had outstanding \$710,000 aggregate principal amount of its limited tax bonds outstanding for the purpose of improving the Audubon Park Zoo, payable solely from the proceeds of the equivalent of a 0.40 mills *ad valorem* tax (0.32 mills adjusted due to reassessment), and \$19,495,000 outstanding aggregate principal amount of its limited tax bonds outstanding, payable solely from the proceeds of the equivalent of a 4.11 mills *ad valorem* tax (2.99 mills adjusted due to reassessment).

The City is authorized to issue limited tax bonds for the Downtown Development District (which includes the area within the boundaries of the Mississippi River, the upper line of the Mississippi River Bridge and Pontchartrain Expressway, the lake side right-of-way line of Claiborne Avenue, and the lower right-of-way line of Iberville Street) payable solely from the proceeds of a special *ad valorem* tax. The total principal amount of any of these bonds at any time outstanding may not exceed \$50,000,000, and the maximum amount of bonds authorized by the voters is \$10,000,000.

On November 2, 2015, the City had outstanding \$4,585,000 of limited tax bonds for the Downtown Development District, maturing December 1, 2015 to December 1, 2026, inclusive, secured by and payable from an irrevocable pledge and dedication of the funds to be derived from the levy and collection of a special *ad valorem* tax not exceeding 22.97 mills (14.76 mills due to reassessment) upon all the taxable real property located in the Downtown Development District of the City of New Orleans, authorized in elections held on December 8, 1979, and April 7, 2001.

The City is authorized to issue limited tax bonds for the Drainage System of the City administered by the Sewerage and Water Board, payable solely from separate *ad valorem* taxes not to exceed 6.40 mills, 6.48 mills, and 9.71 mills, respectively. As of November 2, 2015, the City had \$14,365,000 aggregate principal amount of its limited tax bonds outstanding for the Drainage System and is levying an *ad valorem* tax of 7.06 mills for the payment thereof.

Revenue Bonds - Sewerage and Water Board

The City, acting by and through the Board of Liquidation, is authorized to issue water revenue bonds and sewerage service revenue bonds secured by and payable solely from revenues received from the imposition of water charges and sewerage charges, respectively, and from the amounts held on deposit in the funds and accounts established under the resolutions pursuant to which such bonds were issued. The net revenues are required by statute and by such resolutions to be at least 130% of the maximum annual debt service on bonds payable therefrom.

As of November 2, 2015, there were outstanding \$103,525,000 of water revenue bonds and \$155,520,000 of sewerage service revenue bonds issued by the City for the Sewerage and Water Board.

Other Revenue Bonds of Related Entities

The City is authorized through the New Orleans Aviation Board (the “Aviation Board”) to issue revenue bonds which are secured by and payable solely from the revenues derived from the operation of New Orleans International Airport. As of November 2, 2015, there were \$565,325,000 of outstanding airport revenue bonds of the Aviation Board. The Aviation Board has also issued revenue bonds secured solely from funds derived from an approved passenger facility charge. As of November 2, 2015, there were \$122,980,000 of outstanding passenger facility charge revenue bonds of the Aviation Board.

As of November 2, 2015, the Orleans Parish Communication District had \$3,375,000 of its Revenue Bonds, Series 2004 outstanding, which are payable from a dedication of the proceeds of the emergency telephone tax and the excess of annual revenues of the District.

On September 29, 2004, the City issued \$11,500,000 of Revenue Bonds (Canal Street Improvements Project) (the “Canal Street Revenue Bonds”) which are payable from payments made by Canal Street Development Corporation and Downtown Development District pursuant to a Cooperative Endeavor Agreement and from payments made by the City from the General Fund. As of November 2, 2015, \$6,500,000 of the Canal Street Revenue Bonds were outstanding.

Sales Tax Bonds

The City is authorized to issue bonds secured by and payable from sales tax revenues pursuant to Sub-Part F, Part III, Chapter 4 of Title 39 of the Louisiana Revised Statutes of 1950, as amended, except as otherwise provided in Act 674 of 1985 of the Louisiana Legislature. The City does not presently have any outstanding sales tax bonds.

Hurricane-Related Borrowing

As part of the recovery efforts following Hurricanes Katrina and Rita (See “INVESTOR CONSIDERATIONS-Hurricanes Katrina and Rita” herein), the City and its component units and independent boards received special authorization to borrow funds from various sources for various purposes. The State issued \$200,000,000 of General Obligation Gulf Tax Credit Bonds, Series 2006-A and \$200,000,000 of General Obligation Match Bonds, Series 2006-B (the “State Bonds”) and loaned the proceeds to various entities to assist in the payment of debt service coming due on the respective obligations of each entity.

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The following table lists the various borrowings by the City and its component entities and independent boards relating to the State Bonds, including the original principal amount of the borrowing, final maturity date(s) and security therefore:

| <u>Borrower</u> | <u>Original Principal Amount</u> | <u>Final Maturity Date</u> | <u>Security</u> |
|-------------------------------|----------------------------------|----------------------------|---|
| City of New Orleans | \$ 52,268,594 | 7/15/2026 | All available revenues of the City after payment of all outstanding debt |
| Board of Liquidation | 27,617,209 | 7/15/2026 | All available revenues of the Board of Liquidation after payment of all outstanding debt |
| Sewerage and Water Board | 77,465,247 | 7/15/2026 | All available revenues of the Sewerage and Water Board after payment of all outstanding debt |
| Audubon Commission | 4,907,500 | 7/15/2026 | All available revenues of the Audubon Commission after payment of all outstanding debt |
| Audubon Commission | 11,851,066 | 7/15/2026 | All available revenues of the Audubon Commission after payment of all outstanding debt |
| New Orleans Aviation Board | 35,371,990 | 7/15/2026 | All available revenues of the Aviation Board after payment of all outstanding debt |
| Downtown Development District | 1,600,153 | 7/15/2026 | All available revenues of the Downtown Development District after payment of all outstanding debt |

All entities listed above have begun to repay the State the amounts owed pursuant to the respective agreements of each.

In addition, the Federal Government acting through the Federal Emergency Management Agency (“FEMA”) pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (the “Stafford Act”), as amended, loaned the City and several of its component units funds for current operations related to essential services, which loans were evidenced by one or more notes of such entities. Pursuant to Section 4502 of the U.S. Troop Readiness, Veterans’ Care, Katrina Recovery, and Iraq Accountability Appropriations Act of 2007, FEMA has forgiven all Stafford Act loans made to the City and its component units.

Loan and Lease Agreements

The City Council has authorized the Mayor to sign loan agreements under the HUD Section 108 loan program and lease agreements on behalf of the City to stimulate business development and acquire certain immovable equipment.

In addition, the City has received multiple Section 108 loans from HUD for economic development projects. As of September 30, 2015, the only outstanding Section 108 loans are \$7,260,000 of obligations for the development of the Jazzland Theme Park.

From time to time the, City enters into lease agreements pursuant to State law for the purpose of financing the acquisition of immovable property. Such leases are subject to annual appropriations but otherwise have various terms and purposes. The City has appropriated funds to make such lease payments in past years.

Trend of Indebtedness

The following table shows the amounts of general obligation bonds, limited tax bonds and general fund indebtedness of the City outstanding as of the end of each of the following calendar years:

| <u>Year</u> | <u>General Obligation Bonds</u> | <u>Limited Tax Bonds of the City</u> | <u>General Fund Indebtedness</u> | <u>City Total</u> | <u>Limited Tax Bonds of City Agencies</u> |
|-------------|---|--|--------------------------------------|-----------------------|---|
| 2006 | 478,419,936 | 97,635,000 | 214,805,000 | 790,859,936 | 70,633,572 |
| 2007 | 538,514,462 | 88,795,000 | 200,155,000 | 827,464,462 | 64,338,572 |
| 2008 | 523,955,533 | 80,650,000 | 185,375,000 | 789,980,533 | 63,213,572 |
| 2009 | 548,018,709 | 72,620,000 | 167,330,000 | 787,968,709 | 59,248,572 |
| 2010 | 529,218,992 | 63,360,000 | 148,490,000 | 741,068,992 | 55,118,572 |
| 2011 | 509,543,556 | 55,690,000 | 140,990,000 | 706,223,556 | 56,335,000 |
| 2012* | 470,076,614 | 242,990,000 | 8,535,000 | 721,601,614 | 51,875,000 |
| 2013 | 489,463,192 | 228,570,000 | 7,815,000 | 724,973,192 | 47,140,000 |
| 2014 | 507,081,268 | 213,395,000 | 7,070,000 | 727,546,268 | 41,955,000 |
| 2015** | 567,285,902 | 207,921,628 | 6,500,000 | 781,707,530 | 63,579,609 |

* In 2012, the City refunded \$125,155,000 of general fund indebtedness through the issuance of the Series 2012 Refunding Bonds, which are included as Limited Tax Bonds of the City in years 2012 and following.

** Figures as of November 2, 2015.

Sources: Board of Liquidation, City Debt; City of New Orleans.

BOARD OF LIQUIDATION

The Board of Liquidation is composed of nine members: the Mayor and the two City Council members-at-large, who serve *ex officio*, and six appointed members. All members of the Board of Liquidation serve without pay.

Sections 5-101 and 5-102 of the City's Home Rule Charter of 1954, as amended (the "Charter"), read as follows:

"Section 5-101. Composition.

(1) The Board of Liquidation, City Debt, shall be composed of six members and of three ex-officio members, who shall be the Mayor and the two councilmembers-at-large.

(2) Effective on January 1, 1996, the terms of the six citizens serving on the Board shall change from terms for life to fixed terms. The members shall conduct a drawing to determine who shall serve for terms of two, four, six, eight, ten, and twelve years. Upon the expiration of a term, a Board member who is domiciled in and an elector of the City shall be appointed by the Mayor with the approval of the Council from a list of three names submitted jointly by a committee consisting of the President of the Board of Liquidation, who shall chair the committee, and the Presidents or Chancellors of Dillard University, Loyola University, Southern University of New Orleans, Tulane University, the University of New Orleans, and Xavier University. Members so appointed shall serve for terms of twelve years. Any vacancy on the Board shall be filled in accordance with the provisions of Section 9-105 of this Charter."

"Section 5-102. Functions.

Except as otherwise provided in this Chapter, the Board of Liquidation, City Debt shall continue to exercise and have the powers, duties, and functions which it exercised on the effective date of this Charter. It shall have the power to issue bonds in any manner permitted by state or municipal law and this Charter and to manage its affairs, under this Charter on behalf of the City of New Orleans, in accordance with the provisions of applicable state or municipal law."

The incumbent members of the Board of Liquidation, who serve until their successors are appointed, their terms of office, and their principal occupations are:

Mitchell J. Landrieu, *ex officio*
Mayor, City of New Orleans
(Term: 5/05/2014-5/06/2018)

Alan C. Arnold
Retired, Financial Services Executive
(Term: 12/18/2008-12/31/2019)

Jason R. Williams, *ex officio*
Councilmember-at-large, City of New Orleans
(Term: 5/05/2014-5/06/2018)

William Raymond Manning
Managing Principal, Manning Architects
(Term: 1/20/2011-12/31/2021)

Stacy S. Head, *ex officio*
Councilmember-at-large, City of New Orleans
(Term: 5/05/2014-5/06/2018)

Mark M. Moody
Lead Engineer, NASA Stennis Space Center
(Term: 1/20/2011-12/31/2017)

Mary K. Zervigon, *President*
Attorney, Former Chairman of the Louisiana Tax
Commission
(Term: 2/20/14-12/31/2025)

Henry F. O'Connor, Jr.
Attorney
(Term: 11/01/2012-12/31/2023)

Richard P. Wolfe, *Vice President*
Attorney
(Term: 1/20/05-12/31/2015)

THE CITY

City Government

The City was founded in 1718, incorporated in 1805, and with an estimated 2014 population of 384,320, is the largest populated city located within the boundaries of the State. The City's system of government is established in the Charter. The Constitution prohibits the State Legislature from enacting any law affecting the structure, organization or distribution of the power and function of any local political subdivision which operates under a home rule charter. The Charter may be amended only by the affirmative vote of a majority of the qualified voters in the City voting at an election called by the City Council on its own initiative or upon receipt by it of a petition of not less than ten thousand registered voters.

A number of important local governmental functions in the City are performed by entities which, in varying degrees, operate independently of City government. These entities include the Sewerage and Water Board of New Orleans, which is responsible for water, sewer and drainage service for the City, the Orleans Parish School Board, which is responsible for elementary and secondary education in the City, the New Orleans Aviation Board (the "Aviation Board"), which operates the Louis Armstrong International Airport (the "Airport"), and the Orleans Levee Board, which has primary responsibility for levees, sea walls and breakwaters surrounding the City. These and other similar entities have their own budgets and revenue sources, and are not included in the City's budget. (See Appendix "F"- Debt Statement).

The City has a Mayor-Council plan of government. The Mayor, as the chief executive officer, is elected for a four-year term. The Charter provides that the Mayor may not serve more than two consecutive terms. The Mayor appoints the First Deputy Mayor and Chief Administrative Officer, who is his principal assistant and the budget officer for the City. The First Deputy Mayor and Chief Administrative Officer appoints all department heads, subject to the

Mayor's approval, except the City Attorney, who is appointed by the Mayor, the Director of the Civil Service Department, who is appointed by the Civil Service Commission, and the Director of the New Orleans Recreation Development Commission, who is appointed by the New Orleans Recreation Development Commission. There are numerous executive departments and affiliated boards and commissions.

Mayor Mitchell J. Landrieu began his first term as Mayor of New Orleans in May, 2010. Born in 1960, Mayor Landrieu graduated from Jesuit High School, Catholic University, and Loyola College School of Law. Prior to being elected Mayor, Mr. Landrieu served as Lieutenant Governor of the State of Louisiana for six years and a State Legislator for 16 years. He and his wife and five children are native New Orleanians.

The City Council is the legislative body of City government, consisting of five members elected from districts and two members elected at-large, all for four-year terms. Members of the City Council may not serve more than two consecutive terms. The City Council has authority to levy taxes, subject to State law, and to adopt the City's annual capital and operating budgets. Ordinances of the City Council may be vetoed by the Mayor. Vetoes may be overridden by a two-thirds vote of the City Council.

City Financial Management, Budgeting and Control

The City's finances are overseen by the First Deputy Mayor and Chief Administrative Officer and the Director of Finance. The First Deputy Mayor and Chief Administrative Officer prepares the annual operating and capital budgets and supervises the execution of budget ordinances. After the budget is adopted by the City Council, the First Deputy Mayor and Chief Administrative Officer provides a schedule of expenditure allotments by which the timing of expenditures and the nature of expenditures within a department are controlled. All changes to allotments, other than amendments that transfer an appropriation from one classification to another, must be approved by the First Deputy Mayor and Chief Administrative Officer. The Charter provides that the Mayor shall direct appropriate revisions in allotments to keep expenditures within the revenues received or anticipated.

The Department of Finance maintains the treasury of the City and is responsible for the collection, recordation, deposit and disbursement of all taxes; licenses and permit fees; the maintenance of the City's equipment inventory; disposition of City property declared surplus; the purchasing of materials, supplies and equipment; preparation of City employee payrolls and pension rolls; preparation, validation and distribution of tax bills and rolls; and recommendation of action on claims against the City. In addition, the Department of Finance maintains documentation of financial transactions of the City and prepares its financial reports.

Brief biographies of the First Deputy Mayor and Chief Administrative Officer and the Director of Finance follow:

Andy Kopplin serves as First Deputy Mayor and Chief Administrative Officer. In this capacity, he oversees the day-to-day operational functions of City Hall. Kopplin comes from Teach For America, where he most recently served as senior advisor to the Founder & CEO. Prior to Teach For America, Mr. Kopplin served for more than two years as Founding Executive Director of the Louisiana Recovery Authority (LRA), the agency charged with leading the State's recovery efforts after Hurricanes Katrina and Rita, where he developed the strategy that more than doubled

congressional appropriations for Louisiana’s rebuilding, from \$13 billion to \$28 billion. Before heading the LRA, Kopplin was Chief of Staff to two consecutive Louisiana governors, Democrat Kathleen Babineaux Blanco and Republican M.J. “Mike” Foster, Jr. He joined Foster’s staff in 1996 as Policy Director, and in that role led the pioneering effort to create the State’s community college system. Mr. Kopplin holds a bachelor’s degree from Rice University; a Master’s in Public Policy from Harvard University’s Kennedy School of Government, and is a 1986 Harry S. Truman Scholarship winner.

Norman S. Foster is Director of Finance and Chief Financial Officer for the City of New Orleans, where he oversees all financial, accounting, sales and property tax collection, and procurement activities. Prior to joining the City in May 2010, Mr. Foster was the interim Chief Financial Officer at the Minnesota Department of Transportation and held a series of budgeting and financial positions at the Minnesota Departments of Finance and Transportation from 1995 to 2010. Mr. Foster has a Bachelor’s degree in Engineering, Economics and Management from the University of Oxford in the U.K., and a Master’s degree in Public Policy from the Kennedy School of Government at Harvard University.

Budgets

The Capital Budget and Program

Pursuant to the Charter, in accordance with a schedule prescribed by the First Deputy Mayor and the Chief Administrative Officer, each office, department and board presents to the City Planning Commission a list of proposed capital improvements to be made in conjunction with its work over the next five years. The City Planning Commission then prepares and submits to the Mayor a five-year capital improvement program.

The Mayor annually recommends to the City Council, on or before November 1, a capital program for the next five years and a capital budget for the first year of the program. The City Council is obligated to approve a capital program and adopt a capital budget before it adopts the annual operating budget. The City Council may not amend the capital program as submitted to it until it has requested and received through the Mayor the recommendations of the City Planning Commission with respect thereto. The capital program and budget must show the amount and sources of money for each separate project. The amounts budgeted constitute appropriations from the funds indicated when they become available. Expenditures for capital projects are made through the Capital Fund.

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The budgeted revenues of the capital budget for the current and subsequent four years are as follows:

**CITY OF NEW ORLEANS
ESTIMATE OF CAPITAL FUND REVENUES 2015-2019**

| SOURCE OF FUNDS | 2015 | 2016 | 2017 | 2018 | 2019 | TOTALS |
|---|----------------------|----------------------|----------------------|----------------------|--------------------|----------------------|
| Capital Improvements and Infrastructure Trust Funds | \$10,000,000 | \$0 | \$0 | \$0 | \$0 | \$10,000,000 |
| Miscellaneous Capital Funds | \$250,000 | \$250,000 | \$250,000 | \$250,000 | \$250,000 | \$1,250,000 |
| FEMA Reimbursement Funds | \$104,637,449 | \$74,976,931 | 51589865 | 31498058 | \$0 | \$262,702,3 |
| State Capital Outlay | \$2,250,000 | \$2,250,000 | \$0 | \$0 | \$0 | \$4,500,000 |
| Self Generated Funds | \$148,060,064 | \$186,962,283 | \$185,269,031 | \$92,609,809 | \$1,800,267 | \$614,701,454 |
| Totals | \$265,197,513 | \$264,439,214 | \$237,108,896 | \$124,357,867 | \$2,050,267 | \$893,153,757 |

The City has no general obligation bond authority remaining from prior elections. If the City desires to issue additional general obligation bonds in the future (other than refunding bonds), it must first obtain voter approval. See, however, “DEBT STATEMENT - General Obligation Bonds of the City” herein for information on plans to request voter approval of additional general obligation bonds.

The Operating Budget

The Charter requires the annual preparation and adoption of a balanced operating budget for the City. Not later than August 1 of each year, the First Deputy Mayor and Chief Administrative Officer is required to make available sufficient data relating to the current and preceding year’s appropriations and expenditures for the City Council and for each office, department or board or other entity that (i) is receiving or seeks to receive an appropriation from the City Council payable from any operating fund of the City or (ii) which expends City funds. Any entity which seeks an appropriation from any operating fund of the City shall submit detailed data, in a format which adheres to generally accepted accounting principles, to the First Deputy Mayor and Chief Administrative Officer in accordance with a schedule prescribed by the First Deputy Mayor and Chief Administrative Officer for compilation and recommendations for review by the Mayor prior to the Mayor’s submission of the proposed budget to the City Council.

The First Deputy Mayor and Chief Administrative Officer, after consulting with the City Council and the heads of offices, departments and boards, is required by the Charter to prepare a preliminary budget for the consideration of the Mayor. The preliminary budget must include all budget requests, and the recommendations of the First Deputy Mayor and Chief Administrative Officer with respect to each request, an estimate of the receipts from each source of revenue and a statement of the total estimated income and total recommended expenditures for each operating fund.

A summary of the adopted City General Fund Budget for the year ending December 31, 2015 follows:

| <u>Revenues</u> | <u>Amount</u> | <u>% of Total</u> |
|------------------------------|-----------------------------|-----------------------|
| Taxes | \$331,493,974 | 61.76% |
| Licenses & Permits | 57,515,135 | 10.71% |
| Intergovernmental | 10,156,639 | 1.89% |
| Service Charges | 78,399,934 | 14.61% |
| Fines & Forfeitures | 32,025,000 | 5.97% |
| Miscellaneous | 11,183,333 | 2.08% |
| Other Financing Sources | 16,000,562 | 2.98% |
| Total Revenues | <u>\$536,774,577</u> | <u>100.00%</u> |
| | | |
| <u>Expenditures</u> | | |
| Personal Services | \$328,449,001 | 61.19% |
| Other Operating | 184,045,589 | 34.29% |
| Debt Service | 24,279,987 | 4.52% |
| Grants, Contributions & Fund | 0 | 0.00% |
| Total Expenditures | <u>\$536,774,577</u> | <u>100.00%</u> |

Source: Chief Administrative Office, City of New Orleans.

* Total may not add due to rounding.

The Charter further provides that the City Council may amend the budget during the year via ordinance. Typically, adjustments to the budget are made from time to time to prevent deficits occurring in certain expenditure accounts and to recognize differences in anticipated revenues.

The most recent General Fund revenue forecast for fiscal year 2015 adopted by the City's Revenue Estimating Conference (as of September 28, 2015) revised expected General Fund revenues to approximately \$598,300,000, including approximately \$545,200,000 in recurring revenue and \$53,100,000 in non-recurring revenue (which amount includes one-time revenue from legal settlements).

Revenues and Expenditures

The following pages contain a five-year history of the revenues, expenditures and changes in fund balance of various funds of the City.

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CITY OF NEW ORLEANS, LOUISIANA
SUMMARY STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

(All Dollars in Thousands)

| <u>GENERAL FUND</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| REVENUES | | | | | |
| Taxes | 264,326 | 288,739 | 295,419 | 316,578 | 339,130 |
| Licenses and permits | 58,117 | 57,219 | 56,612 | 62,963 | 62,447 |
| Intergovernmental | 22,792 | 25,801 | 19,714 | 24,304 | 21,881 |
| Charges for services | 50,417 | 72,171 | 74,164 | 78,996 | 81,406 |
| Fines and forfeits | 31,578 | 34,685 | 34,315 | 32,947 | 28,368 |
| Interest income | 721 | 399 | 85 | 24 | 129 |
| Miscellaneous | 33,784 | 20,272 | 29,605 | 25,279 | 33,217 |
| Contributions, Gifts & Donations | <u>2,043</u> | <u>395</u> | <u>40</u> | <u>614</u> | <u>1,141</u> |
| Total revenues | 436,778 | 499,681 | 509,954 | 541,705 | 567,719 |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government | 139,472 | 147,738 | 162,785 | 162,924 | 179,512 |
| Public safety | 215,720 | 224,641 | 219,690 | 220,464 | 222,525 |
| Public works | 63,289 | 64,811 | 70,472 | 63,545 | 65,981 |
| Health and human services | 13,689 | 17,885 | 15,905 | 14,993 | 16,124 |
| Culture and recreation | 20,239 | 16,633 | 19,344 | 19,271 | 20,954 |
| Urban development and housing | 10 | -- | -- | 166 | (16) |
| Capital Outlay | 6,352 | 293 | 1,186 | 5,329 | 1,928 |
| Debt service: | | | | | |
| Principal retirement | 31,706 | 35,040 | 22,661 | 22,844 | 25,290 |
| Interest and fiscal charges (see note on p. [26]) | 21,285 | 16,817 | 13,387 | 2,849 | 4,044 |
| Bond issuance costs | -- | 113 | 1,110 | -- | -- |
| Payment to refunded bond escrow agent | -- | -- | 2,746 | -- | -- |
| Total expenditures | <u>511,762</u> | <u>523,971</u> | <u>529,286</u> | <u>512,385</u> | <u>536,342</u> |
| Excess (deficiency) of revenues over expenditures | <u>(47,984)</u> | <u>(24,290)</u> | <u>(19,332)</u> | <u>29,320</u> | <u>31,654</u> |
| Other financing sources (uses): | | | | | |
| Operating transfers in | 30,064 | 18,302 | 6,060 | 6143 | 4,886 |
| Operating transfers out | (1,977) | (2,596) | (22,159) | (9,215) | (10,512) |
| Debt service assistance loan | -- | -- | -- | -- | -- |
| Proceeds from bond issuance | -- | 15,995 | 195,885 | -- | -- |
| Proceeds from notes issuance | -- | -- | 3,500 | -- | -- |
| Payment to refunded bond escrow agent | -- | -- | (123,542) | -- | -- |
| Discount on Bonds issued | -- | -- | (328) | -- | -- |
| Other, net | <u>485</u> | <u>(67)</u> | <u>(10)</u> | <u>44</u> | <u>--</u> |
| Total other financing sources (uses) | 28,572 | 31,634 | 59,406 | (3,028) | (5,626) |
| Special Item: Termination of interest rate swap | -- | -- | (46,000) | -- | -- |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | <u>(19,412)</u> | <u>7,344</u> | <u>(5,926)</u> | <u>26,292</u> | <u>26,028</u> |
| Fund Balance | | | | | |
| Beginning of year | 8,351 | (11,061) | (3,717) | (9,336) | 16,956 |
| Prior period adjustment | -- | -- | 307 | -- | -- |
| Beginning of year as restated | -- | -- | (3,410) | -- | 16,956 |
| End of Year | (11,061) | (3,717) | (9,336) | 16,956 | 42,984 |

Source: City of New Orleans Annual Financial Reports.

CITY OF NEW ORLEANS, LOUISIANA
SUMMARY STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

(All Dollars in Thousands)

| <u>SPECIAL REVENUE FUNDS</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
|--|-----------------|-----------------|-----------------|-----------------|----------------|
| REVENUES | | | | | |
| Taxes | 6,099 | 5,640 | 6,748 | 7,173 | 7,551 |
| Intergovernmental | 136,469 | 115,808 | 154,521 | 116,205 | 92,940 |
| Charges for Services | -- | -- | -- | -- | 12 |
| Program Income | 145 | 4,898 | 82 | 1,942 | 6,541 |
| Fines and forfeits | 1,987 | 4,139 | 3,451 | 3,030 | 3,624 |
| Interest income | 72 | 72 | 168 | 37 | 27 |
| Miscellaneous | 33,449 | 21,185 | 2,708 | 1,876 | 17,016 |
| Contributions, Gifts & Donations | 1,817 | 2,347 | 3,052 | 3,073 | 2,945 |
| Total revenues | <u>167,629</u> | <u>154,089</u> | <u>170,730</u> | <u>133,336</u> | <u>130,656</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government | 105,479 | 77,096 | 74,447 | 44,167 | 53,012 |
| Public safety | 5,014 | 5,705 | 9,767 | 6,367 | 4,329 |
| Public works | 2,441 | -- | 3,070 | 2,671 | 1,202 |
| Health and human services | 5,395 | 3,793 | 10,880 | 12,988 | 13,463 |
| Culture and recreation | 1,808 | 3,415 | 3,683 | 2,745 | 3,712 |
| Urban development and housing | 40,104 | 32,682 | 32,456 | 23,725 | 24,984 |
| Economic development and assistance | 10,329 | 8,680 | 8,793 | 12,731 | 8,488 |
| Debt Service: | | | | | |
| Principal | 808 | 280 | 300 | 320 | 4668 |
| Interest and fiscal charges | 802 | 74 | 71 | 68 | 190 |
| Capital outlays | 3,496 | 1,933 | 378 | 4,458 | -- |
| Total expenditures | <u>175,676</u> | <u>133,658</u> | <u>143,845</u> | <u>110,248</u> | <u>95,560</u> |
| Excess (deficiency) of revenue over expenditures | <u>2,147</u> | <u>20,431</u> | <u>26,885</u> | <u>23,096</u> | <u>16,608</u> |
| Other financing sources (uses): | | | | | |
| Operating transfers in | 1,977 | 2,746 | -- | 9,215 | 10,512 |
| Operating transfers out | 26,472 | (16,250) | (4,710) | (2,573) | (13,044) |
| Proceeds from bond issuance | -- | -- | -- | -- | -- |
| Total other financing sources (uses) | <u>(24,495)</u> | <u>(13,504)</u> | <u>(4,710)</u> | <u>6,642</u> | <u>(2,532)</u> |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | <u>(22,348)</u> | <u>6,927</u> | <u>22,175</u> | <u>29,738</u> | <u>14,076</u> |
| Fund Balance | | | | | |
| Beginning of year | (14,625) | (36,973) | (35,863) | (20,915) | 5,265 |
| Prior period adjustment | -- | (5,817) | (7,227) | (3,559) | (264) |
| Beginning of year as restated | <u>(14,625)</u> | <u>(42,790)</u> | <u>(3,410)</u> | <u>(24,474)</u> | <u>5,001</u> |
| End of year | <u>(36,973)</u> | <u>(35,863)</u> | <u>(20,915)</u> | <u>5,265</u> | <u>19,077</u> |

Source: City of New Orleans Annual Financial Reports.

CITY OF NEW ORLEANS, LOUISIANA
SUMMARY STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

| | (All Dollars in Thousands) | | | | |
|--|----------------------------|--------------------|--------------------|--------------------|--------------------|
| <u>DEBT SERVICE FUND</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| REVENUES | | | | | |
| Taxes | 63,424 | 66,565 | 69,845 | 73,222 | 77,170 |
| Interest income | 410 | 213 | 208 | 239 | 261 |
| Intergovernmental | -- | -- | -- | -- | 1,004 |
| Miscellaneous | -- | -- | -- | -- | -- |
| Total revenues | <u>63,834</u> | <u>66,778</u> | <u>70,053</u> | <u>73,461</u> | <u>78,435</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government | 500 | 490 | 174 | 536 | 488 |
| Debt Service: | | | | | |
| Principal retirement | 20,505 | 21,455 | 23,237 | 23,939 | 25,862 |
| Interest and fiscal charges | 46,334 | 46,532 | 44,813 | 53,303 | 56,152 |
| Bond issuance costs | <u>953</u> | <u>--</u> | <u>1,078</u> | <u>784</u> | <u>765</u> |
| Total expenditures | <u>68,292</u> | <u>68,477</u> | <u>69,502</u> | <u>78,562</u> | <u>83,267</u> |
| Excess (deficiency) of revenues over expenditures | <u>(4,458)</u> | <u>(1,699)</u> | <u>551</u> | <u>(5,101)</u> | <u>(4,832)</u> |
| Other financing sources (uses) | | | | | |
| Operating transfers in | -- | -- | 22,159 | 9,215 | -- |
| Operating transfers out | (40,000) | -- | -- | (2,573) | (35,593) |
| Proceeds from bond issuance | 40,726 | -- | 167,840 | -- | 40,000 |
| Premium on bonds issued | -- | -- | 26,128 | -- | 182 |
| Debt service assistance loan | -- | -- | -- | -- | -- |
| Payment to refunded bond escrow agent | -- | -- | (195,636) | -- | -- |
| Federal subsidy-Build America Bonds | <u>975</u> | <u>--</u> | <u>1,112</u> | <u>--</u> | <u>--</u> |
| Total other financing sources (uses) | <u>1,701</u> | <u>--</u> | <u>21,603</u> | <u>6,642</u> | <u>589</u> |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | <u>(2,757)</u> | <u>(1,699)</u> | <u>22,154</u> | <u>29,738</u> | <u>(4,243)</u> |
| Fund Balance | | | | | |
| Beginning of year | 63,596 | 60,839 | 59,140 | 81,294 | 77,759 |
| End of year | 60,839 | 59,140 | 81,294 | 77,759 | 73,516 |

Source: City of New Orleans Annual Financial Reports.

CITY OF NEW ORLEANS, LOUISIANA
SUMMARY STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

(All Dollars in Thousands)

| <u>CAPITAL PROJECTS FUND</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| REVENUES | | | | | |
| Intergovernmental | 108,226 | 71,075 | 99,222 | 125,085 | 108,906 |
| Interest income | -- | -- | -- | -- | -- |
| Miscellaneous | <u>2,215</u> | <u>351</u> | <u>982</u> | <u>1,202</u> | <u>261</u> |
| Total revenues | <u>110,441</u> | <u>71,426</u> | <u>100,204</u> | <u>126,287</u> | <u>109,167</u> |
| EXPENDITURES | | | | | |
| General Government | -- | 1,194 | 473 | 178 | -- |
| Capital outlays | 131,080 | 133,231 | 93,592 | 143,160 | 133,852 |
| Public Safety | -- | -- | -- | -- | -- |
| Public Works | -- | -- | 858 | 1 | -- |
| Health and human services | -- | -- | -- | -- | -- |
| Culture and recreation | -- | -- | -- | -- | -- |
| Total expenditures | <u>131,080</u> | <u>134,425</u> | <u>94,923</u> | <u>143,339</u> | <u>133,852</u> |
| Excess (deficiency) of revenues over expenditures | <u>(20,639)</u> | <u>(62,999)</u> | <u>5,281</u> | <u>(17,052)</u> | <u>(24,685)</u> |
| Other financing sources (uses) | | | | | |
| Operating transfers in | 40,278 | -- | -- | 39,709 | 51,015 |
| Operating transfers out | (3,870) | (2,202) | (1,350) | (3,570) | (3,264) |
| Proceeds from Notes Payable | -- | -- | -- | -- | 12,500 |
| Insurance proceeds | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| Total other financing sources (uses) | <u>36,408</u> | <u>(2,202)</u> | <u>(1,350)</u> | <u>36,139</u> | <u>60,251</u> |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | <u>15,769</u> | <u>(65,201)</u> | <u>3,931</u> | <u>19,087</u> | <u>35,566</u> |
| Fund Balances | | | | | |
| Beginning of year | 113,919 | 129,688 | 64,487 | 61,160 | 79,046 |
| Prior period adjustments | -- | -- | (7,258) | (1,201) | (1,126) |
| Fund Balances - beginning of year as restated | -- | -- | 57,229 | 59,959 | 77,920 |
| End of year | <u>129,688</u> | <u>64,487</u> | <u>61,160</u> | <u>79,046</u> | <u>113,486</u> |

Source: City of New Orleans Annual Financial Reports.

NOTE: The decrease in the amount of interest and fiscal charges paid from the General Fund from FY2012 to FY2013 was the result of the refinancing of outstanding debt of the City, a component of which refinancing included funds deposited in a restricted account to pay a portion of the initial interest expense incurred by the City in connection with such refinancing.

Financial Controls

Internal accounting controls have been developed by the City to provide reasonable, but not absolute, assurance that assets are properly safeguarded against loss from unauthorized use or disposition and the financial records used in the preparation of financial statements and accountability of assets are reliable.

The Charter requires that the City Council execute an agreement with a certified public accountant or firm of certified public accountants for the purpose of securing an audit of the accounts of the City and may execute such an agreement for the purpose of securing an audit of the accounts of any office or public body that receives or expends City funds, including non-municipal offices and public bodies. As soon as practicable, and in no event later than six months after the close of the fiscal year, the accountant or accountants shall submit to the City Council a report upon the transactions of the year just completed.

The Department of Finance annually prepares the City's Annual Financial Report in conformance with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board.

Extraordinary Expenditures

As stated previously, the City Council is required to approve a balanced operating budget each fiscal year. At times, various factors may impact the expenditures to be incurred in a current or future fiscal year, causing the City Council to either increase revenue or decrease other expenditures to achieve a balanced budget. For example, the City is party to a number of consent decrees that require it to accomplish various tasks within a designated period of time, and while the City has made reasonable estimates of the total costs of such tasks, various factors outside of the control of the City may impact the accuracy of such estimates. (See "LITIGATION AFFECTING THE CITY - (NOPD CONSENT DECREE)" and "-(OPP CONSENT DECREE)" herein.) The City's operating budget for 2015 includes the anticipated costs associated with the various consent decrees and other non-recurring expenditures as estimated by the City, and the City presently expects to continue to budget such anticipated costs in future years.

Employee Relations

Under State law, the City and its employees may enter into collective bargaining agreements, subject to the rules and regulations of the New Orleans Civil Service Commission (the "Civil Service Commission"). State and local laws do not expressly prohibit strikes by City employees although Civil Service Commission rules permit discipline and discharge of classified employees who fail to discharge their duties in a satisfactory manner.

The compensation of classified City employees is set by a comprehensive pay plan prepared by the Civil Service Commission and submitted to the City Council for approval or rejection. The Civil Service Commission is composed of five members appointed by the City Council and must be selected from nominees submitted by the presidents of several local universities

and are prohibited from engaging in political activities. Once a pay plan has been adopted, the City Administration implements that plan through its adoption of a pay policy. The pay plan and the pay policy, combined, determine the actual compensation of City employees. The compensation of unclassified employees is set by a pay plan and pay policy recommended by the Mayor and adopted by ordinance of the City Council.

Certain employees of the Police Department, Fire Department and Department of Parks and Parkways belong to employee organizations which have agreements with the City.

Retirement Systems

The City sponsors and administrates four separate pension systems: (1) Fire Fighter's Pension and Relief Fund--Old System ("Old Fire System"); (2) Fire Fighter's Pension and Relief Fund--New System ("FPRF"); (3) Police Pension Fund--Old System ("Old Police System"); and (4) the Employees' Retirement System of the City of New Orleans ("NOMERS"). The Old Fire System covers firemen who were employed prior to December 31, 1967. The FPRF covers firemen hired since that date. Effective March 6, 1983, all members of the Old Police System (the "Police Pensions Funds"), active and retired, except for approximately 250 participants who did not meet the eligibility requirements, became members of the Municipal Police Employees' Retirement System of Louisiana ("MPERS"). The Old Police System will remain responsible for the payment of certain benefits due to differences in length of service and age requirements for the participants who were not transferred to the MPERS plan. MPERS is the only cost-sharing, multiple-employer retirement plan in which employees of the City participate. NOMERS covers all City employees other than firefighters and police.

All four plans use the accrual basis of accounting for changes in net assets. Within this context, interest income is recognized when earned, as are employer and employee contributions, except in the case of the Old Police System, which recognizes employer contributions when due from the City. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

MPERS Plan Description. On March 6, 1983, an agreement was signed between the City, the Police Pension Funds of the City of New Orleans, and the MPERS, which provided for the merger of the Police Pension Plans with the MPERS. As of that date, all members of the Police Pension Plans, active and retired, became members of the MPERS. Those members covered by the system who did not meet the age and service requirements of the MPERS will be paid by the Police Pension Fund of the City until they reach age 50 or 55, depending on the length of active service. The MPERS is a defined benefit pension plan established by State statute.

Employees become eligible for retirement under MPERS at age 50, after being a member after 20 years of active continuous service. An employee who is age 55 becomes eligible for retirement benefits after 16 years of active continuous service. The plan also provides death and disability benefits. Authority to establish and amend benefit provisions is provided under the laws of the State. The City's contribution to the MPERS plan for the year ended December 31, 2014 was \$19,489,649. MPERS issues a publicly available financial report that includes financial statements and required supplementary information for the MPERS. That report may be obtained by writing to the Municipal Police Employees' Retirement System, 7722 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (800) 443-4248.

NOMERS, Old Police System, Old Fire System and FPRF Descriptions. Each plan is a defined benefit pension plan established by statute, which provides retirement, disability, and death benefits, and annual cost-of-living adjustments to plan members and beneficiaries. Authority to establish and amend benefit provisions is provided under the laws of the State. Each plan issues a publicly available financial report that includes financial statements and required supplementary information for that plan. Those reports may be obtained by contacting the plan using the information below:

Employees' Retirement System of the City of New Orleans
1300 Perdido Street, Suite 1E12
New Orleans, Louisiana 70112
(504) 658-1850

Police Pension Fund of the City of New Orleans
715 S. Broad, Room 408
New Orleans, Louisiana 70119
(504) 658-5727

Firefighters' Pension and Relief Fund of the
City of New Orleans (Old and New Systems)
3520 General DeGaulle Drive, Suite 3100
New Orleans, Louisiana 70114
(504) 366-8102

Funding Policies and Annual Pension Costs. The employer contributions for NOMERS and the FPRF are based on actuarially determined amounts. The employer contribution for the Old Police System is based on amounts necessary to cover administrative costs and payments of pensions and benefits, as certified by the board of trustees of the fund. The employer contribution for the Old Fire System is based on amounts necessary to pay current expenses, and, in effect, is being funded on a "pay-as-you-go" basis. As a result of the merger contract with the MPERS to transfer all active policemen who were participating in the City's Police Pension Fund to MPERS, there were no active participants in the plan and therefore the only contributions by employees to the plan related to retirees' contributions for the purchase of military service credit.

Employees covered under NOMERS contribute 6% of their earnable compensation to the plan. Effective January 1, 2014, employees covered under the Firefighters' Pension and Relief Fund of the City of New Orleans (New System) contribute 10% of their salary, implemented on a graded scale as follows:

- For members with less than 20 years of service: 8% effective January 1, 2014 and 10% effective January 1, 2015 and thereafter.
- For members with at least 20 years of service: 3.33% effective January 1, 2014; 6.66% effective January 1, 2015; and 10% effective January 1, 2016 and thereafter.

There are no active employees in the Old Fire System, thus no employee contributions are required. In addition, the Old Fire System and FPRF receive ad valorem taxes to fund additional benefits. The amount of millage received for the New and Old System were \$2,573,273 and \$1,156,108 for 2014, respectively. The FPRF receives fire insurance taxes of 2% of the fire insurance premiums written in the City of New Orleans. In 2014, the amount of \$1,491,768 received as a result of this tax was divided equally between the two systems.

As a result of the merger contract with the MPERS to transfer all active policemen who were participating in the Old Police System to MPERS, there were no active participants in the plan and therefore the only contributions by employees to the plan related to retirees' contributions for the purchase of military service credit. The City's annual pension cost for fiscal year 2014 and related actuarial methods and assumptions for each plan is as follows (amounts in thousands):

| | <u>NOMERS</u> | <u>Old Police System</u> | <u>Old Fire System</u> | <u>FPRF</u> |
|-------------------------------|------------------------------|--------------------------------|------------------------------|------------------------------|
| Annual required contribution* | 20,871 | -- | 18,841 | 36,182 |
| Annual pension cost* | 20,247 | -- | 15,411 | 31,400 |
| Contributions made* | 20,307 | -- | 17,173 | 20,648 |
| Actuarial valuation date | 1/1/2015 | 12/31/2014 | 1/1/2015 | 1/1/2015 |
| Actuarial cost method | Entry age normal cost method | Entry age normal cost method | Entry age normal cost method | Entry age normal cost method |
| Amortization method | (a) | (b) | (c) | (d) |
| Remaining amortization period | (a) | (b) | (c) | (d) |
| Asset valuation method | Adjusted market value | Cost which approximates market | Market value | Actual market value |
| Actuarial assumptions: | | | | |
| Investment rate of return | 7.50% | 7.00% | 7.50% | 7.50% |
| Projected salary increases | 5.00% | N/A | N/A | 5.00% |

* Amounts in thousands.

- (a) The "Entry Age Normal Cost Method" is used to calculate the funding requirements for MPERS. Under this method the normal cost of the plan is designed to be a level percentage of payroll, calculated on an aggregate basis, spread over the entire working lifetime of the participants. The future working lifetime is determined from each participant's hypothetical entry age into the plan assuming the plan had always been in existence, to the participant's expected retirement date. This fund uses a level dollar amortization for an open ten year amortization period effective on each valuation date.

- (b) The “Entry Age Normal Cost Method” was used to calculate the funding requirements of the Old Police System. Under this cost method, the actuarial present value of projected benefits of each individual included in the valuation is allocated on a level basis as a percentage of payroll for each participant between entry age and assumed retirement age.
- (c) The “Entry Age Normal Cost Method” was previously used, with the unfunded liability amortized over a varying period of years. However, there are no active members left in the Old Fire System nor are there any members in DROP, resulting in a zero normal cost. Therefore the method for the Old Fire System effectively results in an amortization amount for the unfunded actuarial liability over ten years.
- (d) The “Entry Age Normal Cost Method” was used to calculate the funding requirements of the fund. Under this method, normal cost of the plan is designed to be a level percentage of payroll, calculated on an individual basis, spread over the entire working lifetime of the participants. The future working lifetime is determined from each participant’s hypothetical entry age into the plan assuming the plan had always been in existence, to the participant’s expected retirement date. This fund uses a level dollar amortization for an open fifteen year amortization period effective on each valuation date.

Annual Pension Cost, Prepaid Pension Asset, and Net Pension Obligation. The City’s annual pension cost (“APC”), prepaid pension asset (“PPA”), and net pension obligation (“NPO”) to the NOMERS, Old Fire System and FPRF for the current year are as follows (amounts in thousands):

| | <u>Employees’ System</u> | <u>Old Fire System</u> | <u>New Fire System</u> | <u>Total</u> |
|--|------------------------------|----------------------------|----------------------------|---------------------|
| Annual required contribution | \$ 20,871 | \$ 18,841 | \$ 36,182 | 75,894 |
| Interest on NPO | 1,222 | 3,904 | 5,442 | 10,568 |
| Adjustment to annual required contribution | <u>(1,846)</u> | <u>(7,334)</u> | <u>(10,224)</u> | <u>(19,404)</u> |
| Annual Pension cost | 20,247 | 15,411 | 31,400 | 67,058 |
| Contributions made | <u>20,307</u> | <u>17,173</u> | <u>20,648</u> | 58,128 |
| Decrease (increase) in NPO | 60 | 1,762 | (10,752) | (8,930) |
| NPO, beginning of year | <u>(16,295)</u> | <u>(52,054)</u> | <u>(72,564)</u> | <u>(140,913)</u> |
| NPO, end of year | <u>\$ (16,235)</u> | <u>\$ (50,292)</u> | <u>\$ (83,316)</u> | <u>\$ (149,843)</u> |

(The remainder of this page intentionally left blank.)

The NPOs were approximately \$149,843,000 at December 31, 2014, and are recorded in the governmental activities of the government-wide statement of net assets. (See Appendix “C”- 2014 Comprehensive Annual Financial Report of the City.)

Three Year Trend Information (amounts in thousands)

| | <u>Year ending</u> | <u>APC</u> | <u>Percentage of APC contributed</u> | <u>NPO</u> |
|-----------------|--------------------|------------|--------------------------------------|------------|
| NOMERS | 12/31/14 | \$20,247 | 100% | \$ 16,235 |
| | 12/31/13 | 19,646 | 97 | 16,295 |
| | 12/31/12 | 18,216 | 109 | 14,675 |
| Old Fire System | 12/31/14 | 15,411 | 111 | 50,292 |
| | 12/31/13 | 16,834 | 123 | 52,054 |
| | 12/31/12 | 18,623 | 111 | 56,116 |
| FPRF | 12/31/14 | 31,400 | 66 | 83,316 |
| | 12/31/13 | 30,824 | 39 | 72,564 |
| | 12/31/12 | 29,816 | 41 | 54,053 |

Investments by Systems. For more information on the investment selections of the several systems, including interest rate risk, credit quality risk and custodial credit risk, see Appendix “C”- 2014 Comprehensive Annual Financial Report of the City, Note 2-Deposits and Investments, pages 41-46 therein.

Funded Status and Funding Progress of Pension Plans

Schedule of Funding Progress
(Amounts in Thousands)

| <u>Funding Status As of 12/31</u> | <u>Value of assets (a)</u> | <u>Actuarial liability (AAL) (b)</u> | <u>Excess of assets over AAL (a-b)</u> | <u>Funded ratio (a/b)</u> | <u>Covered Payroll (c)</u> | <u>Excess as percentage of covered payroll (a-b/c)</u> |
|-----------------------------------|----------------------------|--------------------------------------|--|---------------------------|----------------------------|--|
| NOMERS: | | | | | | |
| 12/31/2012 | 372,050 | 545,395 | (173,345) | 68.22 | 92,881 | (186.63) |
| 12/31/2013 | 365,102 | 544,536 | (179,434) | 67.05 | 92,440 | (194.11) |
| 12/31/2014 | 352,916 | 540,176 | (187,260) | 65.33 | 97,244 | (192.57) |
| Old Police System: | | | | | | |
| 12/31/2012 | 1,763 | * | * | * | -- | N/A |
| 12/31/2013 | 1,726 | * | * | * | -- | N/A |
| 12/31/2014 | 1,684 | * | * | * | -- | N/A |
| Old Fire System: | | | | | | |
| 12/31/2012 | 16,565 | 159,529 | (142,964) | 10.38 | -- | N/A |
| 12/31/2013 | 17,680 | 148,577 | (130,897) | 11.90 | -- | N/A |
| 12/31/2014 | 15,261 | 124,210 | (108,949) | 12.29 | -- | N/A |
| FPRF: | | | | | | |
| 12/31/2012 | 150,640 | 440,292 | (289,652) | 34.21 | 29,688 | (975.65) |
| 12/31/2013 | 121,788 | 423,820 | (302,032) | 28.74 | 28,002 | (1,078.61) |
| 12/31/2014 | 62,645 | 355,179 | (292,534) | 17.64 | 26,985 | (1,084.06) |

* Information not known.

Source: Comprehensive Annual Financial Report, City of New Orleans, 2012-2014.

Firefighters' Pension and Relief Fund Lawsuit. During the year ended December 31, 2010, a lawsuit was filed by City firefighters against the City to adjust their pensions for longevity raises not received while employed by the City. A judgment was obtained against the City for the difference in the amount retired firefighters were receiving as their pension benefit and what they should have received had the longevity raises been included in their retirement benefit calculation. The judgment applies to all firefighters who retired on or after March 2, 1990. The increase in their pension payment is to be calculated in accordance with longevity factors determined by the court. The judgment states that benefits are only to be upwardly adjusted when the funds are appropriated by the City.

On March 17, 2010, the firefighters obtained a consent judgment authorizing the Firefighters' Pension and Relief Fund (the "Fund"), which operates both the Old Fire System and FPRF, upon receiving the appropriated funds from the City, to upwardly adjust monthly pension benefits owed to those members who retired on or after March 2, 1990, starting on January 1, 2010 in accordance with the longevity factors determined by the court. During the year ended December 31, 2010, the City appropriated funds necessary to pay the increased benefit to those members currently receiving cash benefits.

As of December 31, 2014, the City has not appropriated funds to pay the increased benefit owed to members prior to December 31, 2009. The amount of member Deferred Retirement Option Plan ("DROP") benefits owed to the members is estimated to be \$21,406,031 and \$3,494,485 for the FPRF and Old Fire System, respectively. As of December 31, 2014, the amount of Partial Lump-Sum Option Plan ("PLOP") benefits owed to these members is estimated to be \$12,304,204 and \$1,296,324 for the FPRF and Old Fire System, respectively. These amounts were not reserved in the pension trust fund financial statements since the judgement states that benefits are only to be upwardly adjusted when the funds are appropriated by the City. Member DROP and PLOP accounts were not increased during 2014 since the City appropriation received by the systems did not cover these amounts. On October 16, 2015, the City announced a comprehensive settlement of the foregoing litigation and other claims. See "LITIGATION AFFECTING THE CITY-Firefighters Cases" herein.

Firefighters' Pension and Relief Fund Investment Receivable. The Fund invested \$15,000,000 into the FIA Leveraged Fund ("Leverage Fund"), an open ended investment fund registered in the Cayman Islands. The Leveraged Fund in turn invested in other feeder funds that ultimately invested in the Master Fund, Fletcher International, LTD (FILB). Fletcher Asset Management ("FAM") served as the investment manager to all of the funds in the master-feeder fund structure. On June 27, 2011, the Fund requested a full redemption of funds invested in the Leverage Fund. This redemption request was not met, resulting in the Fund filing a winding-up petition with the Grand Court in the Cayman Islands to force the liquidation of the Leverage Fund. On April 18, 2012, the Grand Court issued a winding-up order against the Leverage Fund and appointed official liquidators to wind up its affairs. In response to this judgement, FAM filed for bankruptcy protection for the Master Fund, FILB. In October 2012, the bankruptcy court issued an order for the appointment of a U.S. Trustee to investigate the assets of the Leverage Fund and manage its liquidation. The bankruptcy trustee is in the process of marshaling the assets of FILB, along with the filing of claims against various owners and insiders to claw-back certain payments. In addition, the bankruptcy trustee intends to assert various claims against the professionals associated with the Leverage Fund and FILB.

The Fund has also filed lawsuits against several of the Leverage Fund's third-party service providers in which counsel projects the recovery of a substantial, but as yet undeterminable, amount. However, because of multiple variables relating to the litigation, and a confidentiality order as ordered by the court in the FILB bankruptcy proceedings, the Fund cannot accurately predict the outcome of the litigation or evaluate the value of the claims being asserted by FILB on behalf of the Fund.

The value of any recovery for the Fund depends on the bankruptcy trustee's completion of the liquidation process, which could extend for a protracted period, with substantial unknown expenses to be incurred, and the validity of certain complex legal theories being asserted on behalf of the Leverage Fund and FILB in various legal proceedings. Further, recovery may be made in the pending litigation that the Fund has filed against third party providers that is pending in the State. As of December 31, 2014, the Fund has recorded a reserve of \$18,425,727 against the receivable balance of \$18,425,727.

Post-Employment Benefits

The City offers medical benefits to eligible retirees upon actual retirement. Employees do not contribute to their post-employment benefits costs until they become retirees and begin receiving such benefits. The City does not fund its Annual Required Contribution (as defined in GASB Statement 45) except to the extent of the current year's retiree funding costs.

Notes 2 and 7 and the Required Supplementary Information to the City's Comprehensive Annual Financial Report for fiscal year 2014 contains further information regarding the City Pension and other post-employment benefit obligations. See Appendix "C"- 2014 Comprehensive Annual Financial Report of the City, Note 2-Deposits and Investments, pages 41-46 therein; Note 7-Pension Plans and Postretirement Healthcare Benefits, pages 55-70 therein; and Required Supplementary Information, pages 84-85. The information contained therein is current as of the date stated, and there has been no material adverse change in the financial information contained therein from the date stated.

Plan Description. The City's medical benefits are provided through a self-insured comprehensive health benefit program and are made available to employees upon retirement. Full details are contained in the official plan documents. Medical benefits are provided to employees upon actual retirement (that is, at the end of the DROP period, if applicable) according to the retirement eligibility provisions of the System by which the employee is covered. The vast majority of current City employees are covered by one of three primary systems: NOMERS, MPERS, or FPRF. The maximum DROP period is five years in NOMERS and FPRF and three years in MPERS. Retirement (DROP entry) eligibility is as follows: in NOMERS, the earliest of 30 years of service at any age; age 60 and 10 years of service; age 65 and 5 years of service; or, satisfaction of the "Rule of 80" (age plus service equals or exceeds 80); in MPERS, the earlier of 25 years of service and age 50 and 20 years of service (in MPERS, DROP entry requires age 55 and 12 years of service or 20 years of service and eligibility to retire); in FPRF, age 50 and 12 years of service. However, because of the "back-loaded" benefit formula in the FPRF plan relative to years of service, the retirement assumption used for that plan was the earliest of age 50 and 30 years of service, age 55 and 25 years of service, and age 60 and 12 years of service.

Contribution Rates. Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Funding Policy. The funding policy is not to fund the Annual Required Contribution (“ARC”) except to the extent of the current year’s retiree funding costs. In 2014, the City’s portion of health care funding cost for retired employees totaled approximately \$8,406,000. These amounts were applied toward the net other post-employment benefit (“OPEB”) obligation.

Annual Required Contribution. The City’s ARC is an amount actuarially determined in accordance with GASB 45. The ARC is the sum of the Normal Cost plus the contribution to amortize the Actuarial Accrued Liability (“AAL”). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The total ARC for fiscal year 2014 was \$11,549,015, as set forth below:

| | |
|------------------------------------|----------------------|
| Normal Cost | \$ 2,889,037 |
| 30-year UAL amortization amount | 8,659,978 |
| Annual required contribution (ARC) | <u>\$ 11,549,015</u> |

Net Post-Employment Benefit Obligation (Asset). The table below shows the City’s net OPEB obligation for fiscal year 2014:

| | |
|--|----------------------|
| Beginning Net OPEB Obligation 1/1/2014 | \$ 59,816,246 |
| Annual required contribution | 11,549,015 |
| Interest on Net OPEB Obligation | 2,392,650 |
| ARC Adjustment | <u>(3,459,179)</u> |
| OPEB Cost | 10,482,486 |
| Contribution | - |
| Current year retiree premium | <u>8,405,989</u> |
| Change in Net OPEB Obligation | <u>2,076,497</u> |
| Ending Net OPEB Obligation 12/31/2014 | <u>\$ 61,892,743</u> |

The following table shows the City’s annual other post-employment benefits cost, percentage of the cost contributed, and the net unfunded other post-employment benefits obligation (asset):

| <u>Fiscal Year Ended</u> | <u>Annual OPEB Cost</u> | <u>Percentage of Annual Cost Contributed</u> | <u>Net OPEB Obligation</u> |
|--------------------------|-------------------------|--|----------------------------|
| December 31, 2014 | \$10,482,486 | 80.19% | \$61,892,743 |
| December 31, 2013 | 10,079,229 | 77.22% | 59,816,246 |
| December 31, 2012 | 12,957,882 | 75.72% | 57,520,340 |

Funded Status and Funding Progress. In fiscal year 2014, the City made no contributions to its post employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the January 1, 2013 actuarial valuation, the most recent valuation, the AAL at the end of fiscal year 2014 was \$155,739,508 which is defined as that portion, as determined by a particular actuarial cost method (the City uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

| | |
|---|-----------------------|
| Actuarial Accrued Liability (AAL) | \$ 155,739,508 |
| Actuarial Value of Plan Assets (AVP) | - |
| Unfunded Act. Accrued Liability (UAAL) | \$ <u>155,739,508</u> |
| Funded Ratio (AVP/AAL) | 0% |
| Covered Payroll (active plan members) | \$ 223,330,926 |
| UAAL as a percentage of covered payroll | 70% |

Actuarial Methods and Assumptions. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the City and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the City and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the City and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Further information on other methods, assumptions and related projections may be found in Appendix “C”- 2014 Comprehensive Annual Financial Report of the City, Note 7-Pension Plans and Postretirement Healthcare, pages 66-70 therein.

INVESTOR CONSIDERATIONS

Hurricanes Katrina and Rita

Hurricane Katrina struck the Central Gulf Coast near New Orleans as a Category 4 hurricane on August 29, 2005. Failure of several sections of the levee system surrounding the City resulted in flooding that inundated approximately 80 percent of the City with water up to 20 feet deep in some places. Hurricane Rita struck near the Texas-Louisiana border on September 24, 2005 as a Category 3 hurricane. Storm surge associated with Hurricane Rita reopened some of the levee breaches that originally resulted from Hurricane Katrina and reflooded parts of New Orleans.

More than ten years after the storms, the City is experiencing an economic recovery. The estimated population of the City in 2014 (the most recent estimate available from the U.S. Census) was 384,320, reflecting a 11.78% growth over the 2010 Census. The pre-Katrina population of the City was approximately 455,188. City sales tax revenues in fiscal year 2014 increased over those in fiscal year 2004 by 25.56%, and are expected to increase an additional 4.4% in fiscal year 2015. Tourism continues to show steady growth with over 9.52 million tourists visiting the City in 2014, the fifth consecutive year that the number of visitors has topped 8 million. By contrast, an estimated 10.1 million tourists visited the City in 2004, the last full year prior to the storm. Visitors spent an estimated \$6.81 billion in the City in 2014, the highest total in the City’s history. Many economic indicators now exceed pre-Katrina levels, indicating that the City is recovering at a steady pace.

The Board of Liquidation continued to make the required debt service payments on all then-outstanding bonds issued by the Board of Liquidation following Hurricane Katrina, due in part to loans from the State. To assist local political subdivisions, including the City and its component entities and independent boards (such as the Sewerage and Water Board) with current operating expenses and the payment of debt service on various obligations, the State and the federal government put in place borrowing programs designed to provide immediately available revenues to such political subdivisions. For more information on the amounts borrowed by the Board of Liquidation and the City and its component entities and independent boards pursuant to these programs, see “DEBT STATEMENT – Hurricane-Related Borrowing.”

Levees and Flood Protection

Coastal Louisiana, including the City, is susceptible to hurricanes wherein winds and flooding have from time to time caused significant damage, particularly in the case of Hurricane Katrina.

Subsequent to Hurricane Katrina, the U.S. Army Corps of Engineers has undertaken a project consisting of the planning, design and construction of a flood protection system for the Metropolitan New Orleans Area. The flood protection system includes improved levees and floodwalls and temporary and permanent floodgates. Construction has been completed on several portions of the flood protection system improvements, and construction has commenced on others. It is anticipated that all proposed flood protection system improvements will be completed in 2016, at a total cost of \$14 billion; however, most of the work has been completed as of the date of this Official Statement. Notwithstanding the foregoing, the City can give no assurance that the proposed flood protection system improvements will prevent wind damage and flooding resulting from future significant weather events.

Limitations on Remedies Available to Bondholders

Under State law, no political subdivision of the State, including the City, may file for protection under Chapter 9 of the federal bankruptcy code unless such filing is approved by the Louisiana State Bond Commission and the Governor and Attorney General of the State. Further, no political subdivision of the State, after filing for bankruptcy protection, may carry out a plan of readjustment of debts approved by the bankruptcy court until such plan is approved by the Louisiana State Bond Commission and the Governor and Attorney General of the State.

The remedies available to the owners of the Bonds in the case of nonpayment of the Bonds are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically in the United States Bankruptcy Code, 11 U.S.C. §101 et seq. (the “Bankruptcy Code”), remedies may not be readily available or may be limited. The various legal opinions delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by general principles of equity and by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting the rights of creditors generally.

The enforceability of the rights and remedies of the owners of the Bonds, and the obligations incurred by the Issuer in issuing the Bonds, are subject to the Bankruptcy Code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors’ rights generally, now or hereafter in effect to the extent

constitutionally applicable; equity principles which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the federal Constitution; and the exercise of the sovereign police powers of the State or its governmental bodies. Consistent with the contracts clauses of the Louisiana and United States Constitutions, in a bankruptcy proceeding or due to the exercise of powers by the federal or State government, bondowners could be subject to judicial discretion and the interpretation of their rights in bankruptcy or otherwise, which consequently may entail risks of delay, limitation, or modification of their rights. Under current State law, no political subdivision of the State, including the Issuer, may file for protection under Chapter 9 of the Bankruptcy Code unless such filing is approved by the Louisiana State Bond Commission and the Governor and Attorney General of the State. Further, no political subdivision of the State, after filing for bankruptcy protection, may carry out a plan of readjustment of debts approved by the bankruptcy court until such plan is approved by the Louisiana State Bond Commission and the Governor and Attorney General of the State.

Financial Information

Certain financial information relating to the Issuer is set forth or referenced herein and in the Appendices hereto. There can be no assurance that the financial results achieved by the Issuer in the future (including, but not limited to, the amount of revenues of the Tax collected by the Issuer) will be similar to historical results. Such future results will vary from historical results and actual variations may be material.

Secondary Market

There is no guarantee that a secondary trading market will develop for the Bonds. Consequently, prospective bond purchasers should be prepared to hold their Bonds to maturity or prior redemption. Subject to applicable securities laws and prevailing market conditions, the Underwriters intend, but are not obligated, to make a market in the Bonds. As a result, Owners of the Bonds may be unable to dispose of the Bonds should they no longer desire to own the Bonds. The Underwriters' cannot guaranty the liquidity of the Bonds; consequently, prospective purchasers of the Bonds should be prepared to hold such bonds until maturity.

If such secondary market exists after the issuance of the Bonds, events such as decreases in benchmark interest rate indices, downward revisions or withdrawals of ratings on the Bonds or the Issuer, and general market turmoil, among others, may adversely affect the value of the Bonds on such secondary market. The Underwriters cannot guaranty that the owner of a Bond will not experience a loss of value of such Bond prior to maturity.

Failure to Provide Ongoing Disclosure

The failure of the Issuer to comply with the continuing disclosure certificate described herein may adversely affect the transferability and liquidity of the Bonds and their market price. See "CONTINUING DISCLOSURE" herein.

Book-Entry

Persons who purchase Bonds through DTC Participants become creditors of the DTC Participant with respect to the Bonds. Records of the investors' holdings are maintained only by the DTC Participant and the investor. In the event of the insolvency of the DTC Participant, the investor would be required to look to the DTC Participant's estate and to any insurance maintained by the

DTC Participant, to make good the investor's loss. Neither the Issuer nor the Underwriters are responsible for failures to act by, or insolvencies of, the Securities Depository or any DTC Participant. See "APPENDIX J - BOOK-ENTRY ONLY SYSTEM" herein.

Outstanding Build America Bonds

The general obligation bonds issued by the City in 2010 were designated as Build America Bonds, and the City has by resolution dictated that any subsidy payments be made directly to the respective paying agent to be used to pay principal and interest on such bonds. The interest subsidy paid to the City in connection with the 2010 Build America Bonds will be reduced by 6.8% in the 2016 fiscal year of the United States as a result of sequestration, and it is schedule to be reduced by as of yet undetermined amounts in each federal fiscal year through 2024. If the City does not receive the direct pay subsidy relative to the Build America Bonds in any year, or if the amount of the subsidy is reduced further, the Board of Liquidation will adjust the general obligation bond millage as necessary to compensate for the loss of revenue.

TAX EXEMPTION

Interest on Bonds

The delivery of the Bonds is subject to the opinion of Co-Bond Counsel to the effect that interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, it should be noted that, for the purpose of computing the alternative minimum tax imposed on certain corporations, such interest is taken into account in determining adjusted current earnings (See Appendix "H").

State Taxes

The opinion of Co-Bond Counsel will state that under the Act, the Bonds and the income therefrom are exempt from all taxation by the State of Louisiana or any political subdivision thereof. (See Appendix "H".) Each prospective purchaser of the Bonds should consult his or her own tax advisor as to the status of interest on the Bonds under the tax laws of any state other than Louisiana.

Alternative Minimum Tax Consideration

Except as hereinafter described, interest on the Bonds will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. The Internal Revenue Code of 1986, as amended (the "Code"), imposes a 20% alternative minimum tax on the "alternative minimum taxable income" of a corporation, if the amount of such alternative minimum tax is greater than the amount of the corporation's regular income tax. Generally, a corporation's "alternative minimum taxable income" includes 75% of the amount by which a corporation's "adjusted current earnings" exceeds a corporation's alternative minimum taxable income. Interest on the Bonds will be included in a corporation's "adjusted current earnings."

General

The Code imposes a number of requirements that must be satisfied for interest on state and local obligations to be excluded from gross income for federal income tax purposes. These requirements include limitations on the use of bond proceeds and the source of repayment of bonds, limitations on the investment of bond proceeds prior to expenditure, a requirement that excess arbitrage earned on the investment of certain bond proceeds be paid periodically to the United States, except under certain circumstances, and a requirement that information reports be filed with the Internal Revenue Service.

The opinion of Co-Bond Counsel will assume continuing compliance with the covenants in the Bond Resolution pertaining to those sections of the Code which affect the exclusion from gross income of interest on the Bonds for federal income tax purposes and, in addition, will rely on representations by the Issuer with respect to matters solely within the knowledge of the Issuer, which Co-Bond Counsel has not independently verified. If the Issuer should fail to comply with the covenants in the Bond Resolution or if the foregoing representations should be determined to be inaccurate or incomplete, interest on the Bonds could become included in gross income from the date of original delivery of the Bonds, regardless of the date on which the event causing such inclusion occurs.

Owners of the Bonds should be aware that (i) the ownership of tax-exempt obligations, such as the Bonds, may result in collateral federal income tax consequences to certain taxpayers and (ii) certain other federal, state and/or local tax consequences may also arise from the ownership and disposition of the Bonds or the receipt of interest on the Bonds. Furthermore, future laws and/or regulations enacted by federal, state or local authorities may affect certain owners of the Bonds. All prospective purchasers of the Bonds should consult their legal and tax advisors regarding the applicability of such laws and regulations and the effect that the purchase and ownership of the Bonds may have on their particular financial situation.

Qualified Tax-Exempt Obligations (Non-Bank Deductibility)

The Tax Reform Act of 1986 revised Section 265 of the Code so as to generally deny financial institutions 100% of the interest deductions that are allocable to tax-exempt obligations acquired after August 7, 1986. However, an exception is permitted under the Tax Reform Act of 1986 for certain qualified tax-exempt obligations which allows financial institutions to continue to treat the interest on such obligations as being subject to the 20% disallowance provision under prior law if the Issuer, together with certain subordinate entities, reasonably expects that it will not issue more than \$10,000,000 of governmental purpose bonds in a calendar year and designates such bonds as “qualified tax-exempt obligations” pursuant to the provisions of Section 265(b)(3)(B) of the Code. The Bonds are **NOT** designated as “qualified tax-exempt obligations” pursuant to Section 265(b)(3)(B) of the Code.

Tax Treatment of Original Issue Premium

The Bonds maturing December 1, 2016 to December 1, 2029, inclusive (the “Premium Bonds”), are being offered and sold to the public at prices in excess of their stated principal amounts.

Such excess is characterized as a “bond premium” and must be amortized by an investor purchasing the Premium Bonds on a constant yield basis over the remaining term of the Premium Bonds in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium related to a tax-exempt bond for federal income tax purposes. However, as bond premium is amortized, it reduces the investor’s basis in the Premium Bonds. Investors who purchase Premium Bonds should consult their own tax advisors regarding the amortization of bond premium and its effect on the Premium Bonds’ basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Premium Bonds.

Tax Treatment of Original Issue Discount

The Bonds maturing December 1, 2030 to December 1, 2034, inclusive (the “OID Bonds”), are sold to their original owners at a discount. The difference between the initial public offering prices and their stated amounts constitutes original issue discount treated as interest which is excluded from gross income for federal income tax purposes and which is exempt from all present State taxation subject to the caveats and provisions described herein.

Owners of OID Bonds should consult their own tax advisors with respect to the determination for federal income tax purposes of original issue discount accrued with respect to such OID Bonds as of any date, including the date of disposition of an OID Bond and with respect to the state and local consequences of owning OID Bonds.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein. In addition, such legislation (whether currently proposed, proposed in the future or enacted) could affect the market value or marketability of the Bonds. For example, negotiations between the Executive and Legislative Branches of the United States government regarding the federal budget may result in the enactment of tax legislation that could significantly reduce the benefit of, or otherwise affect, the exclusion of gross income for federal income tax of interest on all state and local obligations, including the Bonds. It cannot be predicted whether or in what form any such proposals might be enacted or whether if enacted such proposals would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds or the market value thereof would be impacted thereby. Prospective purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation.

The opinions expressed by Co-Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Co-Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending or proposed federal or state tax legislation, regulations or litigation.

THE FOREGOING DISCUSSION OF CERTAIN FEDERAL AND STATE INCOME TAX CONSEQUENCES IS PROVIDED FOR GENERAL INFORMATION ONLY. INVESTORS SHOULD CONSULT THEIR TAX ADVISORS AS TO THE TAX CONSEQUENCES TO THEM IN LIGHT OF THEIR OWN PARTICULAR INCOME TAX POSITION, OF ACQUIRING, HOLDING OR DISPOSING OF THE BONDS.

CO-MUNICIPAL ADVISORS

This Official Statement has been prepared under the direction of the Issuer and with the assistance of Public Financial Management, Inc., Memphis, Tennessee, and CLB Porter, New Orleans, Louisiana, who have been employed by the Issuer to perform professional services in the capacity of municipal advisor (the “Co-Municipal Advisors”). The Co-Municipal Advisors have reviewed and commented on certain legal documentation, including the Official Statement. The Co-Municipal Advisors have not audited, authenticated or otherwise verified the information set forth in the Official Statement, or any other information available to the Issuer, with respect to the appropriateness, accuracy or completeness of disclosure of such information or other information, and no guaranty, warranty or other representation is made by the Co-Municipal Advisors respecting such accuracy and completeness of information or any other matter related to such information and the Official Statement.

LITIGATION AFFECTING THE CITY

Like all political subdivisions in the State, the City may sue and be sued in its official capacity for a variety of causes. The following narrative summarizes the major litigation threatened and or filed that may affect the financial position of the City:

Firefighters Cases

On October 16, 2015, the City announced a comprehensive settlement agreement with the New Orleans Firefighters Union, the Fund and individual employees of the New Orleans Fire Department (collectively, the “Firefighters”) to settle the lingering cases of *New Orleans Firefighters Local No. 632, et al v. City of New Orleans, et al.* and *New Orleans Fire Fighters Pension and Relief Fund, et al. v. City of New Orleans, et al.* (described below). Pursuant to the terms of the settlement, the City will make an initial payment of \$15,000,000 into the FPRF, followed by annual payments until the total paid by the City equals \$75,000,000. In return, the Firefighters agreed to pension reforms and other concessions designed to stabilize the FPRF.

The proposed settlement requires approval by multiples entities prior to becoming effective, including the Governing Authority, the Firefighters, the judges presiding over the below court cases, and the Louisiana Legislature (for some portions related to FPRF reforms). The cases to be settled by the proposed settlement are:

New Orleans Firefighters Local No. 632, et al v. City of New Orleans, et al, Civil District Court No. 95-14225:

This original suit, filed on July 14, 1981 as a class action by the New Orleans Firefighters Union and individual employees of the New Orleans Fire Department (“NOFD”), asserted a claim that the City’s implementation of the New Orleans Civil Service Commission’s annual leave policy, which limited the amount of unused

annual leave that could be accrued and carried over into subsequent years, was an unconstitutional “taking of property” in violation of Article 1, Sections 2 and 4 of the Louisiana Constitution. Plaintiffs sought back pay and “all other damages” arising from the alleged unconstitutional “taking” of excess unused annual leave days and injunctive relief enjoining the City from denying the plaintiffs the use of accrued annual leave beyond the City-imposed limit (then 90 days).

The plaintiffs amended their petition on April 24, 1985, adding the Director of Personnel and the Civil Service Commission as defendants and asserting a second cause of action claiming that the limitation on accumulation of unused leave by the City and the Civil Service Commission also violated La. Rev. Stat. 33:1996. Specifically, the plaintiffs alleged that the City’s cap on accrued annual leave resulted in a prohibited “forfeiture” of the vacation benefits provided by the statute.

On March 2, 1993, some twelve years after the original suit was filed, the plaintiffs filed a second amended petition to add two new causes of action to the original claim; specifically, that (1) the City policy establishing a lesser accrual rate for annual leave privileges and the forfeiture of accumulated annual leave benefits violated La. R.S. 33:1996 by providing less “vacation and annual leave privileges” than that mandated by the statute, and (2) the City’s Civil Service Commission Rules, which provided for a different schedule of longevity pay increases than that mandated by La. R.S. 33:1992(B), violated that statute.

This case has been in litigation for over 30 years. There are a number of issues remaining, all concerning the amount of damages that are owed. The issues concern how much annual leave is owed to active and retired members, how much in longevity is owed on millage collected and paid to the firefighters, how much in back pay is owed to active and retired firefighters and how much in DROP and PLOP benefits are owed to retirees. The City's forensic expert has advised that the possible judicial interest on this case is \$68,510,242.00 calculated as follows:

1. For the longevity component of the judgment for the years 1990 – 2005 (without consideration of any amount that may be due as an offset for excess amounts paid in pensions) is \$67,723,779.00. The expert used the 2013 Louisiana Judicial Interest Calculator and input 6/11/1997 as the start date (about half way between the calculation start date in 1990 and the calculation end date in 2005) and June 11, 2013 as the end date. The amount of interest owed on this amount is calculated as \$68,391,072.00.00.
2. The amount calculated as owing for the lost leave component of the judgment for the years 1991 – 2001 is \$107,846. 00. The expert used the 2013 Louisiana Judicial Interest Calculator and input 6/11/1996 as the start date (about half way between the calculation start date in 1991 and the calculation end date in 2001) and June 11, 2013 as the end date. The amount of interest owed on this amount is calculated as \$119,170.00.00.

The expert has calculated the amount owed for annual leave accruals as \$7,103,666.00. In December 2014, the City issued a check for \$180,000 to satisfy claims related to plaintiff firefighters whose leave time was improperly calculated due to on-duty injuries.

The parties have agreed to an amended judgment in this matter and the City's liability is approximately \$75,000,000.00.

New Orleans Fire Fighters Pension and Relief Fund; William M. Carrouche; Richard J. Hampton, Jr.; Nicholas G. Felton v. City of New Orleans et al, Civil District Court No. 12-7061:

It is the City's position that plaintiffs improperly sought a writ of mandamus to compel the City to appropriate funds in the amount of \$17,524,359.

This matter was heard before Judge Robin Giarrusso on January 7 and 8, 2013. On March 28, 2013, Judge Giarrusso ruled that the mandamus would be issued, and that the City was required to make the \$17,000,000 contribution to the Fund. The City appealed Judge Giarrusso's order to the Louisiana Fourth Circuit Court of Appeals, but after oral arguments on September 10, 2013, the Fourth Circuit affirmed Judge Giarrusso's ruling. The City filed a writ of *certiorari* with the Louisiana Supreme Court, and on March 21, 2014 the Supreme Court denied said writ. The United States Supreme Court has also declined to review the matter.

In addition to appealing the mandamus action, the City has also filed a reconventional demand against New Orleans Firefighters Pension and Relief Fund (FPRF). In September 2013, Judge Giarrusso granted plaintiffs' exception of no cause of action against the City, and dismissed the City's reconventional demand. The Louisiana Fourth Circuit Court of Appeal denied the City's writ. The reconventional demand issue is currently on appeal to the Louisiana Supreme Court.

In 2014, the plaintiffs filed a second mandamus that seeks an order directing the City Council to appropriate amounts representing payments due the fund for 2010, 2011, 2013, and 2014. The Second Amended Petition for Mandamus is being litigated before Judge Giarrusso. As the Supreme Court denied the City's writs, the mandamus judgment is upheld and the City estimates liability to be \$17,500,000.00. Plaintiffs' Second Amended Petition for Mandamus seeks an additional \$56,000,000.00, and the City estimates the liability to be \$73.5 million.

United States Of America v. City Of New Orleans, United States District Court No. 12-1924 (NOPD CONSENT DECREE)

The U.S. Department of Justice ("USDOJ") filed a lawsuit against the City alleging that the New Orleans Police Department was engaging in practices of unconstitutional policing. After much litigation, the U.S. District Court for the Eastern District of Louisiana entered a Consent Decree on January 11, 2013 resolving the lawsuit. The City moved to vacate the Court's order, which motion was denied. The City appealed the order to the U.S. Fifth Circuit Court of Appeal, and the City's appeal was denied. Accordingly, the Consent Decree became effective on August 9, 2013. The Consent Decree monitor estimates a total maximum cost of \$8,500,000 over the term of the Consent Decree for its services. This amount is included in the estimated \$55,000,000 to implement the Consent Decree over a 5-year period.

LaShawn Jones, et al v. Marlin Gusman, et al, United States District Court No. 12-0859 (OPP CONSENT DECREE)

The USDOJ intervened in this lawsuit filed by Plaintiff inmates at Orleans Parish Prison alleging unconstitutional conditions at the jail. The Plaintiffs, the Sheriff, Marlin Gusman, and the USDOJ executed a Consent Decree to settle the lawsuit. The Sheriff filed a Third Party Demand against the City alleging that any additional amounts to pay to implement the Consent Decree must be funded by the City. After extensive litigation, the City and the Sheriff entered into an agreement to settle the Sheriff's third party claim as to funding until the end of 2013. In that agreement, the City agreed to pay the Sheriff \$1,888,652.07 in 2013. In the budget process, the Sheriff requested an additional \$11,000,000 for 2014, although the City did not comply with said request. The Sheriff made additional requests throughout 2014 as expenditures for the Consent Decree were incurred, and the total amount of additional funding provided to the Sheriff in 2014 was approximately \$7,400,000 million. The amount to be paid to the Sheriff in 2015 was considered by the City Council, and the Council appropriated approximately \$20,000,000 less than the Sheriff requested in his budget presentation. The Sheriff has signed an agreement providing \$15,000,000 for medical and mental health services. The City's potential exposure for 2015 is approximately \$20,000,000. The Court, however, will retain jurisdiction over any disputes related to funding.

John Johnson, et al v. Orleans Parish School Board, et al, Civil District Court No: 1993-1433, C/W 1994-5446, C/W 1994-12996, C/W 1995-13271:

Residents of houses built on the former Agriculture Street Landfill brought class action against the City, its housing authority (HANO), Orleans Parish School Board and liability insurers to recover for negligence in converting the municipal landfill into a residential area. The class included current and former business owners, employees and students of elementary schools (estimated at over 7,000 claimants).

The City was previously litigated with the United States with respect to certain clean-up costs associated with the Agriculture Street Landfill. Following Hurricane Katrina, the United States dropped its demand for monetary damages, and settlement negotiations resulted in operational commitments only. A consent decree was entered into on September 9, 2009 on terms that require no financial obligations of the City.

The first trial of nine (9) plaintiffs involving the Agriculture Street Landfill occurred in 2005. The court held the City 50% liable *in solido* and *in virile* share with HANO and HANO's former insurers: National Union Fire Insurance Company of Pittsburg, PA, Republic Insurance Company, Louisiana Insurance Guaranty Association as successor in interest to Southern American Insurance Company, and United States Fire Insurance Company. The 4th Circuit Court of Appeals affirmed the percentage of fault, but reduced all emotional distress awards by one-half. On April 8, 2010 the co-defendants obtained a judgment in the amount of \$529,935.41 plus interest against the City for its virile share of the January 12, 2006 class-action Judgment (*National Union Fire Insurance Company of Pittsburgh, PA, Et AL. v. the City of New Orleans*, USDC # 09-6598). This judgment has been placed on the City's Unpaid Settlement/Judgment List.

In 2011, the trial court scheduled trials for the next seventy six (76) plaintiffs. The 76 Plaintiffs' first flight trials were continued without date pending pre-trial motions, writs and appeals to the Fourth Circuit and Supreme Court. In 2011, the plaintiffs made a demand on the

defendants for approximately \$96,000,000 not including judicial interest. The insurance coverage issues were remanded back to trial court. Several trials on the issue of insurance were set and continued pending co-defendants' settlement negotiations with petitioners in 2013.

Of the original 76 first flight plaintiffs set for trial, 61 went to a non-jury trial beginning on March 13, 2013 and ending on April 29, 2013. The court issued its first judgment on September 6, 2013. After several motions the court issued an amended order on November 4, 2013. The total award for the 61 plaintiffs is \$1,431,520.00 plus judicial interest from August 31, 1993 until paid, with 50% liability to the City of New Orleans *in solido* and *in virile* share with the HANO and HANO's former insurers. The court also ordered that the defendants are each liable for a fourth of the plaintiffs' costs and expenses for the trial. The City and HANO are appealing this judgment.

National Union Fire Insurance Company of Pittsburgh, Pa, and United States Fire Insurance Company settled with the plaintiffs, leaving the City of New Orleans and HANO as the remaining defendants. The City estimates the financial impact could range from \$38,000,000 plus interest.

Dorthea Walker, et al v. Amid/Metro, et al, Civil District Court No. 07-14795 Div. H (Class Action):

This class action matter relates to the taking of private citizens' land over the course of several decades to operate the Gentilly Landfill. The parties recently reached a settlement in principle, whereby the City's potential settlement exposure is approximately \$1,000,000. The court approved the settlement on April 13, 2015.

Bartholomew/Holmes/Madison/Johnson, United States District Court No. 2006-5695:

These consolidated cases involve the three cases brought by the above families seeking compensation for the deaths and injuries that occurred on the Danziger Bridge in New Orleans in the aftermath of Hurricane Katrina. The Madison family seeks to recover for the alleged wrongful death of Ronald Madison. The Holmes/Bartholomew families seek to recover for the injuries allegedly sustained as a result of gunshot wounds. Potential liability is difficult to predict, but the City estimates that it could equal or exceed \$10,000,000.

Succession of Henry Glover/Varise/Colloway, et al, v. City of New Orleans, et al, United States District Court No. 2010-1719:

These three cases arise out of the death of Henry Glover in Algiers after Hurricane Katrina. The plaintiffs allege that Mr. Glover was wrongfully shot and killed by a former NOPD Officer who then conspired with numerous other officers to cover up the facts of the shooting. There have been numerous federal indictments arising out of the case, which remain open and pending. In all likelihood, the civil case will be stayed pending resolution of the criminal charges. The City estimates that potential liability could exceed \$50,000,000.

FOP v. City of New Orleans, Civil District Court No. 80-7924:

This class action lawsuit was brought by police officers for millage payments for the years 1980-2003 that allegedly should have been used for police protection rather than paid into the general fund. There is a prior judgment for \$3,376,740 for failure to pay a portion of the 1928

millage dedicated to a supplemental pay for police officers from 1979 to 1994, which has been placed on the City's Unpaid Settlement/Judgment List. Currently, litigation is pending for other years and is in discovery mode. The City estimates that potential liability could exceed \$5,000,000.

Tyrilyn Harris, et al v. New Orleans Police Department, et al, United States District Court No. 11-752:

Plaintiffs filed a wrongful death and survival action alleging constitutional violations for the death of Brian Harris. Plaintiffs allege the NOPD used excessive force when they used a Taser and shot Harris. Harris was armed with a knife, threatened suicide and refused to comply with the Officers' orders to drop the knife at the time of his death. Plaintiffs sought \$3,000,000 in damages. The City filed a motion for summary judgment seeking dismissal of the case, and the City's motion was granted. Plaintiffs have appealed the dismissal of the lawsuit to the U.S. Fifth Circuit Court of Appeal, and the trial court's ruling was upheld. The U.S. Supreme Court denied a writ of *certiorari*. The Plaintiffs also filed a related lawsuit in Civil District Court, which is still pending.

Earl and Justin Sipp v. Former New Orleans Police Officer Jason Giroir et al, United States District Court No. 13-360

On March 1, 2012, brothers Earl and Justin Sipp engaged in a shootout with two City police officers behind a Burger King in Mid-City. The officers were conducting a traffic stop of the two brothers when the brothers began shooting at the officers. The officers suffered severe injuries, and Justin Sipp was killed in the cross fire. A lawsuit has been filed by the family members. If the officers' actions are found to constitute excessive force, the City estimates the potential liability could be substantial and well over \$1,000,000.

NaTasha Allen, et al v. City of New Orleans, et al, United States District Court No. 13-0422

On March 7, 2012 police executed a search warrant for narcotics at the home of Wendal Allen, who was shot and killed by Officer Joshua Colclough during the execution of the warrant by a City police officer. Allen was not in possession of a firearm or any other weapon at the time of the shooting. Allen's family filed suit against the City and Officer Colclough in federal court alleging excessive force and other Section 1983 violations. Colclough pled guilty to Manslaughter for the death of Allen and is currently serving four (4) years in prison. If the City is found to be liable for Colclough's actions, then the potential liability could be substantial and well over \$1,000,000.

Mani Agrawal Et Al v. City Of New Orleans et al, CDC No. 2010-6014

On December 12, 2009 at 7:15 pm, Dr. Krishna Agrawal, deceased, and his wife Mani Agrawal were driving to a Christmas party. Torrential rainfall during the day had resulted in flooding of the area, and the Plaintiff attempted to take an alternative route on Marr St. in Algiers. He failed to turn left or right onto Donner St. and drove the vehicle into the Donner Canal. Mr. Agrawal drowned while saving his wife. The plaintiffs allege that the City failed to properly place barriers and dead-end signs to warn the public. The City included the Sewerage and Water Board of New Orleans (S&WB) as a third party defendant in the lawsuit, as the S&WB owns and maintains the canals located within the City. The lawsuit makes both wrongful death and survival claims. The City estimates the potential liability to be between \$1,000,000 and \$2,500,000.

Corey Groves v. City of New Orleans, et al, USDC No. 95-3309 STAYED

This case involves the murder of Kim Groves at the behest of former NOPD Officer Len Davis. The case has been stayed for nearly 15 years pending Davis' appeal of his conviction, and proceedings are close to being initiated. The City estimates the potential liability to be \$5,000,000.

Darrin Hill v. City of New Orleans, et al, USDC No. 13-2463

The Plaintiff was found not guilty of rape by reason of insanity, and spent 20 years in a mental institution before he was exonerated of the crime by DNA evidence. He has since filed suit against the City as well as numerous police officers, claiming false arrest and other charges. The City estimates the potential liability to be \$1,000,000.

Sandra Carraby v. City of New Orleans, et al; USDC EDLA No. 05-06307

This case is currently stayed, but Plaintiff's counsel expects to re-open it in the near future. This case arises from the federal criminal trial of U.S. v. Henry Dillon, a former Assistant City Attorney (ACA) convicted of raping two women under color of law in violation of 18 U.S.C. Sect. 242 by using his position as an ACA. The plaintiff is one of the victims raped by Dillon in 2004. The civil suit was stayed pending a final resolution of the criminal trial, which concluded with a conviction and life sentence for Dillon. The plaintiff filed suit against the City, former Mayor Ray Nagin and former City Attorney Sherry Landry under federal and State law. The City may be held liable as Dillon was found guilty of acting under color of law by using his position as an ACA to meet, threaten and assault his victims. The City estimates potential liability to be between \$50,000 and \$500,000.

Arabia Whitfield, et al v City of New Orleans, et al, USDC 2009-1877, c/w 2009 8074, Adolph Grimes v New Orleans Police Department, et al, CDC No. 2009-13550

These cases stem from a New Year's Eve shooting where nine (9) police officers opened fire on Adolph Grimes, III. The police officers suspected Mr. Grimes of possessing a firearm and claim he pointed said firearm at them and attempted to shoot them. Numerous shots were fired. Adolph Grimes died as a result of the incident. This matter is presently being investigated by the USDOJ. The matter is stayed but is expected to become active soon. The City maintains the police officers use of force was valid, however, the City estimates potential liability to be \$500,000.

THERE IS NO KNOWN ADDITIONAL RELEVANT LITIGATION THAT HAS BEEN THREATENED AGAINST THE CITY BUT NOT YET FILED. THE LITIGATION INFORMATION RELATING TO THE CITY IS PROVIDED FOR GENERAL INFORMATION PURPOSES. THE ABOVE LITIGATION DOES NOT AFFECT THE SECURITY FOR THE BONDS.

LEGAL MATTERS

No litigation has been filed questioning the validity of the Bonds or the security thereof and a certificate to that effect will be delivered by the Issuer to the Underwriters upon the issuance of the Bonds.

The approving opinion of Co-Bond Counsel is limited to the matters set forth therein, and Co-Bond Counsel is not passing upon the accuracy or completeness of this Official Statement. Co-Bond Counsel's opinion is based on existing law, which is subject to change. Such opinion is further based on factual representations made to Co-Bond Counsel as of the date thereof. Co-Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may thereafter come to Co-Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Co-Bond Counsel's opinion is not a guarantee of a particular result and is not binding on third parties, the courts or regulatory bodies; rather, such opinion represents Co-Bond Counsel's professional judgment based on a review of existing law and in reliance on the representations and covenants that each deems relevant to such opinion.

A manually executed original of such opinion will be delivered to the Underwriters on the date of payment for and delivery of the Bonds. The form of said legal opinion appears in Appendix "H" to this Official Statement. For additional information regarding the opinion of Co-Bond Counsel, see the section titled "TAX EXEMPTION." The compensation of Co-Bond Counsel is contingent upon the sale and delivery of the Bonds.

Certain legal matters will be passed upon for the Underwriters by Dentons US LLP, New Orleans, Louisiana, Underwriters' Counsel. Certain legal matters will be passed upon for the Board of Liquidation by Beirne, Maynard & Parsons, L.L.P., New Orleans, Louisiana.

FINANCIAL STATEMENTS

The Comprehensive Annual Financial Report of the City for the year ended December 31, 2014, can be viewed using the link included in Appendix "C" to this Official Statement and have been audited by Postlethwaite & Netterville, APAC, as stated in their report dated as of June 29, 2015. The Comprehensive Annual Financial Report pertaining to the City which is included in this Official Statement have been included in reliance upon said report; however, since the date of its report, said auditors have not performed any procedures on the financial statements, consented to inclusion of the financial statements herein, and have not performed any additional review procedures related hereto.

Included in Appendix "E" to this Official Statement are the audited financial statements of the Board of Liquidation for the year ended December 31, 2014, which have been examined by Paciera, Gautreau & Priest, LLC, Certified Public Accountants, to the extent and for the period indicated in their report thereon, dated as of March 10, 2015. The audited financial statements pertaining to the Board of Liquidation which are included by reference in this Official Statement have been included in reliance upon said report; however, since the date of its report, said auditors have not consented to inclusion of the financial statements herein, and have not performed any additional review procedures related hereto.

The audited financial statements included in this Official Statement have been included in reliance upon said reports.

GOVERNING AUTHORITY

The City is governed by the Mayor and the City Council. The City Council consists of seven members. The names of the members of the City Council, as well as the Mayor and other City officials, appear at the beginning of this Official Statement.

CONTINUING DISCLOSURE

The City and the Board of Liquidation will, pursuant to a Continuing Disclosure Certificate to be dated the date of delivery of the Bonds (the “Continuing Disclosure Certificate”), covenant for the benefit of Bond owners to provide (i) certain financial information and operating data relating to the Issuer in each year, with the first such report due not later than August 31, 2016 (the “Annual Report”), and (ii) notices of the occurrence of certain enumerated events, called “Listed Events,” in the future that may affect the Issuer or the Bonds. The Annual Reports and any notices of Listed Events required pursuant to the Continuing Disclosure Certificate will be filed with the MSRB through the Electronic Municipal Market Access website (“EMMA”) and with any future Louisiana officially designated State Information Depository. For the specific nature of the information to be contained in the Annual Report or the potential Listed Events, see Appendix “I” - Form of Continuing Disclosure Certificate attached hereto. The Issuer is entering into the Continuing Disclosure Certificate in order to assist the Underwriters in complying with S.E.C. Rule 15c2-12(b)(5) (the “Rule”). The Issuer has not undertaken to provide all information investors may desire to have in making decisions to hold, sell or buy the Bonds and has no obligation to provide any information subsequent to the delivery of the Bonds except as provided in the Continuing Disclosure Certificate.

The Dissemination Agent (“Dissemination Agent”) designated in such Continuing Disclosure Certificate will be the Secretary of the Board of Liquidation, Room 8E17, City Hall, 1300 Perdido Street, New Orleans, Louisiana 70112 (telephone 504-565-6280).

The Issuer has entered into other undertakings (the “Prior Undertakings”) with respect to bonds previously issued. The Issuer has filed all continuing disclosure reports currently required by its prior undertakings under the Rule; however, not all reports were timely filed. The following summarizes the results of the Issuer’s review of the last five years of filings: For fiscal year 2010, the Issuer satisfied the reporting requirement for the Annual Report and Audited Financial Statements of the Board of Liquidation on August 30, 2011; however, said filings were not properly indexed at the time of submission and the City’s Audited Financial Statements were unavailable at the time of filing. The Audited Financial Statements for the City were filed on September 30, 2011. For fiscal year 2011, the Issuer filed the entire annual report on September 4, 2012 as a direct result of a mandatory evacuation of City Hall, a requirement of a declared State of Emergency, ahead of the anticipated landfall of Hurricane Isaac. In addition, the Issuer failed to file on a timely basis certain Listed Event notices related to changes in ratings assigned to the insurers of insured bonds or to the underlying ratings. The Issuer has not made any determination as to the materiality of the foregoing, and the Issuer is not aware of any other disclosures required by the Prior Undertakings that it has failed to file.

The Issuer has established procedures to ensure proper filing of the reports and notices required by the Continuing Disclosure Certificate and its Prior Undertakings with the MSRB in the future. Furthermore, Act 463 of the 2014 Regular Session of the Louisiana Legislature, provides additional procedures designed to ensure compliance with the Continuing Disclosure Certificate by (i) requiring public entities, such as the Issuer, to keep certain records demonstrating compliance with the Continuing Disclosure Certificate, and (ii) mandating the Issuer’s auditor, as part of the preparation of the Issuer’s annual financial audit, review the Issuer’s compliance with its continuing disclosure undertakings and record keeping requirements.

UNDERWRITING

The Bonds are being purchased by the Underwriters at a purchase price of \$84,478,882.33 (representing the principal amount of the Bonds, plus an original issue premium of \$9,122,101.90, and less Underwriter's discount of \$83,219.57).

The yields and prices shown on the inside cover page of this Official Statement were furnished by the Underwriters, and all other information concerning the nature and terms of any reoffering of the Bonds should be obtained from the Underwriters and not the City. The Underwriters intend to offer the Bonds to the general public initially at the offering prices set forth on the inside cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Underwriters reserve the right to join with dealers and other underwriters in offering the Bonds to the public. The Underwriters may offer and sell the Bonds to certain dealers at prices lower than the public offering price. In connection with this offering, the Underwriters may overallocate or effect transactions which stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the City for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the City.

J.P. Morgan Securities LLC ("JPMS"), one of the Underwriters of the Bonds, has entered into negotiated dealer agreements (each, a "Dealer Agreement") with each of Charles Schwab & Co., Inc. ("CS&Co.") and LPL Financial LLC ("LPL") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that such firm sells.

Citigroup Global Markets Inc., an underwriter of the Bonds, has entered into a retail distribution agreement with each of TMC Bonds L.L.C. ("TMC") and UBS Financial Services Inc. ("UBSFS"). Under these distribution agreements, Citigroup Global Markets Inc. may distribute municipal securities to retail investors through the financial advisor network of UBSFS and the electronic primary offering platform of TMC. As part of this arrangement, Citigroup Global Markets Inc. may compensate TMC (and TMC may compensate its electronic platform member firms) and UBSFS for their selling efforts with respect to the Bonds.

Loop Capital Markets LLC ("LCM"), one of the Underwriters of the Bonds, has entered into an agreement (the "Distribution Agreement") with each of Deutsche Bank Securities Inc. ("DBS") and Credit Suisse Securities USA LLC ("CS") for the retail distribution of certain securities

offerings at the original issue prices. Pursuant to each Distribution Agreement, each of DBS and CS will purchase Bonds from LCM at the original issue prices less a negotiated portion of the selling concession applicable to any Bonds that such firm sells.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company*and its subsidiaries, including Wells Fargo Bank, National Association. Wells Fargo Bank, National Association ("WFBNA"), one of the underwriters of the Bonds, has entered into an agreement (the "Distribution Agreement") with its affiliate, Wells Fargo Advisors, LLC ("WFA"), for the distribution of certain municipal securities offerings, including the Bonds. Pursuant to the Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Bonds with WFA. WFBNA also utilizes the distribution capabilities of its affiliate Wells Fargo Securities, LLC ("WFSLLC"), for the distribution of municipal securities offerings, including the Bonds. In connection with utilizing the distribution capabilities of WFSLLC, WFBNA pays a portion of WFSLLC's expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

BOND RATINGS

Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P"), Moody's Investors Service, Inc. ("Moody's") and Fitch Ratings, Inc. ("Fitch" and collectively, the "Rating Agencies") have assigned their ratings of "A+/Stable", "A3/Stable" and "A-/Stable" respectively, to the Bonds. Such ratings reflect only the views of such organizations and are not a recommendation to buy, sell or hold the Bonds. Any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: Standard & Poor's Public Finance Ratings, Lincoln Plaza, Suite 3200, 500 N. Akard, Dallas, TX 75201, telephone 214-871-1400; Moody's Investors Service, Plaza of the Americas, Suite 2165, 600 N. Pearl Street, Dallas, TX, telephone 214-220-4350; or Fitch Ratings, 111 Congress Avenue, Suite 2010, Austin, TX 78701, telephone 888-262-4820. The City may have furnished to the Rating Agencies information relating to the Bonds and the City, certain of which information and materials have not been included in this Official Statement. Generally, a rating agency bases its rating on the information and materials so furnished and on its own investigations, studies and assumptions. A rating may be changed, suspended or withdrawn as a result of changes in, or unavailability of, information. There is no assurance that a rating will not be changed or withdrawn entirely if, in the judgment of the rating agency issuing the rating, circumstances so warrant. Such circumstances may be outside the control of the Issuer and may include, but are not limited to, general economic conditions in the United States and other political and economic developments that may affect the financial condition of the United States government and its instrumentalities, and, as a result, obligations issued by state and local governments, such as the Bonds. Any such changes or withdrawals of any rating could have an adverse effect on the market price for the Bonds.

ADDITIONAL INFORMATION

For any additional information concerning the City, please address Mr. David W. Gernhauser, Secretary, Board of Liquidation, City Debt, Room 8E17, City Hall, 1300 Perdido Street, New Orleans, Louisiana 70112-2197, telephone 504-658-1410. For additional information concerning the Bonds, please address Ms. Lisa Daniel, Public Financial Management, 530 Oak Court Drive, Suite 160, Memphis, Tennessee 38117, telephone 901-682-8356.

CERTIFICATION AS TO OFFICIAL STATEMENT

At the time of payment for and delivery of the Bonds, the City will furnish the Underwriters a certificate signed by the Secretary of the Board of Liquidation and the Director of Finance of the City to the effect that on the date of the Preliminary Official Statement, on the date of the Official Statement, on the date of sale of the Bonds and on the date of the delivery thereof (a) the descriptions and statements of or pertaining to the Board of Liquidation and the City's Bonds contained in the Official Statement were and are true and complete in all material respects; (b) insofar as such matters are concerned, the Official Statement did not and does not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in light of the circumstances under which they are made, not misleading; (c) insofar as the descriptions and statements, including financial data, of or pertaining to governmental and non-governmental entities other than the City, and their activities, contained in the Official Statement are concerned, such descriptions, statements and data have been obtained from sources which the Board of Liquidation believes to be reliable and the Board of Liquidation has no reason to believe that they are untrue or incomplete in any material respect; and (d) other than as set forth herein, there has been no material adverse change in the financial condition of the City since December 31, 2014, the date of the last audited financial statements of the City appearing in the Official Statement.

MISCELLANEOUS

This Official Statement has been prepared in connection with the initial offering and sale of the Bonds to the Underwriters on the date hereof and is not intended for use in connection with any subsequent sale, reoffering or remarketing of the Bonds. Subsequent purchasers must therefore rely on their own examination of the offering, including the merits and the risks involved.

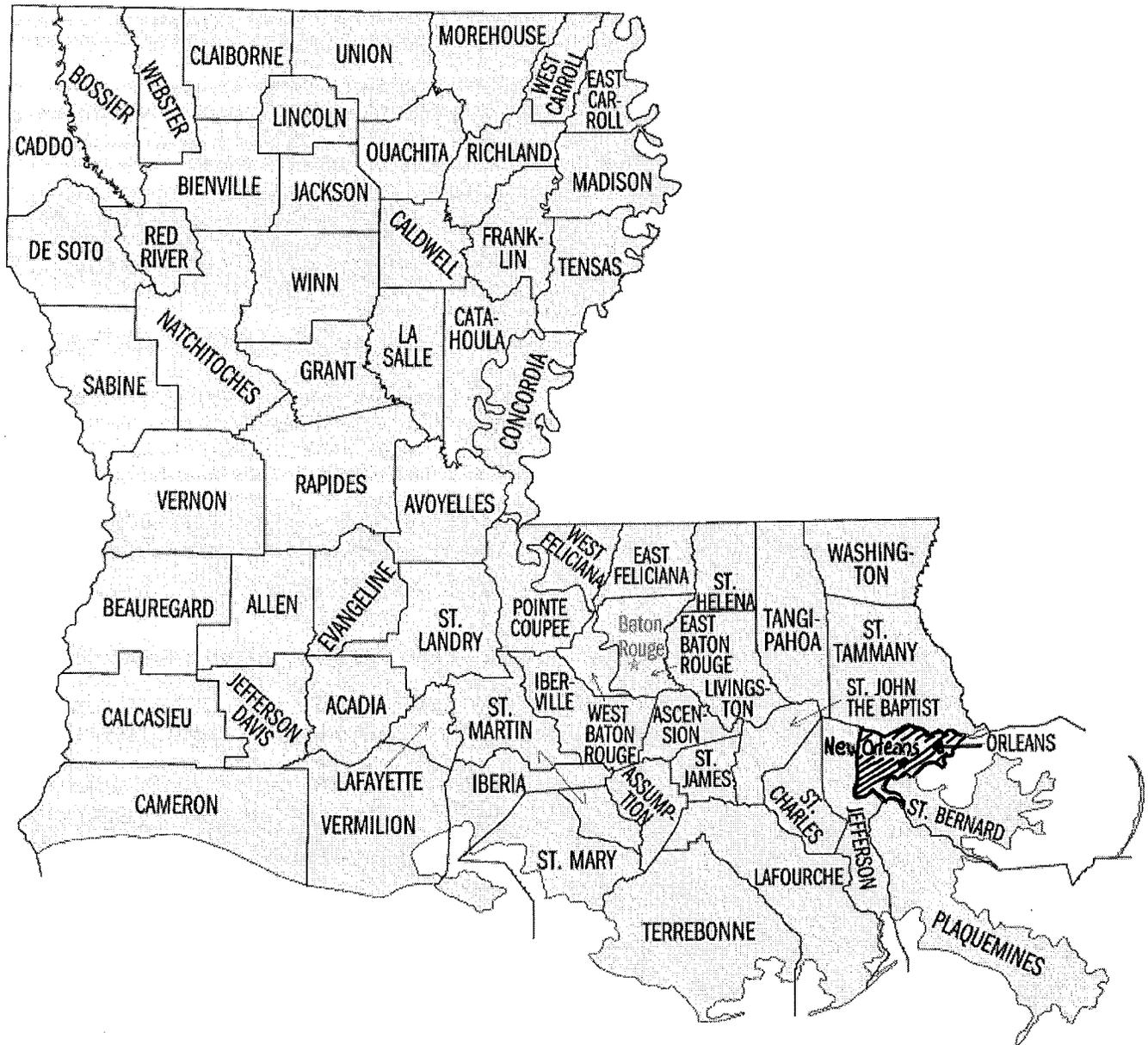
The Issuer has authorized the delivery of this Official Statement to the Underwriters. The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

Potential purchasers of the Bonds should consult their own tax advisors as to the consequences of investing in the Bonds. Also, see "TAX EXEMPTION" herein.

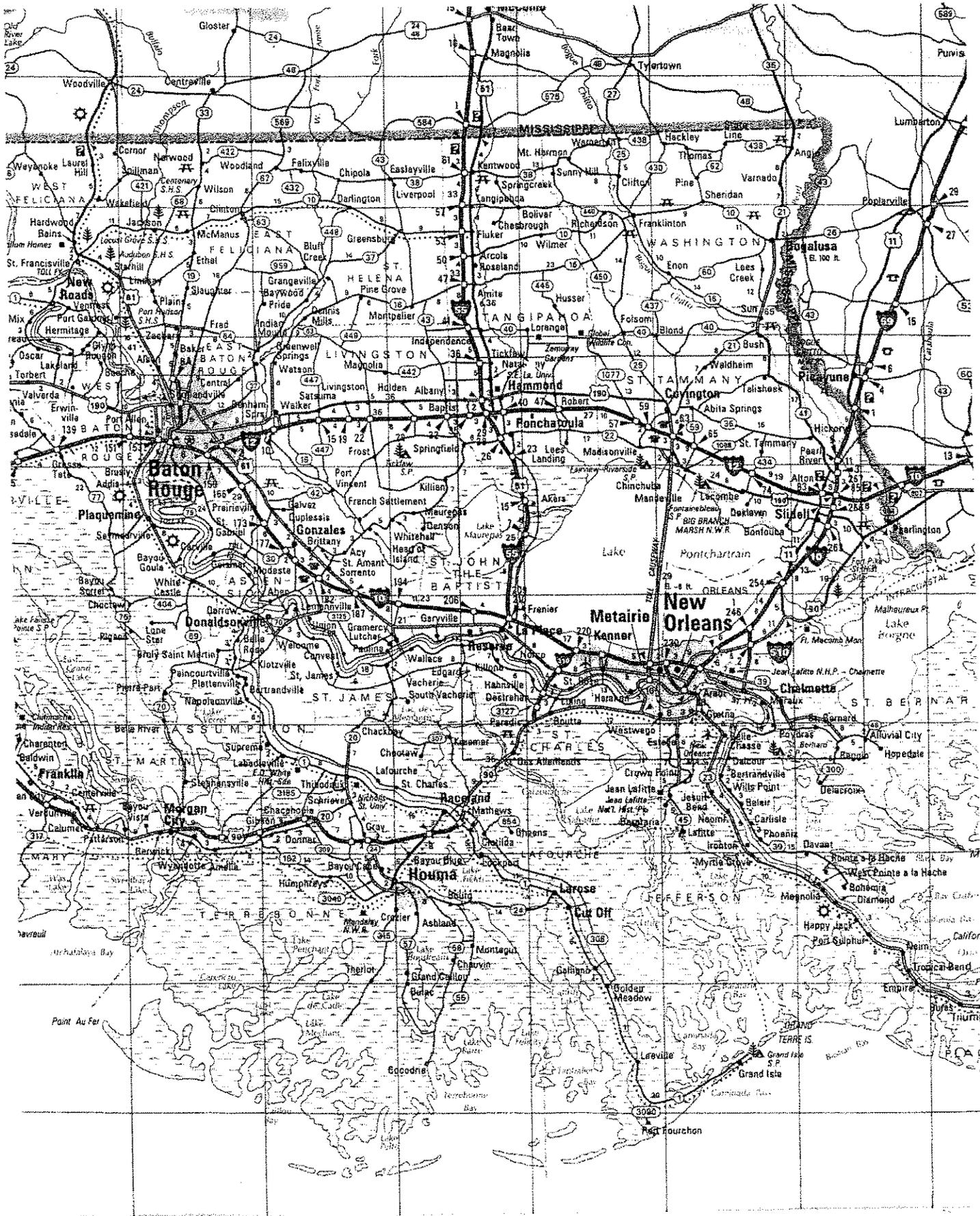
/s/ *David W. Gernhauser*
David W. Gernhauser
Secretary
Board of Liquidation, City Debt

/s/ *Norman S. Foster*
Norman S. Foster
Director of Finance
City of New Orleans, Louisiana

MAPS



**MAP INDICATING THE APPROXIMATE LOCATION
OF THE PARISH OF ORLEANS
WITHIN THE STATE OF LOUISIANA**



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APPENDIX "A"

BONDS TO BE REFUNDED

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OUTSTANDING BONDS TO BE REFUNDED

\$12,830,000

**PUBLIC IMPROVEMENT BONDS, ISSUE OF 2005A
CITY OF NEW ORLEANS, LOUISIANA**

| <u>YEAR (DEC. 1)</u> | <u>PRINCIPAL PAYMENT</u> | <u>INTEREST RATE</u> | <u>CUSIP</u> |
|---------------------------------|-------------------------------------|---------------------------------|---------------------|
| 2016 | \$430,000 | 4.000% | 64763F JF7 |
| 2017 | 445,000 | 4.000 | 64763F JG5 |
| 2018 | 465,000 | 4.000 | 64763F JH3 |
| 2019 | 485,000 | 4.000 | 64763F JJ9 |
| 2020 | 510,000 | 4.125 | 64763F JK6 |
| 2021 | 535,000 | 4.125 | 64763F JL4 |
| 2022 | 560,000 | 4.125 | 64763F JM2 |
| 2023 | 585,000 | 4.250 | 64763F JN0 |
| 2024 | 615,000 | 4.250 | 64763F JP5 |
| 2025 | 645,000 | 4.375 | 64763F JQ3 |
| 2026 | 680,000 | 4.375 | 64763F JR1 |
| 2029 | 2,250,000 | 4.500 | 64763F JS9 |
| 2034 | 4,625,000 | 4.500 | 64763F JT7 |

The bonds shall be called for redemption on December 28, 2015, at a price equal to the principal amount thereof and accrued interest to the call date.

\$75,390,000

**GENERAL OBLIGATION REFUNDING BONDS, ISSUE OF 2005
CITY OF NEW ORLEANS, LOUISIANA**

| <u>YEAR (DEC. 1)</u> | <u>PRINCIPAL PAYMENT</u> | <u>INTEREST RATE</u> | <u>CUSIPS</u> |
|---------------------------------|-------------------------------------|---------------------------------|----------------------|
| 2016 | \$6,805,000 | 5.25% | 64763F KH1 |
| 2017 | 7,155,000 | 5.25 | 64763F KJ7 |
| 2018 | 7,540,000 | 5.25 | 64763F KK4 |
| 2019 | 7,945,000 | 5.25 | 64763F KL2 |
| 2020 | 8,370,000 | 5.25 | 64763F KM0 |
| 2021 | 8,795,000 | 5.25 | 64763F KN8 |
| 2022 | 3,540,000 | 5.25 | 64763F KP3 |
| 2023 | 3,740,000 | 5.25 | 64763F KQ1 |
| 2024 | 3,950,000 | 5.25 | 64763F KR9 |
| 2025 | 4,170,000 | 5.25 | 64763F KS7 |
| 2029 | 13,380,000 | 5.00 | 64763F KT5 |

The bonds shall be called for redemption on December 28, 2015, at a price equal to the principal amount thereof and accrued interest to the call date.

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APPENDIX "B"

**FINANCIAL AND STATISTICAL DATA
PERTAINING TO THE CITY OF NEW ORLEANS
AND THE PARISH OF ORLEANS, STATE OF LOUISIANA**

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**FINANCIAL AND STATISTICAL DATA
RELATIVE TO THE CITY OF NEW ORLEANS
AND THE PARISH OF ORLEANS, STATE OF LOUISIANA**

The City of New Orleans (the “City”) and the Parish of Orleans (the “Parish”) have the same boundaries and are located in the southeastern portion of the State of Louisiana (the “State”), approximately 110 miles from the mouth of the Mississippi River. The City occupies an area of approximately 363.5 square miles, of which approximately 199.4 square miles are land and approximately 164.1 square miles are water. The developed area of the City consists of approximately 75 square miles; much of the relatively large amount of undeveloped land consists of reclaimed wetlands.

The City is one of the largest seaports in the United States, a major trade and service market, and a world-wide tourist and convention center. The manufacturing base is relatively small. The oil and gas industry plays an important role in the City’s economy. Several major oil companies, financial institutions, law firms, utilities, government agencies, universities, and hospitals have office buildings in the central business district and are among the largest employers within the City.

Population

The actual population of the City, from time to time, may be larger than its basic resident population as a result of an influx of commuters, tourists, visitors and convention attendees. The New Orleans Metropolitan Statistical Area (the “MSA”), as now defined by the U.S. Office of Management and Budget, includes Jefferson, Orleans, Plaquemines, St. Bernard, St. Charles, St. John the Baptist and St. Tammany Parishes. A history of the population of the City and the MSA is provided below. The decrease in population between the 2000 Census and the 2010 Census is largely a result of Hurricane Katrina.

**Population of New Orleans and the New Orleans
Metropolitan Statistical Area**

| | <u>1950</u> | <u>1960</u> | <u>1970</u> | <u>1980</u> | <u>1990</u> | <u>2000</u> | <u>2010</u> | <u>2014</u> |
|-------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| New Orleans | 570,445 | 627,525 | 593,471 | 557,927 | 496,938 | 484,674 | 343,829 | 384,320 |
| MSA* | 754,856 | 969,326 | 1,125,058 | 1,282,717 | 1,264,391 | 1,316,510 | 1,167,764 | 1,251,849 |

(* Restated to reflect inclusion of Plaquemines Parish in 1993.)

Sources: U.S. Census Bureau.

Assessed Valuations

The following table sets forth the assessed value of taxable property in the City and homestead exemptions for the years 2005-2015.

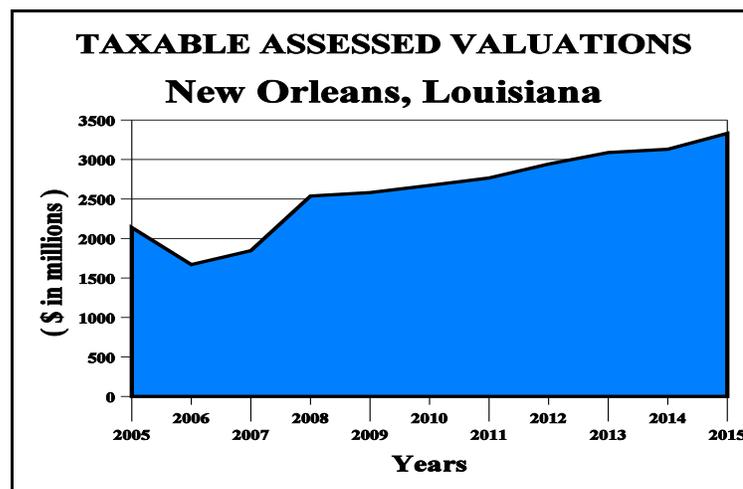
Assessed Value of Property in the City

| Tax Year | Real Property | Personal Property | Public Service Property | Total Assessed Valuation | Less: Homestead Exemptions | Taxable Assessed Valuation |
|-----------------|----------------------|--------------------------|--------------------------------|---------------------------------|-----------------------------------|-----------------------------------|
| 2005 | \$1,967,375,676 | \$465,782,621 | \$171,451,660 | \$2,604,609,957 | \$465,989,854 | \$2,138,620,103 |
| 2006 | 1,432,380,307 | 394,823,507 | 170,463,560 | 1,997,667,374 | 328,776,640 | 1,668,890,734 |
| 2007 | 1,650,948,720 | 344,397,546 | 139,643,310 | 2,134,989,576 | 288,851,693 | 1,846,137,883 |
| 2008 | 2,295,689,798 | 393,879,207 | 145,035,610 | 2,834,604,615 | 297,101,026 | 2,537,503,589 |
| 2009 | 2,353,204,380 | 405,715,110 | 152,439,600 | 2,911,363,090 | 330,225,920 | 2,581,137,170 |
| 2010 | 2,489,812,690 | 387,333,971 | 163,911,580 | 3,041,058,241 | 369,086,386 | 2,671,971,855 |
| 2011 | 2,586,081,540 | 385,699,970 | 167,557,410 | 3,139,338,920 | 372,613,310 | 2,766,725,610 |
| 2012 | 2,760,973,210 | 390,952,232 | 183,003,600 | 3,334,929,042 | 392,534,175 | 2,942,394,867 |
| 2013 | 2,920,015,480 | 413,120,240 | 193,722,510 | 3,526,858,230 | 433,616,519 | 3,093,241,711 |
| 2014 | 2,992,593,440 | 405,514,430 | 181,055,280 | 3,579,163,150 | 448,696,881 | 3,130,466,269 |
| 2015 | 3,188,376,880 | 431,355,330 | 170,541,020 | 3,790,273,230 | 458,941,272 | 3,331,331,958 |

Sources: Louisiana Tax Commission (2005-2013); Department of Finance, City of New Orleans (2014-2015).

(Note: Hurricane Katrina occurred August 29, 2005 and impacted the 2006 tax rolls. Further, the values shown are those certified by the Tax Assessor at the beginning of each respective tax year; however, minor adjustments are often made during the tax year that may change the values shown above. There can be no assurance that such changes will not be made in 2015.)

Unlike other municipalities in Louisiana, homestead exemptions are applicable to most taxes levied in the City, pursuant to the provisions of the Louisiana Constitution. For additional information, see Tax Rates and Tax Rate Adjustments in this Appendix.



Tax Rates

The following table shows, in summary, the millages levied in the City and Parish for the years 2011 through 2015:

| <u>Purpose</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|-------------------------------------|--|---------------|---------------|---------------|---------------|
| | (\$ per \$1,000 of Taxable Assessed Value) | | | | |
| City: | | | | | |
| General Purposes* | 13.91 | 13.91 | 13.91 | 13.91 | 13.91 |
| City Services | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 |
| Debt Service on General | | | | | |
| Obligation Bonds | 25.50 | 25.50 | 25.50 | 25.50 | 25.50 |
| Fire and Police | 6.40 | 6.40 | 6.40 | 6.40 | 6.40 |
| Police (1) | 5.26 | 5.26 | 5.26 | 5.26 | 5.26 |
| Fire (1) | 5.21 | 5.21 | 5.21 | 5.21 | 5.21 |
| Audubon Park Zoo | 0.32 | 0.32 | 0.32 | 0.32 | 0.32 |
| Aquarium | 2.99 | 2.99 | 2.99 | 2.99 | 2.99 |
| Library | 3.14 | 3.14 | 3.14 | 3.14 | 3.14 |
| Capital Improvements & | | | | | |
| Infrastructure Trust Fund | 1.82 | 1.82 | 1.82 | 1.82 | 1.82 |
| Economic Development & Housing | 1.82 | 1.82 | 1.82 | 1.82 | 1.82 |
| Parkway & Recreation | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| Streets (Traffic Control Devices) | 1.90 | 1.90 | 1.90 | 1.90 | 1.90 |
| Sewerage and Water Board: | | | | | |
| Drainage System (Act 617 of 1977) | 4.71 | 4.71 | 4.71 | 4.71 | 4.71 |
| Drainage System (Ord. 6289, M.C.S.) | 4.66 | 4.66 | 4.66 | 4.66 | 4.66 |
| Drainage System (R-81-29) | 7.06 | 7.06 | 7.06 | 7.06 | 7.06 |
| Total City Tax Rates | 88.89 | 88.89 | 88.89 | 88.89 | 88.89 |
| Orleans Law Enforcement District | 2.90 | 2.90 | 2.90 | 2.90 | 2.80 |
| Orleans Parish School Board | 44.12 | 44.12 | 44.81 | 45.31 | 45.31 |
| Total Parishwide Tax Rates | 135.91 | 135.91 | 136.60 | 137.10 | 137.00 |
| Orleans Levee District (Eastbank) | 11.67 | 11.67 | 11.67 | 11.67 | 11.67 |
| Algiers Levee District (Westbank) | 12.76 | 12.76 | 12.56 | 12.56 | 12.56 |
| Downtown Development District (2) | 14.76 | 14.76 | 14.76 | 14.76 | 14.76 |
| New Orleans Regional | | | | | |
| Business Park (3) | 20.85 | 20.85 | -- | -- | -- |
| Garden District Security | 16.00 | 16.00 | 11.00 | 11.00 | 11.00 |
| Touro Bouligny | 7.80 | 7.80 | 7.80 | 7.80 | 7.80 |

* Tax securing the proposed bonds.

(1) No homestead exemption. (2) Tax levied only on certain real property in the central business area of the City. (3) Tax levied on certain real property within the District, excluding residential real property.

Neighborhood based special taxing districts have been created by the Louisiana Legislature in portions of Orleans Parish. These special taxing districts have been authorized, upon voter approval, to impose parcel fees on the real property located within the boundaries of the respective district to be used for various purposes solely within such district. Parcel fees are not listed above.

Property Taxpayers

The following list includes the names, type of business and the 2015 assessed valuations of the ten largest property taxpayers located within the boundaries of the City:

| | <u>Name of Taxpayer</u> | <u>Type of Business</u> | <u>2015 Assessed Valuation</u> |
|-----|-------------------------------------|-------------------------|--------------------------------|
| 1. | Entergy | Utility | \$101,230,460 |
| 2. | Capital One, National Association | Financial Services | 57,187,770 |
| 3. | Marriott Hotel | Hotel | 41,292,140 |
| 4. | BellSouth | Utility | 37,998,320 |
| 5. | Harrah's New Orleans Casino & Hotel | Tourism | 29,003,530 |
| 6. | JPMorgan Chase Bank, N.A. | Financial Services | 20,119,210 |
| 7. | International Rivercenter | Retail Shopping; Hotel | 18,886,030 |
| 8. | Royal Sonesta Hotel | Hotel | 18,445,430 |
| 9. | Sheraton Hotel | Hotel | 18,041,330 |
| 10. | Folgers Coffee Company | Coffee Roasting Plant | 17,982,060 |
| | Total | | <u>\$360,186,280</u> |

Source: Department of Finance, City of New Orleans.

The ten largest property taxpayers accounted for approximately 10.81% of the City's 2015 taxable assessed valuation.

Property Tax Collections

The following table shows the total property tax levied by the City and all other tax recipient entities in the Parish in each year from 2005 through 2015, along with the amounts collected and the percentage of such levy that has been collected since the date the taxes were imposed (through June 30, 2015), as reported by the City Finance Department, which collects and disburses all *ad valorem* taxes in the Parish:

Property Tax Levies and Collections (Amounts in Thousands)

| <u>Tax Year</u> | <u>Total Levied</u> | <u>Collected through June 30, 2015 (includes cleared receivables)</u> | | <u>Balance Due at June 30, 2015</u> | | <u>Cleared 1/1-6/30/15 Amount</u> |
|--------------------------|---------------------|---|----------------|-------------------------------------|----------------|-----------------------------------|
| | | <u>Amount</u> | <u>Percent</u> | <u>Amount</u> | <u>Percent</u> | |
| <u>Real Estate Taxes</u> | | | | | | |
| 2005 | \$267,327 | \$264,152 | 98.81% | \$ 3,175 | 1.19% | \$ 51 |
| 2006* | 219,991 | 218,082 | 99.13 | 1,909 | 0.87 | 59 |
| 2007 | 250,462 | 247,599 | 98.86 | 2,863 | 1.14 | 181 |
| 2008 | 269,746 | 266,769 | 98.90 | 2,977 | 1.10 | 127 |
| 2009 | 275,869 | 272,677 | 98.84 | 3,192 | 1.16 | 239 |
| 2010 | 309,800 | 305,984 | 98.77 | 3,816 | 1.23 | 308 |
| 2011 | 339,370 | 334,548 | 98.58 | 4,822 | 1.42 | 394 |
| 2012 | 362,262 | 356,786 | 98.49 | 5,476 | 1.51 | 1,010 |
| 2013 | 382,902 | 375,909 | 98.17 | 6,993 | 1.83 | 1,649 |
| 2014 | 393,304 | 382,824 | 97.34 | 10,480 | 2.66 | 7,009 |
| 2015 | 422,306 | 394,113 | 93.32 | 28,193 | 6.68 | 394,113 |

* Due to Hurricane Katrina related legislation, billing was delayed from mid-December 2005 to mid-May 2006.

| <u>Tax Year</u> | <u>Total Levied</u> | <u>Collected through June 30, 2015 (includes cleared receivables)</u> | | <u>Balance Due at June 30, 2015</u> | | <u>Cleared 1/1-6/30/15</u> |
|--------------------------------|---------------------|---|----------------|-------------------------------------|----------------|----------------------------|
| | | <u>Amount</u> | <u>Percent</u> | <u>Amount</u> | <u>Percent</u> | <u>Amount</u> |
| <u>Personal Property Taxes</u> | | | | | | |
| 2005 | \$106,354 | \$100,809 | 94.79% | \$ 5,545 | 5.21% | \$ 0 |
| 2006* | 99,477 | 95,157 | 95.66 | 4,320 | 4.34 | 0 |
| 2007 | 82,046 | 77,967 | 95.03 | 4,079 | 4.97 | 0 |
| 2008 | 67,548 | 64,074 | 94.86 | 3,474 | 5.14 | 0 |
| 2009 | 69,935 | 66,562 | 95.18 | 3,373 | 4.82 | 0 |
| 2010 | 74,530 | 70,750 | 94.93 | 3,780 | 5.07 | 0 |
| 2011 | 78,996 | 75,930 | 96.12 | 3,066 | 3.88 | 73 |
| 2012 | 81,685 | 79,897 | 97.81 | 1,788 | 2.19 | 72 |
| 2013 | 87,058 | 85,112 | 97.76 | 1,946 | 2.24 | 337 |
| 2014 | 84,620 | 82,296 | 97.25 | 2,324 | 2.75 | 370 |
| 2015 | 86,961 | 82,385 | 94.74 | 4,576 | 5.26 | 82,385 |

2011 and prior personal property receivables are considered prescribed and no longer legally enforceable during 2015.

* Due to Hurricane Katrina related legislation, billing was delayed from mid-December, 2005 to mid-May, 2006.

Source: Department of Finance, City of New Orleans.

Sales and Other Taxes

The general 2½% sales and use tax is the City’s largest single source of revenue available to pay operating expenses. In addition, the State of Louisiana (the “State”), the Regional Transit Authority, and the Orleans Parish School Board levy general sales and use taxes of 4%, 1% and 1½%, respectively, within the boundaries of the Parish. The total sales tax levied on goods sold or used (excluding hotel and motel rooms) in the Parish is 9%. The various sales taxes are not levied on the same sales of goods and services and have different related exemptions. Any increase in the City’s sales tax rate would require legislative approval and an affirmative vote in a City election.

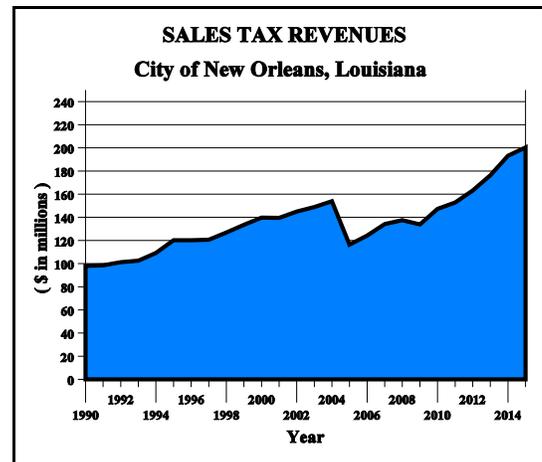
Six public agencies share in the taxation of hotel/motel rooms in the Parish. The rate of taxation of each of the respective agencies is as follows: (a) the State - 2%, (b) the Louisiana Stadium and Exposition District (the “LSED”) - 4%, (c) the City - 1½%, (d) the School Board - 1½%, (e) the Regional Transit Authority (the “RTA”) - 1% and (f) the Ernest N. Morial-New Orleans Exhibition Hall Authority (the “NOEH”) - 3%, plus the proceeds from the “hotel/motel tax” and “food and beverage tax” authorized by the voters on November 21, 1987, and effective April 1, 1988, and which serves as security for outstanding special tax bonds of the NOEH.

Effective November 1, 1990, the City began collection of a Hotel Occupancy Privilege Tax upon persons occupying hotel rooms in the City for the purpose of funding tourism promotion by the New Orleans Tourism Marketing Corporation, a nonprofit economic development corporation.

The Constitution prohibits political subdivisions of the State from levying a severance tax, income tax or a tax on motor fuel.

Hurricane Katrina had an impact on the collections of the sales and use taxes of the City; however, annual collections since 2011 have exceeded pre-Katrina levels. The following table shows annual revenues of the City’s general purpose sales and use tax deposited in the City’s General Fund:

| <u>Calendar Year</u> | <u>Sales Tax Revenues</u> (in thousands) | <u>Calendar Year</u> | <u>Sales Tax Revenues</u> (in thousands) |
|----------------------|---|----------------------|---|
| 1990 | 98,077 | 2003 | 148,855 |
| 1991 | 98,483 | 2004 | 153,851 |
| 1992 | 101,221 | 2005 | 116,339 |
| 1993 | 102,530 | 2006 | 124,229 |
| 1994 | 109,167 | 2007 | 134,114 |
| 1995 | 120,229 | 2008 | 137,581 |
| 1996 | 120,240 | 2009 | 133,868 |
| 1997 | 120,652 | 2010 | 147,300 |
| 1998 | 126,899 | 2011 | 152,840 |
| 1999 | 133,490 | 2012 | 163,128 |
| 2000 | 139,770 | 2013 | 176,326 |
| 2001 | 139,511 | 2014 | 193,183 |
| 2002 | 145,009 | 2015 | 201,745* |



* Figure projected as of September 2015.

Sources: Annual Financial Reports, City of New Orleans.

Default Record

The City has never defaulted in the payment of its outstanding bonds.

Audit Report

Included in Appendix “C” hereto is a copy of the Comprehensive Annual Financial Report of the City for the fiscal year ended December 31, 2014, audited by Postlethwaite & Netterville, A Professional Accounting Corporation, which includes their report therein, dated as of June 29, 2015. The Comprehensive Annual Financial Report pertaining to the City which is included in this Official Statement have been included in reliance upon said report; however, such Auditors have not consented to inclusion of the financial statements herein and have not performed any additional review procedures related thereto. The Auditors did not perform any procedures relating to any of the information in this Official Statement.

Budget

Included in Appendix “D” to this Official Statement is a summary of the general fund budget, as adopted, for the City for the fiscal year ending December 31, 2015. The City’s Operating Budget in its entirety has been approved by the City Council and signed by the Mayor. It is available for viewing and download on the City's website (www.nola.gov/finance).

Balances

The City reported the following balances in its various funds and accounts as of June 30, 2015:

| <u>Name of Fund</u> | <u>Balances</u> | | |
|-----------------------------------|---------------------|--------------------|----------------------|
| | <u>Cash</u> | <u>Investments</u> | <u>Total</u> |
| General Fund | \$66,969,939 | \$ 381,696 | \$67,351,635 |
| Cap Projects Oper. Fund | 11,980,296 | -- | 11,980,296 |
| Neighborhood Housing Impr. | 1,729,411 | 1,899,902 | 3,629,313 |
| NO Economic Development | 2,634,602 | 1,068,710 | 3,703,313 |
| Environmental Disaster Litigation | 319,519 | -- | 319,519 |
| Environmental Impr. Revlving Fund | 30,990 | 158,995 | 189,985 |
| Miscellaneous Donations | 231,693 | -- | 231,693 |
| Housing & Environment Improvmt | 3,565,302 | -- | 3,565,302 |
| Sidewalk Pavement Rev. Fund | -- | 2,066 | 2,066 |
| NO Special Events Fd | 227 | -- | 227 |
| Adopt-A-Pothole/Streets | 283 | -- | 283 |
| Sanitation Recycling Exp. | 1,368 | -- | 1,368 |
| NO Film Comm. Trust | 62,141 | 157,803 | 219,944 |
| National League of Cities | 5,851 | -- | 5,851 |
| Music & Entertainment Comm. | 63,066 | 115,974 | 179,039 |
| Mayor's Off. of Tourism & Arts | 361,258 | -- | 361,258 |
| Parking Management Fund | 106,430 | 617,652 | 724,082 |
| Library Special Revenue Fund | <u>8,002,835</u> | <u>--</u> | <u>8,002,835</u> |
| Totals | <u>\$96,065,211</u> | <u>\$4,402,797</u> | <u>\$100,468,009</u> |

Source: Department of Finance, City of New Orleans. All figures unaudited.

ECONOMIC INDICATORS

Per Capita Personal Income

A comprehensive revision of the estimates of Per Capita Personal Income by State were published in November 2014 by the Bureau of Economic Analysis of the U.S. Department of Commerce. The recent trends in *revised* per capita personal income for Orleans Parish, Louisiana, and the nation are indicated in the following table:

| | <u>Per Capita Personal Income*</u> | | | | |
|----------------|------------------------------------|-------------|-------------|-------------|-------------|
| | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
| Orleans Parish | \$41,518 | \$40,849 | \$41,771 | \$43,421 | \$43,403 |
| Louisiana | 36,410 | 37,199 | 38,501 | 40,617 | 41,204 |
| United States | 39,379 | 40,144 | 42,332 | 44,200 | 44,765 |

* The City has experienced the Nation's fastest Per Capita Personal Income growth since 2005. Source: Forbes.
Source: U.S. Department of Commerce, Bureau of Economic Analysis. November 20, 2014.

(The personal income level for the United States is derived as the sum of the county estimates; it differs from the national income and product accounts (NIPA) estimate of personal income because by definition, it omits the earnings of Federal civilian and military personnel stationed abroad and others. It can also differ from the NIPA estimate because of different data sources and revision schedules.)

The Louisiana Workforce Commission has issued *revised* annual average statistics not seasonally adjusted for various employment areas within Louisiana. The annual average figures for Orleans Parish were reported as follows:

| <u>Year</u> | <u>Labor Force</u> | <u>Employment</u> | <u>Unemployment</u> | <u>Parish Rate</u> | <u>State Rate</u> |
|-------------|--------------------|-------------------|---------------------|--------------------|-------------------|
| 2010 | 162,592 | 148,465 | 14,127 | 8.7 | 8.0 |
| 2011 | 165,825 | 151,388 | 14,437 | 8.7 | 7.8 |
| 2012 | 168,992 | 155,445 | 13,547 | 8.0 | 7.1 |
| 2013 | 174,107 | 161,218 | 12,889 | 7.4 | 6.7 |
| 2014 | 178,535 | 166,019 | 12,516 | 7.0 | 6.4 |

The preliminary figures for September 2015 for the City were reported as follows:

(Information updated from the Preliminary Official Statement.)

| <u>Month</u> | <u>Labor Force</u> | <u>Employment</u> | <u>Unemployment</u> | <u>Parish Rate</u> | <u>State Rate</u> |
|--------------|--------------------|-------------------|---------------------|--------------------|-------------------|
| 09/15 | 176,634 | 164,741 | 11,893 | 6.7% | 6.2%* |

The preliminary figures for the New Orleans MSA for September 2015 were reported as follows: *(Information updated from the Preliminary Official Statement.)*

| <u>Month</u> | <u>Labor Force</u> | <u>Employment</u> | <u>Unemployment</u> | <u>Parish Rate</u> | <u>State Rate</u> |
|--------------|--------------------|-------------------|---------------------|--------------------|-------------------|
| 09/15 | 592,413 | 556,437 | 35,976 | 6.1% | 6.2%* |

* Seasonally adjusted rate was 6.0.

Source: Louisiana Workforce Commission. October 27, 2015.

The following table shows the composition of the employed work force not seasonally adjusted in the MSA. *(Information updated from the Preliminary Official Statement.)*

**Nonfarm Wage and Salary Employment by Major Industry
(Employees in Thousands)**

| | <u>Preliminary Sept 2015</u> | <u>Revised Aug 2015</u> | <u>Preliminary Sept 2014</u> |
|------------------------------------|----------------------------------|-----------------------------|----------------------------------|
| Mining & Logging | 7.2 | 7.3 | 8.1 |
| Construction | 29.3 | 29.1 | 31.0 |
| Manufacturing | 29.0 | 29.2 | 30.8 |
| Trade, Transportation, & Utilities | 114.2 | 116.3 | 114.5 |
| Information | 7.6 | 8.2 | 7.7 |
| Financial Activities | 27.5 | 27.2 | 28.2 |
| Professional and Business Services | 73.7 | 73.0 | 73.4 |
| Education and Health Services | 93.8 | 92.6 | 90.5 |
| Leisure and Hospitality | 84.0 | 85.2 | 82.0 |
| Other Services | 23.7 | 23.9 | 22.9 |
| Government | 71.7 | 70.1 | 74.0 |
| Total | <u>561.7</u> | <u>562.1</u> | <u>563.1</u> |

Source: Louisiana Workforce Commission.

Largest Employers

The names of several of the largest private employers located in the Greater New Orleans area and their approximate number of local employees for fiscal years 2015 to 2016 are reported as follows:

| <u>Employer</u> | <u>Type of Business</u> | <u>Approximate Number of Employees</u> |
|-----------------------------------|--------------------------------|--|
| Ochsner Health System | Health Care | 15,520 |
| Tulane University | Higher Education | 4,673 |
| Children's Hospital | Health Care | 4,540 |
| Acme Truck Line | Transportation | 3,200 |
| Pan-American Life Insurance Group | Life Insurance | 1,420 |
| Premier Automotive | Automobile Dealership | 1,400 |
| Laitram | Manufacturing | 1,261 |
| Georges Enterprises | Food, Investments, Real Estate | 1,170 |
| Boh Bros. Construction Co. | Construction | 1,100 |
| Blessey Marine Services, Inc. | Towing Company | 812 |

Source: New Orleans CityBusiness 2015-2016 Book of Lists.

Note: This list excludes some major employers who declined to supply employment information. The list also excludes State and local governmental employers.

No assurance may be given that any employer listed will either continue to locate in the City or maintain employment at the level stated.

(The remainder of this page intentionally left blank.)

The following table shows the composition of the employed work force, not seasonally adjusted, in the City for the periods indicated.

ANNUAL AVERAGE ORLEANS PARISH CONCURRENT ECONOMIC INDICATORS, 2011, 2012, 2013, 2014 AND FIRST QUARTER 2015 *(All data not seasonally adjusted.)*

| ORLEANS PARISH | | | | | |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| EMPLOYMENT | 2011 | 2012 | 2013 | 2014 | 2015:1 |
| Total | 173,986 | 177,038 | 180,299 | 187,448 | 188,356 |
| Agriculture, Forestry, Fishing, and Hunting | 32 | 39 | 66 | 69 | 66 |
| Mining | 2,867 | 2,391 | 2,431 | 2,542 | 2,318 |
| Utilities | 906 | 921 | 920 | 934 | 941 |
| Construction | 5,419 | 5,357 | 5,653 | 5,787 | 5,406 |
| Manufacturing | 4,536 | 4,031 | 4,048 | 4,082 | 3,974 |
| Wholesale Trade | 3,896 | 3,750 | 3,547 | 3,785 | 3,672 |
| Retail Trade | 12,428 | 12,926 | 13,595 | 14,601 | 15,110 |
| Transportation and Warehousing | 8,259 | 8,448 | 8,625 | 9,059 | 8,931 |
| Information | 3,724 | 4,700 | 4,449 | 3,764 | 3,975 |
| Finance and Insurance | 5,468 | 5,409 | 5,100 | 5,556 | 5,375 |
| Real Estate and Rental and Leasing | 2,460 | 2,587 | 2,695 | 2,911 | 2,893 |
| Professional and Technical Services | 14,709 | 14,671 | 16,004 | 16,003 | 15,746 |
| Management of Companies and Enterprises | 3,396 | 3,348 | 3,015 | 2,605 | 2,602 |
| Administrative and Waste Services | 9,439 | 9,864 | 10,026 | 10,831 | 10,392 |
| Educational Services | 20,997 | 21,303 | 22,357 | 22,427 | 22,652 |
| Health Care and Social Assistance | 21,171 | 21,239 | 20,759 | 22,823 | 23,646 |
| Arts, Entertainment, and Recreation | 4,975 | 5,056 | 5,608 | 6,119 | 5,936 |
| Accommodation and Food Services | 31,410 | 33,162 | 33,725 | 35,927 | 37,081 |
| Other Services, except Public Administration | 5,277 | 5,509 | 5,497 | 5,612 | 5,496 |
| Public Administration | 12,308 | 12,154 | 12,053 | 11,880 | 12,077 |
| | | | | | |
| WAGES (\$ in Thousands) | Annual | Annual | Annual | Annual | Quarterly |
| Total | \$8,695,793 | \$8,681,404 | \$8,802,627 | \$9,314,257 | \$2,459,735 |
| Agriculture, Forestry, Fishing, and Hunting | 832 | 925 | 1,713 | 1,490 | 412 |
| Mining | 468,700 | 378,313 | 379,989 | 445,487 | 153,430 |
| Utilities | 59,338 | 60,962 | 60,529 | 57,615 | 15,543 |
| Construction | 303,632 | 280,623 | 284,275 | 301,422 | 67,891 |
| Manufacturing | 312,078 | 246,665 | 254,395 | 261,091 | 66,510 |
| Wholesale Trade | 261,481 | 257,833 | 255,224 | 272,338 | 70,633 |
| Retail Trade | 337,523 | 358,194 | 375,097 | 396,236 | 99,835 |
| Transportation and Warehousing | 442,060 | 460,806 | 451,095 | 506,429 | 131,716 |
| Information | 212,131 | 252,275 | 208,487 | 196,590 | 52,599 |
| Finance and Insurance | 447,832 | 460,077 | 460,063 | 545,977 | 165,176 |
| Real Estate and Rental and Leasing | 99,529 | 105,506 | 113,603 | 124,754 | 29,403 |
| Professional and Technical Services | 1,134,831 | 1,138,698 | 1,256,395 | 1,272,501 | 290,790 |
| Management of Companies and Enterprises | 302,939 | 284,757 | 277,879 | 232,600 | 98,208 |
| Administrative and Waste Services | 388,368 | 374,450 | 357,693 | 396,386 | 111,865 |
| Educational Services | 1,110,765 | 1,134,340 | 1,148,921 | 1,146,701 | 304,994 |
| Health Care and Social Assistance | 957,888 | 969,161 | 960,783 | 1,071,626 | 282,102 |
| Arts, Entertainment, and Recreation | 193,151 | 202,420 | 221,361 | 249,655 | 41,540 |
| Accommodation and Food Services | 750,433 | 809,174 | 830,527 | 894,782 | 235,776 |
| Other Services, except Public Administration | 174,815 | 180,855 | 188,731 | 194,237 | 47,622 |
| Public Administration | 725,732 | 719,794 | 712,284 | 741,156 | 192,740 |

Source: Louisiana Workforce Commission.

Construction

The New Orleans CityBusiness Top Construction Projects 2015, published on February 20, 2015, lists the top construction projects taking place within the MSA, including the following construction projects:

| PROJECTS | TOTAL COSTS |
|---|----------------|
| Orleans Parish Public School Rebuild | \$1.8 Billion |
| University Medical Center | \$1.2 Billion |
| Veterans Affairs Hospital | \$995 Million |
| Dyno Nobel Ammonia Plant | \$850 Million |
| Armstrong Airport | \$826 Million |
| New Orleans Sewer and Water Repairs | \$615 Million |
| Permanent Closures and Pump Stations | \$614 Million |
| Iberville Redevelopment | \$600 Million |
| South Market District | \$250 Million |
| North Rampart / St. Claude Streetcar Line | \$41.5 Million |

Housing

The Real Estate Market Data Center for the Institute for Economic Development & Real Estate of the University of New Orleans periodically publishes its *Real Estate Market Analysis New Orleans and Northshore Regions*, a recent edition being dated April 2015 (the “Analysis”). According to the Analysis, average prices in this sector of the market slowed significantly. Average prices rose in only two of the major submarket sectors.

Single family home prices in the Parish fell between 2013 and 2014 at an average of just under 2% from \$278,096 to \$272,853. This was driven largely due to a 9.3% decrease in the appreciation for homes located in the City’s historic Central Center and was offset by the appreciation in New Orleans East and the West Bank of Orleans Parish. Unit sales in the Parish rose 9.9% from 2,554 in 2013 to 2,808, in 2014, while at the same time, aggregate dollar volume of sales increased 8%, from \$710.2 million to \$766.1 million

In Central Orleans, between 2013 and 2014 unit sales rose from 1,762 to 1,925 (9.2%) and aggregate dollar volume rose from \$606.3 million to \$643.0 million (6.1%). At the same time average prices dropped by 2.9% (from \$344,149 to \$334,057) and average marketing time dropped from 70 days in 2013 to 64 days in 2014 or by just over 8%. Average prices rose in thirteen of seventeen MLS neighborhoods comprising Central Orleans.

In Eastern New Orleans, between 2013 and 2014 unit sales rose from 424 to 442 (4.2%) and aggregate dollar volume rose from \$45.2 million to \$51.3 million (13.5%). At the same time average prices rose by 8.9% (from \$106,810 to \$116,263) and average marketing time dropped from 122 days in 2013 to 110 days in 2014 or by just over 9%. Average prices increased in five of the six MLS neighborhoods that encompass Eastern New Orleans.

Sale volumes on the Westbank of Orleans Parish between 2013 and 2014 rose by 19.8% and 22.4% in units and aggregate dollar volume, respectively. At the same time, the average price of a single family home edged up 2.17% from \$159,182 to \$162,641 as average marketing time shortened from 101 to 86 days. Average prices increased in two of the three MLS neighborhoods that encompass Westbank New Orleans. The development of the Federal City project should help to fuel demand for some of this inventory and bring some stability to this market sector's single family housing prices.

Education

Elementary and secondary education in the Parish is provided by public, charter, parochial and private schools. The state-run New Orleans Recovery School District, an intermediate educational unit created in 2003 by the State legislature for the purpose of governing public schools in failing school districts, primarily Orleans Parish, has approximately 47,575 public school students in the City, 30,731 students being in the Recovery School District. In addition to the children attending public schools in the City, there are approximately 19,316 students attending private and parochial schools in the City.

Institutions of higher education located in the City include:

| | Fall Enrollment | | | | | |
|------------------------------------|------------------------|---------------|---------------|---------------|---------------|---------------|
| <u>Institution</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| University of New Orleans | 11,724 | 11,276 | 10,903 | 10,071 | 9,323 | 9,234 |
| Tulane University | 11,799 | 12,622 | 13,359 | 13,401 | 13,462 | 13,531 |
| Loyola University New Orleans | 4,910 | 4,982 | 5,179 | 5,105 | 4,864 | 4,496 |
| Southern University at New Orleans | 3,141 | 3,166 | 3,245 | 3,480 | 3,176 | 2,734 |
| Xavier University of Louisiana | 3,320 | 3,391 | 3,399 | 3,177 | 3,121 | 2,926 |
| Dillard University | 1,017 | 1,188 | 1,249 | 1,307 | 1,183 | 1,200 |
| Our Lady of Holy Cross College | <u>1,305</u> | <u>1,260</u> | <u>1,212</u> | <u>1,171</u> | <u>1,260</u> | <u>1,200</u> |
| | <u>37,216</u> | <u>37,885</u> | <u>38,643</u> | <u>37,712</u> | <u>36,389</u> | <u>35,323</u> |

Sources: *NOLA.Com/The Times-Picayune*; Xavier University; Southern University of New Orleans; Tulane University; The University of New Orleans.

These seven institutions educate students in fields such as engineering, health care, public administration, urban studies, law, business, psychology, social sciences, communications, nursing, music, computer information systems, criminal justice, pharmacy, education, and theology. In addition, Delgado Community College, with a 2014 Fall enrollment of 17,138, the LSU Health Sciences Center-New Orleans, with a 2014 Fall enrollment of 2,828, and other similar facilities educate persons in various trades. Also, the acute care hospitals previously listed under the "Largest Employers" have research and teaching facilities and staff to educate, train and employ physicians and medical personnel who come from numerous foreign and domestic locations.

Tourism

The City is a major convention and tourist center. In 2004, the City attracted approximately 10.1 million visitors and in 2014, 9.52 million visitors, reaching 94% of the Pre-Katrina figure. Visitor's spent over \$6.81 billion in 2014, the highest spending in the City's history. The City's distinctive music and festivals, including Mardi Gras, all contribute to its attractiveness to tourists.

The City is Number 2 on the list of 2015 top ten cities in the United States and Canada, according to the Travel+Leisure magazine and their annual World's Best Awards. This is the sixth consecutive year that the City has been named to the list. In addition, The City ranked within the top five of America's Favorite Cities for festivals, historical sites, antiques shopping, nightlife, restaurants and weekend escapes to name just a few. The City was also ranked 8th on the domestic list of TripAdvisor's 2015 Travelers' Choice Destination List.

The City is home to the Audubon Nature Institute (the "Institute") which welcomes over 2 million visitors each year. The Institute encompasses Audubon Zoo, the Audubon Aquarium of the Americas, the Audubon Butterfly Garden and Insectarium, Audubon Park and Golf Course and Giant Screen theaters, situated in various locations around the City, and explained in more detail below.

The **Aquarium of the Americas** (the "Aquarium") is dedicated to the conservation and exploration of aquatic environments of the western hemisphere and adjacent waters, and is housed in a three story structure of approximately 168,104 gross square feet, holding more than one million gallons of fresh and salt water. Visitors can view 66 separate aquarium displays ranging from 500 gallons to 500,000 gallons. Adjacent to the Aquarium is the Entergy Giant Screen Theatre containing approximately 60,000 square feet of enclosed building space. The Aquarium is located at the foot of Canal Street in the French Quarter area of the City.

Over 10,000 specimens of marine life representing 530 species are presented in exhibits at the Aquarium. The Aquarium is completing a new renovation designed to enhance the experience for visitors of all ages.

The **Audubon Butterfly Garden and Insectarium** (the "Insectarium") is located at the historic U.S. Custom House on Canal Street in downtown New Orleans. At over 23,000 square feet of space, the Insectarium is North America's largest free-standing museum celebrating over 900,000 known species of insects and their relatives. Visitors can experience unique and creative experiences at the Insectarium in one-of-a-kind, highly-interactive exhibits. There are approximately 100 live arthropod species throughout the Insectarium, as well as alligators and a variety of fish. The Insectarium consists of 13 gallery rooms containing more than 70 live animal enclosures, 30 mounted specimen cases and a multisensory immersive theater experience.

The **Audubon Zoo** (the "Zoo") encompasses 58 developed acres housing hundreds of species of animals in naturalistic habitats. Visitors can experience a mix of exotic animals from all around the world, as well as hands-on animal encounters, engaging educational programs, lush gardens, and animal-themed amenities. The Zoo is located on the 6500 block of Magazine Street in historic uptown New Orleans. The Zoo is committed to wildlife conservation and dedicated to highlighting the importance of protecting endangered species and supporting the many conservation efforts under way at Audubon Nature Institute. Over 2,000 of the world's rarest animals are on display, ranging from amphibians to terrestrial invertebrates to mammals to reptiles.

Recently completed projects to the zoo include Cool Zoo, a splash park located next to the Endangered Species Carousel and the Kamba Kourse, 44 feet high rope course which features 3 separate levels and 3 dozen rope elements. New to Cool Zoo in 2015 is the Gator Run, a 750 foot lazy river which is 3 feet deep and includes 2 sand beaches and lounge chairs. Also included in the Cool Zoo are concession areas, shaded outdoor seating, showers and restrooms.

The Zoo was named to TripAdvisor's list of the Top 25 Zoos in the U.S. for 2014, as selected by its members.

The **Mercedes-Benz Superdome** (the "Superdome") is an architecturally unique multi-purpose facility located adjacent to the New Orleans Central Business District. It was completed in August 1975 and was once the largest enclosed stadium arena in the world. It has a seating capacity of approximately 73,208-76,468, depending upon the seating configuration used, and can accommodate athletic events as well as conventions, trade shows, major exhibits, circuses and other large public meetings. Exhibition space on the Superdome floor totals 162,434 square feet and there are also six club rooms with a total of 74,068 square feet, 12 meeting rooms and parking facilities for approximately 5,000 automobiles and 250 buses. The Superdome recently completed \$360 million in enhancements. The Superdome's major tenant is the **New Orleans Saints**, a National Football League professional football team. In 2010, the New Orleans Saints won Super Bowl XLIV with a victory over the Indianapolis Colts. The Saints have played their home games, with the exception of the 2005 season, in the Superdome since its completion in 1975. Since Hurricane Katrina, the Superdome has been substantially renovated inside with improvements adding comfort and luxury to the stadium. The Superdome hosted the 2012 Division I College Football BCS Championship Game, the 2012 NCAA Men's Final Four and the 2013 NFL Super Bowl.

On October 3, 2011, Mercedes-Benz and the New Orleans Saints reached a 10 year naming rights agreement. The name of the Superdome was changed from the Louisiana Superdome to its current name as a result.

Champions Square (the "Square") is a one block section of LaSalle Street in what was once part of the New Orleans Centre shopping mall. The Square was officially opened on August 21, 2010 during a New Orleans Saints exhibition game. The square has a capacity of approximately 8,000 comfortably and includes the parking facility, Champions Garage, which can accommodate approximately 2,000 vehicles. The Square features pre-game entertainment and food along with outdoor concerts.

The **Smoothie King Center**, a \$110 million sports and entertainment facility on a 13 acre site south of the Louisiana Superdome, opened on October 30, 1999. The center has a floor area of approximately 24,650 square feet of column-free space, and approximately 18,500 padded armchair seats which are adaptable for specific events, including basketball and concerts. **The Pelicans**, a National Basketball Association professional basketball team, and other basketball games are played in the Arena, along with the **New Orleans Voodoo**, an Arena Football League professional football team, concerts, family shows and other entertainment. As part of a recent lease extension with the Pelicans, \$50 million in improvements were completed in two phases. The completion of phase one was completed in October 2013, and includes 16 new loge boxes in the lower level, upgraded concession stands, new 12,000 square foot Chairmans club, expanded Capital One club, 56 suites upgraded and new locker rooms. Phase two was completed in October 2014 and includes an expanded ticket box office, 2,000 square foot sports lounge, new exterior paint and a glass enclosed front entrance lobby which was expanded by 20,000 square feet.

On February 6, 2014, Smoothie King and the New Orleans Pelicans reached a 10 year naming rights agreement. The name of the Center was changed from the New Orleans Arena to its current name as a result.

The **National World War II Museum**, formally the **D-Day Museum** (the “Museum”), is an attraction with great attendance. Veterans from every military service have attended this world class facility. A \$300 million expansion is currently under way, with several projects already completed, and several more expected to be completed by the end of 2015. This expansion will quadruple the size of the original Museum. For additional information, see <http://www.ddaymuseum.org>.

Tourism in the City not only includes conventions but also major events such as **Mardi Gras**, the **Jazz and Heritage Festival**, **Voodoo Fest**, the **Essence Music Festival**, the **Bayou Classic football game**, the **New Orleans Bowl**, the **Sugar Bowl**, and periodically, the **Super Bowl**, which was last held in the City in 2013. Adults may continue to find entertainment in the river boat and land based **casinos** located in the area. Harrah’s Casino is located in the Heart of the City and includes more than 3,800 slot machines, casino table games and more than 20 poker tables. The Fair Grounds Race Course, owned by Churchill Downs Inc. , primarily a horse racing facility that also includes 606 reel and video games, and is home to the annual Jazz Fest.

Conventions

The City has ranked among the top five cities nationwide as a destination city for conventions and is home to the 6th largest convention center in the nation. Convention attendance in the Greater New Orleans area has increased dramatically since 1981. The construction of large facilities such as the Ernest N. Morial Convention Center (the “Convention Center”), the Superdome, and hotels including over 1,000 public meeting rooms, encouraged the growth of the tourism industry in New Orleans.

The Convention Center was planned and operated as part of the 1984 World Exposition and opened for convention activity in January 1985. The Convention Center has accommodated major conventions and trade shows that have brought delegates, spouses and guests to the City. The Convention Center underwent a \$60 million renovation after Katrina that included new flooring and furnishings on all three levels, premium design and architectural finishes, upgraded lighting, high speed wi-fi, a 4,000 seat Conference Auditorium, 12 separate/combinable exhibit halls, and 140 meeting rooms. A \$52 million renovation project on the Convention Center began in December 2011, and was completed in January 2013. The NFL Shop of Super Bowl XLVII opened immediately after a ribbon cutting ceremony that included representatives from the City of New Orleans and the NFL.

Airport

The **Louis Armstrong New Orleans International Airport** (the “Airport”) is the principal source of transportation of the millions of visitors who come to the City annually. The number of domestic passengers (enplaned and deplaned) rose from approximately 6.6 million in 1985 to approximately 9.6 million in 2004. Since then, the number of domestic passengers has surpassed Pre-Katrina figures to approximately 9.7 million as of December 31, 2014. In 2004, approximately 4.9 million passengers were enplaned at the Airport. Enplanements drastically decreased in the final four months of calendar year 2005 following Hurricane Katrina, and only reached 3.9 million. Katrina disrupted normal operations at the Airport until September 13, 2005, when it reopened to commercial flights. In the days after the storm, approximately 5,000 military and civilian personnel were based at the Airport. During this period, activity was restricted to

humanitarian flights and rescue missions, and one Airport concourse was used as a makeshift medical center to treat sick and injured evacuees. In 2005, the total number of passengers equaled approximately 6,218,419, compared to approximately 7,967,997 in 2008, or an increase of approximately 27.8%. The number of passengers has continued to increase since 2008; the number of passengers for the year ended December 31, 2014 was 9,785,394.

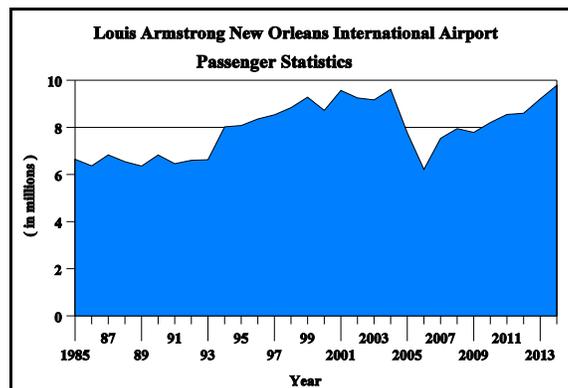
The Airport is currently served by 15 airlines, including but not limited to the following domestic carriers: Alaska Airlines, American Airlines; Delta Air Lines; Frontier; JetBlue; Spirit; Southwest; United Airlines; and US Airways (operating as American Airlines after October 17, 2015). Of these, Southwest accounts for approximately 39% of the Airport’s passenger market and is classified as the largest carrier at the Airport. Prior to Hurricane Katrina, the Airport averaged 166 flights daily to 42 cities with approximately 21,000 seats. In December 2005, the Airport had 56 flights daily to 21 cities. In 2014, the Airport offered 136 daily departures to 44 cities across the United States, with an average daily seat capacity of 17,142.

During 2015, the Airport will offer three new direct services to locations including Panama, Las Vegas, the Gulf and Mid-South. On June 24, 2015, Copa Airlines began offering nonstop flights four times a week to Panama. Spirit Airlines will begin offering nonstop flights to McCarran International Airport in Las Vegas, Nevada on November 13, 2015 and GLO, offering non-stop flights to Little Rock, Shreveport and Memphis beginning November, 2015.

The Airport is also currently served by the following international carriers: Air Canada, COPA Airlines and Delta Air Lines.

Domestic freight and mail is handled at the Airport by several airlines including American, Delta, Frontier, Southwest, United, US Airways, Federal Express, and UPS. Air Cargo for 2004 totaled approximately 80,938.35 metric tons, compared to a total of approximately 40,112.37 metric tons handled for the year ended December 31, 2014.

The Airport recently embarked on a major capital improvement project to construct a new 650,000 square foot passenger terminal. The North Terminal Airport Project, is anticipated to be in service by May 2018, that will feature 2 concourses with 30 gates and a 2,000 space parking garage. The new terminal is expected to generate \$6.3 billion in revenues as well as create an estimated 13,000 new construction jobs.



Port

The Board of Commissioners of the Port of New Orleans (the “Dock Board”) is authorized and empowered under the Constitution and laws of the State of Louisiana, to administer the public wharves, docks, sheds, and landings of the port of New Orleans which are owned and operated, or which may be purchased, acquired, or operated by the Dock Board; to construct new wharves and other structures when necessary; to erect sheds and other structures on such wharves and landings; to place and keep these wharves and landings, sheds, and other structures in good condition; to provide mechanical facilities for the use of such wharves, landings, sheds, and other structures; to finance, erect, and operate all basins, locks, canals, and warehouse elevators, and to charge for the use of all facilities administered by it, and for all services rendered by it, such fees, rates, tariffs, or other charges as it may establish. The Dock Board may issue revenue bonds for any authorized purpose payable out of the income, revenues, and receipts derived or to be derived from the properties and facilities owned, leased, mortgaged, or pledged to, maintained or operated by the Dock Board or received by the Dock Board from these properties and facilities, or from contracts or agreements relating to these properties and facilities, including but not limited to lease or sublease agreements, sale agreements, loan agreements, pledge agreements, or other financing agreements.

In 2011, the Port added Royal Caribbean Cruise Line to its two distinct cruise terminals, Carnival Cruises and Norwegian Cruise Line. Once a year, the American Canadian Caribbean Line provides two 14 days cruises from the Port, traveling to and from Mid-America and the Gulf. In November 2014, the Norwegian Dawn debuted in New Orleans. The 2,340-passenger began offering cruises starting on November 23, 2014. On April 20, 2014 New Orleans largest cruise ship, the 3,646 passenger Carnival Dream, began offering year-round seven day services to three different itineraries. Beginning April 4, 2016, Carnival Triumph will move from Galveston to New Orleans to replace Carnival Elation offering four and five day cruises to Mexico. Together with the Carnival Dream the ships are expected to receive 450,000 visitors annually. Not only has the City reached Pre-Katrina numbers, but it also set a new passenger record with 1,014,325 passengers in 2014.

In addition to the large cruise lines, inland cruising has returned to the City, with options to cruise various segments of the Mississippi River from New Orleans to St. Paul, Minnesota. American Eagle, a 150 person paddlewheeler began offering 8 day cruises from New Orleans in May of 2015. In 2017, Viking River Cruises will launch cruises on the Mississippi River with stops in several Louisiana Parishes, Memphis, Tennessee, and either St. Louis or St. Paul Minnesota.

There have been many expansion and renovation projects in progress in connection with the Port to facilitate cargo operations. The Port recently completed its \$7.7 million expansion and renovation project to the Alabo Street Wharf, as well as its \$17.5 million improvement project of the Julia Street Terminal. Expansion of the Napoleon Avenue Container Terminal Complex has been completed, and construction of the Mississippi River Intermodal Terminal and Yard Improvements, a 12 acre freight rail intermodal terminal and a 4 acre cargo marshalling yard near the Napoleon Terminal Complex, is currently underway. A new \$7 million riverfront cold storage facility at the Henry Clay Avenue Terminal was completed and opened in July 2012. Additional design and construction projects are to begin within the year.

The port handled 8.37 million tons of cargo in 2014, an increase of 28% from 2013, the highest total since 2000. The Ports midstream operations, export grain and private tonnage also increased 27.68% to 31.05 million tons.

Activity at the Port may be limited or decrease as a result of factors outside the control of the City, such as labor relations, tariffs, economic and river conditions and other matters.

Recent National Recognition of the City and Region

The City and the Greater New Orleans region have recently been recognized by multiple publications for various achievements and accomplishments, including but not limited to the following:

General

- GNO, Inc. was ranked as the #2 Economic Development Organization in the U.S. [*Business Facilities*]
- Greater New Orleans was ranked #1 for the Decade for Major Economic Development Wins in the South [*Southern Business & Development*]
- Greater New Orleans was named #1 Most Cost-Friendly for Business in the USA [*KPMG*]
- Greater New Orleans is #1 in the USA for Export Growth, over 400% [*US Chamber of Commerce*]
- Greater New Orleans is the #2 Boomtown in America, due to population and GDP growth [*Bloomberg*]
- New Orleans was ranked the #2 “Aspirational” City in the USA based on economy, demographics and quality of life [*Daily Beast*]
- New Orleans was named the #1 (of 475) for Employment, Income and Population [Nerd Wallet]
- Greater New Orleans is the #3 Big City Winning the IT Jobs Battle (after Silicon Valley and S.F.) [*Forbes*]
- Greater New Orleans was the #1 Most Improved Metro in the USA [*Wall Street Journal*]

Talent / Workforce

- Greater New Orleans was ranked #1 Brainpower City in the U.S.A. [*Forbes*]
- Greater New Orleans is #1 in the USA for In-Migration of “Workers in their Prime” (35-49 y.o.) [*Forbes*]
- Greater New Orleans ranks #2 in the USA for Women in Technology [*U.S. Census*]
- Greater New Orleans is Top 5 in the USA for increasing share of “Millennial (22-34 Jobs)” [*Career Builder*]
- New Orleans was ranked #1 on the list of “America’s Biggest Brain Magnets” for attracting people under 25 with college degrees [*Forbes*]

Entrepreneurship

- Greater New Orleans is #2 in the USA for Growth in Knowledge Industries [*EMSI*]
- New Orleans Leads the USA by 56% in number of startups-per-capita [*GNO Community Data Center*]
- Louisiana was rated the #2 State in the USA to Start a Company [*Tax Foundation + KPMG*]

Quality of Life

- New Orleans was named “Americas Best City for School Reform” [*Thomas B. Fordham Institute*]
- New Orleans was ranked “#1 Food City in America” [*Thrillist*]
- New Orleans is America’s Favorite City, and a Top 10 City in the World [*Travel + Leisure*]
- New Orleans was ranked #3 City in the World [*Rough Guides*]

For further information, see the website of Greater New Orleans, Inc., a regional economic development alliance, at <http://gnoinc.org/news/awards-and-rankings/>.

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**ANNUAL FINANCIAL REPORT
OF THE CITY OF NEW ORLEANS
FOR THE YEAR ENDED DECEMBER 31, 2014**

The 2014 Comprehensive Annual Financial Report (and prior years) of the City of New Orleans is available in PDF format at the City of New Orleans website:

<http://www.nola.gov/accounting/#report>

In addition, the 2014 Comprehensive Annual Financial Report can be viewed at the Municipal Securities Rulemaking Board - Electronic Municipal Market Access (MSRB-EMMA) site using the following link:

<http://emma.msrb.org/ER910839-ER711559-ER1113034.pdf>

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**BUDGET SUMMARY
FOR FISCAL YEAR 2015**

Note: The comprehensive operating budget is posted on the City's website:
<http://www.nola.gov/mayor/budget/>.

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**ANNUAL FINANCIAL REPORT
OF THE
CITY OF NEW ORLEANS
BOARD OF LIQUIDATION
CITY DEBT
FOR THE YEAR ENDED DECEMBER 31, 2014**

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**CITY OF NEW ORLEANS
BOARD OF LIQUIDATION
CITY DEBT
ANNUAL STATEMENT
DECEMBER 31, 2014**

www.bolcd.com

BOARD OF LIQUIDATION, CITY DEBT
NEW ORLEANS, LOUISIANA
DECEMBER 31, 2014

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BOARD OF LIQUIDATION, CITY DEBT
NEW ORLEANS, LOUISIANA
DECEMBER 31, 2014

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

The Board of Liquidation, City Debt, is a nine member body corporate composed of six citizens of the City of New Orleans and three ex-officio members, consisting of the Mayor and the two Councilmembers-at-Large. 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
Richard P. Wolfe, Vice President
David W. Gernhauser, Secretary
Tracy David Madison, Assistant Secretary

COUNSEL

Beirne, Maynard & Parsons, LLP

MEMBERS OF THE BOARD

Mary K. Zervigon
Richard P. Wolfe

Alan C. Arnold
Mark M. Moody

Wm. Raymond Manning
Henry F. O'Connor, Jr.

Stacey S. Head, Councilmember-at-Large
Jason R. Williams, Councilmember-at-Large
Mitchell J. Landrieu, Mayor

Ex-Officio
Ex-Officio
Ex-Officio

MARY K. ZERVIGON
PRESIDENT

RICHARD P. WOLFE
VICE PRESIDENT

DAVID W. GERNHAUSER
SECRETARY

TRACY DAVID MADISON
ASST. SECRETARY

MEMBERS OF BOARD

ALAN C. ARNOLD
WM. RAYMOND MANNING
MARK M. MOODY
HENRY F. O'CONNOR, JR.
RICHARD P. WOLFE
MARY K. ZERVIGON

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

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

January 2, 2015

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, 2014, 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

BOARD OF LIQUIDATION, CITY DEBT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2014

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, 2014. 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, 2014

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 reporting package.

The Combining Statement of Receipts, Disbursements and Changes in Net Position - Modified Cash Basis lists the Board's inflows and outflows of cash and other changes in net position. The purpose of the statement 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 reporting package 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, 2014

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 Combining Statement of Assets, Liabilities and Net Position - Modified Cash Basis financial statement have a balance of \$74,150,545. The Tax Credit Bond loan payable balance of \$90,726,440 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 2014. The 2014 millage levy is 25.5 mills, remaining the same as 2013.

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 | | |
|--|----------------------|----------------------|-----------------------|
| | 2014 | 2013 | Changes |
| Assets | \$ 97,865,927 | \$ 98,160,805 | \$ (294,878) |
| Liabilities | <u>23,715,382</u> | <u>25,172,318</u> | <u>(1,456,936)</u> |
| Net Position | <u>\$ 74,150,545</u> | <u>\$ 72,988,487</u> | <u>\$ 1,162,058</u> |
| Receipts | \$ 630,188,068 | \$ 192,520,865 | \$ 437,667,203 |
| Disbursements | <u>630,482,946</u> | <u>190,150,170</u> | <u>440,332,776</u> |
| Excess of Receipts Over (Under) Disbursements | <u>\$ (294,878)</u> | <u>\$ 2,370,695</u> | <u>\$ (2,665,573)</u> |

BOARD OF LIQUIDATION, CITY DEBT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)
DECEMBER 31, 2014

| | Custodial Funds | | |
|--|----------------------|------------------------|----------------------|
| | 2014 | 2013 | Changes |
| Assets | \$ 88,639,378 | \$ 9,309,965 | \$ 79,329,413 |
| Liabilities | <u>67,239,846</u> | <u>71,361,773</u> | <u>(4,121,927)</u> |
| Net Position | <u>\$ 21,399,532</u> | <u>\$ (62,051,808)</u> | <u>\$ 83,451,340</u> |
| Receipts | \$ 197,444,457 | \$ 65,023,345 | \$ 132,421,112 |
| Disbursements | <u>118,115,043</u> | <u>77,169,750</u> | <u>40,945,293</u> |
| Excess of Receipts Over (Under) Disbursements | <u>\$ 79,329,414</u> | <u>\$ (12,146,405)</u> | <u>\$ 91,475,819</u> |
| | Totals | | |
| | 2014 | 2013 | Changes |
| Total assets | \$ 186,505,305 | \$ 107,470,770 | \$ 79,034,535 |
| Total liabilities | <u>90,955,228</u> | <u>96,534,091</u> | <u>(5,578,863)</u> |
| Total Net Position | <u>\$ 95,550,077</u> | <u>\$ 10,936,679</u> | <u>\$ 84,613,398</u> |
| Receipts | \$ 827,632,525 | \$ 257,544,210 | \$ 570,088,315 |
| Disbursements | <u>748,597,989</u> | <u>267,319,920</u> | <u>481,278,069</u> |
| Excess of receipts over (under) disbursements | <u>\$ 79,034,536</u> | <u>\$ (9,775,710)</u> | <u>\$ 88,810,246</u> |

BOARD OF LIQUIDATION, CITY DEBT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)
DECEMBER 31, 2014

Key Changes in Assets and Liabilities include:

- Assets decreased \$294,878 in debt administration due to the refunding of Sewerage & Water Revenue Bonds.
- Assets increased \$79,329,413 in the custodial accounts due to new bond proceeds.
- Liabilities decreased \$5,578,863 primarily due to payments on the Tax Credit Bond Loans.

Key changes in Receipts include:

Debt Administration

- Current year ad valorem tax receipts increased \$2,169,436 due to the increase in assessments.
- Bond proceeds increased \$297,305,477 primarily due to the refunding in 2014 which was not present in 2013.
- Debt service funds increased \$138,236,251 due to bonds being refunded.

Custodial Accounts

- Current year ad valorem taxes increased \$1,956,225 due to the increase in assessments.
- Interest on investments increased \$417,300 due to increased bond proceeds.
- Revenue Sharing - State of Louisiana increased \$119,096.
- Bond proceeds increased \$129,850,611 due to refunding of bonds.

Key changes in Disbursements include:

Debt Administration

- Interest payments increased \$1,493,202. This increase follows the payments required under the debt service schedules.
- Principal payments on bonds increased \$135,672,106 due to refunded bonds called in 2014.

BOARD OF LIQUIDATION, CITY DEBT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)
DECEMBER 31, 2014

- Funds returned to the City of New Orleans, Sewerage & Water Board, and Audubon Park Commission increased by \$130,895,052. The increase is due to the new Public Improvement Bond proceeds being transferred to the City Treasury and new bond proceeds being transferred to the Sewerage and Water Board custodial accounts.
- Cost of Issuance increased \$1,291,219 as a function of more bonds sold in 2014 versus 2013.
- Personal services decreased \$45,775. This is mainly due to an employee retiring in 2013.
- Purchase of securities increased \$171,034,147 due to the refunding of bonds. There was no purchase of escrow securities in 2013.

Custodial Accounts

- Warrants paid increased \$40,528,737 due to new bond proceeds.
- Debt service increased \$416,673.

Bond Ratings

Bond ratings for the General Obligation Bonds of the City of New Orleans at December 31, 2014 were:

- Standard and Poor's Rating BBB+,
- 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 \$507,081,267 in General Obligation Bonds and \$17,510,000 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. Debt service is collected from these custodial special taxes to pay debt service on special tax bonds. Debt service on the Revenue Bonds

BOARD OF LIQUIDATION, CITY DEBT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)
DECEMBER 31, 2014

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, 2014 and 2013 are as follows:

| City of New Orleans: | 2014 | 2013 |
|---|----------------|----------------|
| General Obligation Bonds | \$ 507,081,267 | \$ 529,463,192 |
| Limited Tax Bonds | 17,510,000 | 19,550,000 |
| | 524,591,267 | 549,013,192 |
| Sewerage & Water Board of New Orleans: | | |
| Drainage System Special Tax Bonds | 14,365,000 | 16,205,000 |
| Sewerage Service Revenue Bonds | 158,990,000 | 135,565,000 |
| LDHH Sewerage Service Revenue Bonds | 0 | 3,740 |
| Bonds Louisiana Department of Environmental Quality | 8,174,000 | 8,420,402 |
| Water Revenue Bonds | 103,525,000 | 27,655,000 |
| | 285,054,000 | 187,849,142 |
| Audubon Park Commission: | | |
| Audubon Park Improvement Bonds | 710,000 | 1,035,000 |
| Audubon Aquarium Bonds | 22,295,000 | 25,000,000 |
| | 23,005,000 | 26,035,000 |
| Downtown Development District: | | |
| Downtown Development District Bonds | 4,585,000 | 4,900,000 |
| | \$ 837,235,267 | \$ 767,797,334 |

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.

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.

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(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, 2014, 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

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Board of Liquidation, City Debt, as of December 31, 2014, 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 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 10, 2015, 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.



March 10, 2015

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FINANCIAL STATEMENTS

BOARD OF LIQUIDATION, CITY DEBT
 COMBINING STATEMENT OF ASSETS, LIABILITIES
 AND NET POSITION - MODIFIED CASH BASIS
 DECEMBER 31, 2014

| | Debt Administration | Account of Sewerage & Water Board |
|---|------------------------|---|
| <u>ASSETS</u> | | |
| Cash | \$ 544,119 | \$ 709,583 |
| Money market accounts | 97,321,808 | 83,227,929 |
| <i>Total Assets</i> | \$ 97,865,927 | \$ 83,937,512 |
| <u>LIABILITIES AND NET POSITION</u> | | |
| LIABILITIES: | | |
| Interest payable | \$ 86,613 | \$ 0 |
| Principal payable | 142,175 | 0 |
| Tax Credit Bond loan payable | 23,486,594 | 65,879,023 |
| <i>Total Liabilities</i> | 23,715,382 | 65,879,023 |
| NET POSITION: | | |
| Restricted for: | | |
| Debt service: | | |
| Reserve funds | 53,740,908 | 0 |
| Debt service funds | 20,409,637 | 0 |
| Other purposes: | | |
| Custodial funds | 0 | 18,058,489 |
| <i>Total Net Position</i> | 74,150,545 | 18,058,489 |
| <i>Total Liabilities and Net Position</i> | \$ 97,865,927 | \$ 83,937,512 |

See accompanying notes to financial statements.

| Account of Downtown Development District | Account of Audubon Park Commission | Accounts of Special Taxing Districts | Total (Memorandum Only) |
|---|--|--|-------------------------------|
| \$ 15,927 | \$ 36,090 | \$ 0 | \$ 1,305,719 |
| 2,582,315 | 0 | 2,067,534 | 185,199,586 |
| <u>\$ 2,598,242</u> | <u>\$ 36,090</u> | <u>\$ 2,067,534</u> | <u>\$ 186,505,305</u> |
| \$ 0 | \$ 0 | \$ 0 | \$ 86,613 |
| 0 | 0 | 0 | 142,175 |
| 1,360,823 | 0 | 0 | 90,726,440 |
| <u>1,360,823</u> | <u>0</u> | <u>0</u> | <u>90,955,228</u> |
| 0 | 0 | 0 | 53,740,908 |
| 0 | 0 | 0 | 20,409,637 |
| 1,237,419 | 36,090 | 2,067,534 | 21,399,532 |
| <u>1,237,419</u> | <u>36,090</u> | <u>2,067,534</u> | <u>95,550,077</u> |
| <u>\$ 2,598,242</u> | <u>\$ 36,090</u> | <u>\$ 2,067,534</u> | <u>\$ 186,505,305</u> |

BOARD OF LIQUIDATION, CITY DEBT
 COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND
 CHANGES IN NET POSITION - MODIFIED CASH BASIS
 YEAR ENDED DECEMBER 31, 2014

| | Debt Administration | Account of Sewerage & Water Board |
|--|------------------------|---|
| <u>RECEIPTS</u> | | |
| Ad valorem taxes - Current year | \$ 74,606,356 | \$ 46,123,413 |
| Ad valorem taxes - Prior years | 2,163,536 | 1,399,648 |
| Bond proceeds | 317,347,788 | 131,282,738 |
| Bond proceeds - premium | 573,649 | 0 |
| Bond proceeds - cost of issuance | 1,427,984 | 0 |
| Bond proceeds - reserve funds | 18,065,396 | 0 |
| Fee - Current year | 0 | 0 |
| Fee - Prior years | 0 | 0 |
| Revenue sharing - State of Louisiana | 0 | 570,587 |
| Debt service funds | 214,566,648 | 0 |
| Debt service - reserve funds | 52,120 | 0 |
| Debt service funds - Federal subsidy - Taxable Build America Bonds | 1,003,760 | 0 |
| Interest on investments | 261,109 | 483,482 |
| Excess reserve and debt service funds | 119,722 | 85,740 |
| <i>Total Receipts</i> | 630,188,068 | 179,945,608 |
| <u>DISBURSEMENTS</u> | | |
| Interest on bonds | 62,109,281 | 0 |
| Interest on bonds - Tax Credit Bond Loan | 4,467,770 | 0 |
| Principal on bonds | 214,602,344 | 0 |
| Principal on bonds - Tax Credit Bond Loan | 5,561,697 | 0 |
| Purchase escrow securities | 171,034,147 | 0 |
| Administrative expenses - LADHH & LADEQ | 42,646 | 0 |
| Warrants | 0 | 97,153,736 |
| Debt service | 0 | 3,698,855 |
| Personal services | 370,629 | 0 |
| Contractual services | 84,998 | 0 |
| Office expenses | 32,481 | 0 |
| Funds returned to City of New Orleans, Sewerage & Water Board, and Audubon Park Commission | 170,655,274 | 0 |
| Cost of issuance | 1,521,679 | 0 |
| <i>Total Disbursements</i> | 630,482,946 | 100,852,591 |
| Excess of Receipts Over (Under) Disbursements | (294,878) | 79,093,017 |
| <u>OTHER SOURCES</u> | | |
| Change in accrued liabilities: | | |
| Principal on bonds | 16,000 | 0 |
| Tax Credit Bond Loan payments | 1,439,771 | 4,038,505 |
| Interest payable | 1,165 | 0 |
| <i>Total Other Sources</i> | 1,456,936 | 4,038,505 |
| Change in Net Position | 1,162,058 | 83,131,522 |
| Net Position at: | | |
| Beginning of Year | 72,988,487 | (65,073,033) |
| End of Year | \$ 74,150,545 | \$ 18,058,489 |

See accompanying notes to financial statements.

| Account of Downtown Development District | Account of Audubon Park Commission | Accounts of Special Taxing Districts | Total (Memorandum Only) |
|---|--|---|----------------------------|
| \$ 5,817,644 | \$ 9,294,701 | \$ 1,024,722 | \$ 136,866,836 |
| 45,990 | 278,748 | 10,301 | 3,898,223 |
| 0 | 0 | 0 | 448,630,526 |
| 0 | 0 | 0 | 573,649 |
| 0 | 0 | 0 | 1,427,984 |
| 0 | 0 | 0 | 18,065,396 |
| 0 | 0 | 966,728 | 966,728 |
| 0 | 0 | 47,198 | 47,198 |
| 0 | 0 | 0 | 570,587 |
| 0 | 0 | 0 | 214,566,648 |
| 0 | 0 | 0 | 52,120 |
| 0 | 0 | 0 | 1,003,760 |
| 5,622 | 0 | 6,640 | 756,853 |
| 94 | 461 | 0 | 206,017 |
| <u>5,869,350</u> | <u>9,573,910</u> | <u>2,055,589</u> | <u>827,632,525</u> |
| 0 | 0 | 0 | 62,109,281 |
| 0 | 0 | 0 | 4,467,770 |
| 0 | 0 | 0 | 214,602,344 |
| 0 | 0 | 0 | 5,561,697 |
| 0 | 0 | 0 | 171,034,147 |
| 0 | 0 | 0 | 42,646 |
| 5,147,218 | 5,355,000 | 1,981,736 | 109,637,690 |
| 594,818 | 4,183,680 | 0 | 8,477,353 |
| 0 | 0 | 0 | 370,629 |
| 0 | 0 | 0 | 84,998 |
| 0 | 0 | 0 | 32,481 |
| 0 | 0 | 0 | 170,655,274 |
| 0 | 0 | 0 | 1,521,679 |
| <u>5,742,036</u> | <u>9,538,680</u> | <u>1,981,736</u> | <u>748,597,989</u> |
| <u>127,314</u> | <u>35,230</u> | <u>73,853</u> | <u>79,034,536</u> |
| 0 | 0 | 0 | 16,000 |
| 83,421 | 0 | 0 | 5,561,697 |
| 0 | 0 | 0 | 1,165 |
| <u>83,421</u> | <u>0</u> | <u>0</u> | <u>5,578,862</u> |
| 210,735 | 35,230 | 73,853 | 84,613,398 |
| 1,026,684 | 860 | 1,993,681 | 10,936,679 |
| <u>\$ 1,237,419</u> | <u>\$ 36,090</u> | <u>\$ 2,067,534</u> | <u>\$ 95,550,077</u> |

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BOARD OF LIQUIDATION, CITY DEBT
NOTES TO FINANCIAL STATEMENTS-MODIFIED CASH BASIS
DECEMBER 31, 2014

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 members 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, 2014

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, 2014

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, 2014

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 and the tax credit bond loans, 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, 2014

Summary of Significant Accounting Policies (Continued)

Subsequent Events

Subsequent events have been evaluated through March 10, 2015, which is the date the financial statements were available to be issued.

C. Bank Balances

At December 31, 2014, the Board's deposits with banks consisted of cash and money market accounts as follows:

| | |
|-----------------------|-----------------------|
| Demand accounts | \$ 1,305,719 |
| Money market accounts | <u>185,199,586</u> |
| Total Bank Balances | \$ <u>186,505,305</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>185,755,305</u> |
| Total Bank Balances | \$ <u>186,505,305</u> |

D. 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.

At December 31, 2014 the Board's liability for annual and sick leave approximated \$160,000.

BOARD OF LIQUIDATION, CITY DEBT
NOTES TO FINANCIAL STATEMENTS-MODIFIED CASH BASIS
(Continued)
DECEMBER 31, 2014

E. Pension Plan

Employees of the Board are covered under a City of New Orleans Employees' Pension Plan, a single-employer, and contributory defined benefit pension 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 or calling the plan at:

Employee Retirement System of New Orleans
1300 Perdido Street, Room 1E08
New Orleans, Louisiana 70112
(504) 658-1850

Under this plan, employees with thirty years of service, or who attain age sixty with ten years of service, or age sixty-five, irrespective of length 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% 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.

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 contribute 6% of their salary in 2014. 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. The Board's contributions to the Plan during the year totaled \$57,662 and are included in 'Personal Services'.

BOARD OF LIQUIDATION, CITY DEBT
NOTES TO FINANCIAL STATEMENTS-MODIFIED CASH BASIS
(Continued)
DECEMBER 31, 2014

F. 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:
 - Downtown Development District,
 - Sewerage & Water Board of New Orleans, and
 - Paying outstanding sewerage revenue and water revenue bonds of the Sewerage & Water Board.

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.

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, 2014 is \$21,017,225.

BOARD OF LIQUIDATION, CITY DEBT
 NOTES TO FINANCIAL STATEMENTS-MODIFIED CASH BASIS
 (Continued)
 DECEMBER 31, 2014

Gulf Opportunity Tax Credit Bond Loan Program (Continued)

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, 2014 is \$2,469,369.

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, 2014 is \$1,360,823.

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, 2014 the balance payable is \$65,879,023.

Following is a schedule of principal maturities of these loans:

| | |
|-------------------------|---------------------|
| Year ended December 31, | |
| 2015 | \$ 5,819,761 |
| 2016 | 6,089,797 |
| 2017 | 6,372,362 |
| 2018 | 6,668,040 |
| 2019 | <u>6,977,438</u> |
| | 31,927,398 |
| Thereafter | <u>58,799,042</u> |
| | <u>\$90,726,440</u> |

G. Bond Sales

On December 11, 2013, the City of New Orleans, through the Board of Liquidation, City Debt, issued \$40,000,000 Taxable Public Improvement Bonds, Issue of 2014A, at a discount of \$406,563 below par. The bond was closed on January 21, 2014, with \$39,593,549 of bond proceeds transferred to the Treasury Department of the City of New Orleans.

BOARD OF LIQUIDATION, CITY DEBT
NOTES TO FINANCIAL STATEMENTS-MODIFIED CASH BASIS
(Continued)
DECEMBER 31, 2014

Bond Sales (Continued)

Debt service is due on June 1, and December 1, of each year and the 2014 millage levy includes and is sufficient to meet the additional debt service requirement.

On June 18, 2014, the Sewerage and Water Board of New Orleans, through the Board of Liquidation, City Debt, issued \$158,990,000 Sewerage Service Revenue and Refunding Bonds, Series 2014, for the purpose of refunding outstanding Sewerage Service Revenue Bonds and issuing new money bonds. Net proceeds from the issuance of the refunding bonds were placed in an irrevocable escrow account and invested in U.S. Treasury obligations that, together with interest earned thereon, will provide amounts sufficient for 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. At December 31, 2014, the outstanding balance of the refunded Sewerage Service Revenue Bonds totaled \$19,695,000.

Also, on June 18, 2014, the Sewerage and Water Board of New Orleans, through the Board of Liquidation, City Debt, issued \$103,525,000 Water Revenue and Refunding Bonds, Series 2014, for the purpose of refunding outstanding Water Revenue Bonds and issuing new money bonds. Net proceeds from the issuance of the refunding bonds were placed in an irrevocable escrow account and held in a cash account that provide amounts sufficient for 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. At December 31, 2014, the outstanding balance of the refunded Water Revenue Bonds totaled \$0.

On November 5, 2014, the Sewerage and Water Board of New Orleans, through the Board of Liquidation, City Debt, issued \$14,900,000 Drainage System Fund Refunding Bonds, Series 2014, for the purpose of refunding outstanding Drainage System Fund Bonds. Net proceeds from the issuance of the refunding bonds were placed in an irrevocable escrow account and held in a cash account that provide amounts sufficient for payment of all principal and interest on the refunded bonds.

BOARD OF LIQUIDATION, CITY DEBT
NOTES TO FINANCIAL STATEMENTS-MODIFIED CASH BASIS
(Continued)
DECEMBER 31, 2014

Bond Sales (Continued)

Accordingly, the escrow account and the refunded bonds are not included in these financial statements. At December 31, 2014, the outstanding balance of the refunded Drainage System Funds Bonds totaled \$0.

H. 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.

I. Subsequent event - Proposed Bond Sale

On January 28, 2015, the Board approved a resolution providing for the advertising for electronic bids for the purchase of sixty-five million dollars (\$65,000,000) of Taxable Public Improvement Bonds, Issue of 2015A, of the City of New Orleans, Louisiana with the bids expected to be received during the latter part of March 2015.

SUPPLEMENTAL INFORMATION

BOARD OF LIQUIDATION, CITY DEBT
DEBT ADMINISTRATION
COMBINING SCHEDULE OF ASSETS, LIABILITIES AND NET POSITION - MODIFIED CASH BASIS
DECEMBER 31, 2014

| | General Obligation Bonds | Capital Improvement Limited Tax | Drainage System Bonds 6 mill | Drainage System Bonds 9 mill |
|---|--------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| <u>ASSETS</u> | | | | |
| Cash | \$ 325,809 | \$ 0 | \$ 80 | \$ 86,850 |
| Money market accounts | 60,936,082 | 5,052,119 | 0 | 94,109 |
| <i>Total Assets</i> | <u>\$ 61,261,891</u> | <u>\$ 5,052,119</u> | <u>\$ 80</u> | <u>\$ 180,959</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 | 21,017,225 | 2,469,369 | 0 | 0 |
| <i>Total Liabilites</i> | <u>21,112,914</u> | <u>2,469,369</u> | <u>80</u> | <u>23,905</u> |
| Net Position: | | | | |
| Reserve funds | 34,795,008 | 0 | 0 | 0 |
| Debt service funds | 5,353,969 | 2,582,750 | 0 | 157,054 |
| <i>Total Net Position</i> | <u>40,148,977</u> | <u>2,582,750</u> | <u>0</u> | <u>157,054</u> |
| <i>Total Liabilities and Net Position</i> | <u>\$ 61,261,891</u> | <u>\$ 5,052,119</u> | <u>\$ 80</u> | <u>\$ 180,959</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 |
|------------------------|---|--|--|---|-------------------|----------------------|
| \$ 19,201 | \$ 14,257 | \$ 37,142 | \$ 710 | \$ 2,124 | \$ 57,946 | \$ 544,119 |
| 10,210,405 | 20,459,359 | 0 | 307,127 | 262,607 | 0 | 97,321,808 |
| <u>\$ 10,229,606</u> | <u>\$ 20,473,616</u> | <u>\$ 37,142</u> | <u>\$ 307,837</u> | <u>\$ 264,731</u> | <u>\$ 57,946</u> | <u>\$ 97,865,927</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 | 23,486,594 |
| <u>7,506</u> | <u>5,810</u> | <u>37,142</u> | <u>710</u> | <u>0</u> | <u>57,946</u> | <u>23,715,382</u> |
| 7,700,000 | 10,707,782 | 0 | 307,088 | 231,030 | 0 | 53,740,908 |
| 2,522,100 | 9,760,024 | 0 | 39 | 33,701 | 0 | 20,409,637 |
| <u>10,222,100</u> | <u>20,467,806</u> | <u>0</u> | <u>307,127</u> | <u>264,731</u> | <u>0</u> | <u>74,150,545</u> |
| <u>\$ 10,229,606</u> | <u>\$ 20,473,616</u> | <u>\$ 37,142</u> | <u>\$ 307,837</u> | <u>\$ 264,731</u> | <u>\$ 57,946</u> | <u>\$ 97,865,927</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, 2014

| | Construction & Extention Fund 2 mill | Drainage System Fund 3 mill | Drainage System Fund 6 mill |
|---|--|-----------------------------------|-----------------------------------|
| <u>ASSETS</u> | | | |
| Cash | \$ 1,577 | \$ 110,926 | \$ 330,708 |
| Money market accounts | 0 | 905,743 | 1,302,849 |
| <i>Total Assets</i> | \$ 1,577 | \$ 1,016,669 | \$ 1,633,557 |
| <u>LIABILITES AND NET POSITION</u> | | | |
| Liabilities: | | | |
| Tax Credit Bond loan payable | \$ 0 | \$ 0 | \$ 0 |
| Net Position: | | | |
| Custodial funds (deficit) | 1,577 | 1,016,669 | 1,633,557 |
| <i>Total Liabilities and Net Position</i> | \$ 1,577 | \$ 1,016,669 | \$ 1,633,557 |

| Drainage System Fund 9 mill | Water Revenue Bond Proceeds | Sewerage Service Revenue Bond Proceeds | Total |
|-----------------------------------|-----------------------------------|--|----------------------|
| \$ 252,415 | \$ 8,691 | \$ 5,266 | \$ 709,583 |
| 1,703,357 | 51,736,840 | 27,579,140 | 83,227,929 |
| <u>\$ 1,955,772</u> | <u>\$ 51,745,531</u> | <u>\$ 27,584,406</u> | <u>\$ 83,937,512</u> |
| | | | |
| \$ 3,686,726 | \$ 5,788,934 | \$ 56,403,363 | \$ 65,879,023 |
| <u>(1,730,954)</u> | <u>45,956,597</u> | <u>(28,818,957)</u> | <u>18,058,489</u> |
| | | | |
| <u>\$ 1,955,772</u> | <u>\$ 51,745,531</u> | <u>\$ 27,584,406</u> | <u>\$ 83,937,512</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, 2014

| | Special Tax Fund | DDD Bond Proceeds | Total |
|--|---------------------|----------------------|--------------|
| <u>ASSETS</u> | | | |
| Cash | \$ 15,470 | \$ 457 | \$ 15,927 |
| Money market accounts | 2,582,315 | 0 | 2,582,315 |
| <i>Total Assets</i> | \$ 2,597,785 | \$ 457 | \$ 2,598,242 |
| <u>LIABILITES AND NET POSITION</u> | | | |
| Liabilities: | | | |
| Tax Credit Bond loan payable | \$ 1,360,823 | \$ 0 | \$ 1,360,823 |
| Net Position: | | | |
| Custodial funds | 1,236,962 | 457 | 1,237,419 |
| <i>Total Liabilites and Net Position</i> | \$ 2,597,785 | \$ 457 | \$ 2,598,242 |

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, 2014

| | Aquarium Tax Fund | Special Tax Fund | Total |
|---------------------|----------------------|---------------------|-----------|
| <u>ASSETS</u> | | | |
| Cash | \$ 32,477 | \$ 3,613 | \$ 36,090 |
| <u>NET POSITION</u> | \$ 32,477 | \$ 3,613 | \$ 36,090 |

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, 2014

| | 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 | \$ 862,416 | \$ 19,301 | \$ 105,669 | \$ 42,238 | \$ 39,939 | \$ 59,322 |
| <u>NET POSITION</u> | <u>\$ 862,416</u> | <u>\$ 19,301</u> | <u>\$ 105,669</u> | <u>\$ 42,238</u> | <u>\$ 39,939</u> | <u>\$ 59,322</u> |

| <u>Lake Forest Estates Improvement District</u> | <u>Lake Oaks Subdivision Improvement District</u> | <u>McKendall Estates Neighborhood Improvement District</u> | <u>Spring Lake Improvement District</u> | <u>Touro Bouligny Security District</u> | <u>Twinbrook Security District</u> | <u>Upper Hurstville Security District</u> | <u>Total</u> |
|---|---|--|---|---|--|---|---------------------|
| <u>\$ 120,403</u> | <u>\$ 68,577</u> | <u>\$ 41,124</u> | <u>\$ 48,741</u> | <u>\$ 372,936</u> | <u>\$ 154,768</u> | <u>\$ 132,100</u> | <u>\$ 2,067,534</u> |
| <u>\$ 120,403</u> | <u>\$ 68,577</u> | <u>\$ 41,124</u> | <u>\$ 48,741</u> | <u>\$ 372,936</u> | <u>\$ 154,768</u> | <u>\$ 132,100</u> | <u>\$ 2,067,534</u> |

BOARD OF LIQUIDATION, CITY DEBT
DEBT ADMINISTRATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS AND
CHANGES IN NET POSITION - MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2014

| | General Obligation Bonds | Capital Improvement Limited Tax | LADHH Loan Revenue Bonds | Drainage System Bonds 9 mill |
|--|--------------------------------|--|-----------------------------------|---------------------------------------|
| RECEIPTS | | | | |
| Ad valorem taxes - Current year | \$ 71,585,856 | \$ 3,020,500 | \$ 0 | \$ 0 |
| Ad valorem taxes - Prior years | 2,163,536 | 0 | 0 | 0 |
| Bond proceeds | 39,193,437 | 0 | 0 | 14,710,397 |
| Bond proceeds - Premium | 0 | 0 | 0 | 573,649 |
| Bond proceeds - cost of issuance | 0 | 0 | 0 | 189,603 |
| Bond proceeds - reserve funds | 0 | 0 | 0 | 0 |
| Debt service funds | 0 | 0 | 69,434 | 2,622,345 |
| Debt service - reserve funds | 0 | 0 | 0 | 0 |
| Debt service funds - Federal subsidy - Taxable Build America Bonds | 1,003,760 | 0 | 0 | 0 |
| Interest on investments | 261,109 | 0 | 0 | 0 |
| Excess reserve and debt service funds | 0 | 0 | 68 | 0 |
| <i>Total Receipts</i> | <u>114,207,698</u> | <u>3,020,500</u> | <u>69,502</u> | <u>18,095,994</u> |
| DISBURSEMENTS | | | | |
| Interest on bonds | 46,743,976 | 926,500 | 241 | 377,547 |
| Interest on bonds - Tax Credit Bond Loan | 1,156,583 | 0 | 0 | 181,551 |
| Principal on bonds | 22,397,926 | 2,040,000 | 164,418 | 535,000 |
| Principal on bonds - Tax Credit Bond Loan | 1,288,394 | 151,377 | 0 | 226,003 |
| Purchase of escrow securities | 0 | 0 | 0 | 16,582,956 |
| Administrative Expenses | 0 | 0 | 41 | 0 |
| Personal services | 370,629 | 0 | 0 | 0 |
| Contractual services | 84,998 | 0 | 0 | 0 |
| Office expenses | 32,481 | 0 | 0 | 0 |
| Funds returned to City of New Orleans, Sewerage & Water Board, and Audubon Park Commission | 39,593,549 | 0 | 447 | 0 |
| Cost of issuance | 176,411 | 0 | 0 | 126,658 |
| <i>Total Disbursements</i> | <u>111,844,947</u> | <u>3,117,877</u> | <u>165,147</u> | <u>18,029,715</u> |
| Excess of Receipts Over (Under) Disbursements | <u>2,362,751</u> | <u>(97,377)</u> | <u>(95,645)</u> | <u>66,279</u> |
| OTHER SOURCES (USES) | | | | |
| Change in accrued liabilities: | | | | |
| Principal on bonds | 16,000 | 0 | 0 | 0 |
| Tax Credit Bond Loan payments | 1,288,394 | 151,377 | 0 | 0 |
| Interest payable | 1,165 | 0 | 0 | 0 |
| <i>Total Other Sources</i> | <u>1,305,559</u> | <u>151,377</u> | <u>0</u> | <u>0</u> |
| Change in Net Position | 3,668,310 | 54,000 | (95,645) | 66,279 |
| Net Position at: | | | | |
| Beginning of Year | 36,480,667 | 2,528,750 | 95,645 | 90,775 |
| End of Year | <u>\$ 40,148,977</u> | <u>\$ 2,582,750</u> | <u>\$ 0</u> | <u>\$ 157,054</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 | \$ 74,606,356 |
| 0 | 0 | 0 | 0 | 0 | 0 | 2,163,536 |
| 102,484,051 | 160,959,903 | 0 | 0 | 0 | 0 | 317,347,788 |
| 0 | 0 | 0 | 0 | 0 | 0 | 573,649 |
| 527,933 | 710,448 | 0 | 0 | 0 | 0 | 1,427,984 |
| 7,700,000 | 10,365,396 | 0 | 0 | 0 | 0 | 18,065,396 |
| 4,854,768 | 26,845,492 | 378,820 | 3,804,860 | 594,819 | 175,396,110 | 214,566,648 |
| 0 | 52,120 | 0 | 0 | 0 | 0 | 52,120 |
| 0 | 0 | 0 | 0 | 0 | 0 | 1,003,760 |
| 0 | 0 | 0 | 0 | 0 | 0 | 261,109 |
| 40,076 | 79,029 | 461 | 0 | 88 | 0 | 119,722 |
| <u>115,606,828</u> | <u>199,012,388</u> | <u>379,281</u> | <u>3,804,860</u> | <u>594,907</u> | <u>175,396,110</u> | <u>630,188,068</u> |
| 2,829,414 | 6,560,493 | 53,820 | 1,099,860 | 131,320 | 3,386,110 | 62,109,281 |
| 285,073 | 2,777,550 | 0 | 0 | 67,013 | 0 | 4,467,770 |
| 0 | 14,110,000 | 325,000 | 2,705,000 | 315,000 | 172,010,000 | 214,602,344 |
| 354,872 | 3,457,630 | 0 | 0 | 83,421 | 0 | 5,561,697 |
| 27,884,012 | 126,567,179 | 0 | 0 | 0 | 0 | 171,034,147 |
| 0 | 42,605 | 0 | 0 | 0 | 0 | 42,646 |
| 0 | 0 | 0 | 0 | 0 | 0 | 370,629 |
| 0 | 0 | 0 | 0 | 0 | 0 | 84,998 |
| 0 | 0 | 0 | 0 | 0 | 0 | 32,481 |
| 78,711,016 | 52,349,707 | 461 | 0 | 94 | 0 | 170,655,274 |
| 516,292 | 702,318 | 0 | 0 | 0 | 0 | 1,521,679 |
| <u>110,580,679</u> | <u>206,567,482</u> | <u>379,281</u> | <u>3,804,860</u> | <u>596,848</u> | <u>175,396,110</u> | <u>630,482,946</u> |
| 5,026,149 | (7,555,094) | 0 | 0 | (1,941) | 0 | (294,878) |
| 0 | 0 | 0 | 0 | 0 | 0 | 16,000 |
| 0 | 0 | 0 | 0 | 0 | 0 | 1,439,771 |
| 0 | 0 | 0 | 0 | 0 | 0 | 1,165 |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>1,456,936</u> |
| 5,026,149 | (7,555,094) | 0 | 0 | (1,941) | 0 | 1,162,058 |
| 5,195,951 | 28,022,900 | 307,127 | 0 | 266,672 | 0 | 72,988,487 |
| <u>\$ 10,222,100</u> | <u>\$ 20,467,806</u> | <u>\$ 307,127</u> | <u>\$ 0</u> | <u>\$ 264,731</u> | <u>\$ 0</u> | <u>\$ 74,150,545</u> |

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, 2014

| | LADHH Loan Revenue Bonds | Construction & Extention Fund 2 mill | Drainage System Fund 3 mill |
|---------------------------------------|-----------------------------------|---|--------------------------------------|
| <u>RECEIPTS</u> | | | |
| Ad valorem taxes - Current year | \$ 0 | \$ 0 | \$ 13,081,926 |
| Ad valorem taxes - Prior years | 0 | 1,291 | 396,596 |
| Bond proceeds | 160,678 | 0 | 0 |
| Revenue sharing - State of Louisiana | 0 | 0 | 570,587 |
| Interest on investments | 0 | 0 | 8,886 |
| Excess reserve and debt service funds | 0 | 447 | 0 |
| <i>Total Receipts</i> | <u>160,678</u> | <u>1,738</u> | <u>14,057,995</u> |
| <u>DISBURSEMENTS</u> | | | |
| Warrants | 160,678 | 0 | 13,700,010 |
| Debt service | 0 | 161 | 0 |
| <i>Total Disbursements</i> | <u>160,678</u> | <u>161</u> | <u>13,700,010</u> |
| Excess of Receipts Over Disbursements | <u>0</u> | <u>1,577</u> | <u>357,985</u> |
| <u>OTHER SOURCES</u> | | | |
| Change in accrued liabilities: | | | |
| Tax Credit Bond Loan payments | <u>0</u> | <u>0</u> | <u>0</u> |
| Change in Net Position | 0 | 1,577 | 357,985 |
| Net Position at: | | | |
| Beginning of Year | 0 | 0 | 658,684 |
| End of Year | <u>\$ 0</u> | <u>\$ 1,577</u> | <u>\$ 1,016,669</u> |

| Drainage System Fund 6 mill | Drainage System Fund 9 mill | Water Revenue Bond Proceeds | Sewerage Service Revenue Bond Proceeds | Total |
|--------------------------------------|--------------------------------------|--------------------------------------|---|----------------------|
| \$ 13,222,084 | \$ 19,819,403 | \$ 0 | \$ 0 | \$ 46,123,413 |
| 400,887 | 600,874 | 0 | 0 | 1,399,648 |
| 0 | 0 | 78,676,251 | 52,445,809 | 131,282,738 |
| 0 | 0 | 0 | 0 | 570,587 |
| 18,498 | 5,405 | 291,817 | 158,876 | 483,482 |
| 0 | 0 | 29,765 | 55,528 | 85,740 |
| <u>13,641,469</u> | <u>20,425,682</u> | <u>78,997,833</u> | <u>52,660,213</u> | <u>179,945,608</u> |
| 12,951,204 | 17,559,421 | 27,254,245 | 25,528,178 | 97,153,736 |
| 0 | 2,622,345 | 0 | 1,076,349 | 3,698,855 |
| <u>12,951,204</u> | <u>20,181,766</u> | <u>27,254,245</u> | <u>26,604,527</u> | <u>100,852,591</u> |
| <u>690,265</u> | <u>243,916</u> | <u>51,743,588</u> | <u>26,055,686</u> | <u>79,093,017</u> |
| 0 | 226,003 | 354,872 | 3,457,630 | 4,038,505 |
| 690,265 | 469,919 | 52,098,460 | 29,513,316 | 83,131,522 |
| 943,292 | (2,200,873) | (6,141,863) | (58,332,273) | (65,073,033) |
| <u>\$ 1,633,557</u> | <u>\$ (1,730,954)</u> | <u>\$ 45,956,597</u> | <u>\$ (28,818,957)</u> | <u>\$ 18,058,489</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, 2014

| | <u>Special Tax Fund</u> | <u>DDD Bond Proceeds</u> | <u>Total</u> |
|---|---------------------------------|----------------------------------|---------------------|
| <u>RECEIPTS</u> | | | |
| Ad valorem taxes - Current year | \$ 5,817,644 | \$ 0 | \$ 5,817,644 |
| Ad valorem taxes - Prior years | 45,990 | 0 | 45,990 |
| Interest on investments | 5,622 | 0 | 5,622 |
| Excess reserve and debt service funds | 0 | 94 | 94 |
| <i>Total Receipts</i> | <u>5,869,256</u> | <u>94</u> | <u>5,869,350</u> |
| <u>DISBURSEMENTS</u> | | | |
| Warrants | 5,147,218 | 0 | 5,147,218 |
| Debt service | 594,818 | 0 | 594,818 |
| <i>Total Disbursements</i> | <u>5,742,036</u> | <u>0</u> | <u>5,742,036</u> |
| Excess of Receipts Over Disbursements | <u>127,220</u> | <u>94</u> | <u>127,314</u> |
| <u>OTHER SOURCES</u> | | | |
| Change in accrued liabilities: Tax Credit Bond Loan payments | <u>83,421</u> | <u>0</u> | <u>83,421</u> |
| Change in Net Position | <u>210,641</u> | <u>94</u> | <u>210,735</u> |
| Net Position at: | | | |
| Beginning of Year | 1,026,321 | 363 | 1,026,684 |
| End of Year | <u>\$ 1,236,962</u> | <u>\$ 457</u> | <u>\$ 1,237,419</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, 2014

| | Aquarium Tax Fund | Special Tax Fund | Total |
|--|-------------------------|------------------------|--------------|
| <u>RECEIPTS</u> | | | |
| Ad valorem taxes - Current year | \$ 8,396,363 | \$ 898,338 | \$ 9,294,701 |
| Ad valorem taxes - Prior years | 251,500 | 27,248 | 278,748 |
| Interest on investments | 0 | 0 | 0 |
| Excess reserve and debt service funds | 0 | 461 | 461 |
| <i>Total Receipts</i> | 8,647,863 | 926,047 | 9,573,910 |
| <u>DISBURSEMENTS</u> | | | |
| Warrants | 4,811,000 | 544,000 | 5,355,000 |
| Debt service | 3,804,860 | 378,820 | 4,183,680 |
| <i>Total Disbursements</i> | 8,615,860 | 922,820 | 9,538,680 |
| Excess of Receipts Over Disbursements | 32,003 | 3,227 | 35,230 |
| <u>OTHER SOURCES</u> | | | |
| Change in accrued liabilities: | | | |
| Tax Credit Bond Loan payments | 0 | 0 | 0 |
| Tax Credit Bond Loan transfers | 0 | 0 | 0 |
| <i>Total Other Sources</i> | 0 | 0 | 0 |
| Change in Net Position | 32,003 | 3,227 | 35,230 |
| Net Position at: | | | |
| Beginning of Year | 474 | 386 | 860 |
| End of Year | \$ 32,477 | \$ 3,613 | \$ 36,090 |

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, 2014

| | 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 | \$ 722,262 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Ad valorem taxes - | | | | | | |
| Prior years | 9,175 | 0 | 0 | 0 | 0 | 0 |
| Fee - Current year | 0 | 26,285 | 69,417 | 62,069 | 66,578 | 78,550 |
| Fee - Prior year | 0 | 1,336 | 10,690 | 6,395 | 5,197 | 9,997 |
| Interest on investments | 2,754 | 53 | 345 | 116 | 187 | 222 |
| <i>Total Receipts</i> | <u>734,191</u> | <u>27,674</u> | <u>80,452</u> | <u>68,580</u> | <u>71,962</u> | <u>88,769</u> |
| <u>DISBURSEMENTS</u> | | | | | | |
| Warrants | 745,000 | 25,000 | 75,000 | 50,000 | 80,000 | 100,000 |
| Office expenses | 0 | 0 | 0 | 0 | 0 | 0 |
| <i>Total Disbursements</i> | <u>745,000</u> | <u>25,000</u> | <u>75,000</u> | <u>50,000</u> | <u>80,000</u> | <u>100,000</u> |
| Change in Net Position | (10,809) | 2,674 | 5,452 | 18,580 | (8,038) | (11,231) |
| Net Position at: | | | | | | |
| Beginning of Year | 873,225 | 16,627 | 100,217 | 23,658 | 47,977 | 70,553 |
| End of Year | <u>\$ 862,416</u> | <u>\$ 19,301</u> | <u>\$ 105,669</u> | <u>\$ 42,238</u> | <u>\$ 39,939</u> | <u>\$ 59,322</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 | \$ 302,460 | \$ 0 | \$ 0 | \$ 1,024,722 |
| 0 | 0 | 0 | 0 | 1,126 | 0 | 0 | 10,301 |
| 86,427 | 109,692 | 32,175 | 36,828 | 0 | 246,881 | 151,826 | 966,728 |
| 5,362 | 842 | 3,217 | 2,569 | 0 | 940 | 653 | 47,198 |
| 325 | 236 | 143 | 134 | 1,053 | 575 | 497 | 6,640 |
| <u>92,114</u> | <u>110,770</u> | <u>35,535</u> | <u>39,531</u> | <u>304,639</u> | <u>248,396</u> | <u>152,976</u> | <u>2,055,589</u> |
| 85,236 | 106,500 | 40,000 | 30,000 | 240,000 | 240,000 | 165,000 | 1,981,736 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>85,236</u> | <u>106,500</u> | <u>40,000</u> | <u>30,000</u> | <u>240,000</u> | <u>240,000</u> | <u>165,000</u> | <u>1,981,736</u> |
| 6,878 | 4,270 | (4,465) | 9,531 | 64,639 | 8,396 | (12,024) | 73,853 |
| 113,525 | 64,307 | 45,589 | 39,210 | 308,297 | 146,372 | 144,124 | 1,993,681 |
| <u>\$ 120,403</u> | <u>\$ 68,577</u> | <u>\$ 41,124</u> | <u>\$ 48,741</u> | <u>\$ 372,936</u> | <u>\$ 154,768</u> | <u>\$ 132,100</u> | <u>\$ 2,067,534</u> |

BOARD OF LIQUIDATION, CITY DEBT
SCHEDULE OF BOND SALES
YEAR ENDED DECEMBER 31, 2014

Taxable Public Improvement Bonds, Issue of 2014A

Sold: December 11, 2013 Delivered: January 21, 2014

Bonds Dated: January 21, 2014, and due December 1, 2014 through December 1, 2043

Average life of issue: 19.131 years

Net Interest Cost: 5.924%

True Interest Cost: 5.901%

Sold to: Raymond James & Associates, Inc.

Sources:

| | |
|--------------------------------|---------------|
| Bond Proceeds | \$ 40,000,000 |
| Interest on good faith deposit | 112 |
| Net Original Issue Premium | 182,365 |
| Underwriters Discount | (588,928) |
| Total | \$ 39,593,549 |

Uses:

| | |
|---|---------------|
| Proceeds transferred to City of New Orleans | \$ 39,593,549 |
|---|---------------|

Bonds Proceeds transferred to City of New Orleans Treasury Department on January 21, 2014.

Sewerage Service Revenue and Refunding Bonds, Series 2014

Sold: June 18, 2014 Delivered: July 2, 2014

Bonds Dated: July 2, 2014, and due June 1, 2015 through June 1, 2044

Average life of issue: 11.505 years

Net Interest Cost: 4.156%

True Interest Cost: 3.858%

Sold to: Bank of America Merrill Lynch

Sources:

| | |
|---------------------------------------|----------------|
| Bond Proceeds | \$ 158,990,000 |
| Net Original Issue Premium | 13,680,679 |
| Equity Contribution to SSRB 2011 DSRF | 52,120 |
| Debt Service Reserve Funds | 16,164,124 |
| Debt Service Funds SSRB 2011 | 290,266 |
| Debt Service Funds SSRB | 1,720,365 |
| Total | \$ 190,897,554 |

Uses:

| | |
|----------------------------------|----------------|
| Bond Proceeds Construction Fund | \$ 47,300,000 |
| SLGS Purchases | 103,430,505 |
| Open Market Securities Purchased | 23,136,650 |
| SSRB 2014 Capitalized Interest | 4,977,212 |
| Debt Service Reserve Fund | 10,365,396 |
| Cost of Issuance | 710,472 |
| Underwriters Discount | 634,933 |
| SSRB 2011 DSRF | 342,386 |
| Total | \$ 190,897,554 |

BOARD OF LIQUIDATION, CITY DEBT
SCHEDULE OF BOND SALES
(Continued)
YEAR ENDED DECEMBER 31, 2014

Water Revenue and Refunding Bonds, Series 2014

Sold: June 18, 2014 Delivered: July 2, 2014

Bonds Dated: July 2, 2014, and due December 1, 2016 through December 1, 2044

Average life of issue: 19.154 years

Net Interest Cost: 4.638%

True Interest Cost: 4.429%

Sold to: Goldman Sachs

Sources:

| | |
|----------------------------|----------------|
| Bond Proceeds | \$ 103,525,000 |
| Net Original Issue Premium | 7,699,182 |
| Debt Service Reserve Funds | 2,477,124 |
| Debt Service Funds WRB | 1,599,087 |
| Total | \$ 115,300,393 |

Uses:

| | |
|---------------------------------|----------------|
| Bond Proceeds Construction Fund | \$ 77,000,000 |
| SLGS Purchases | 27,884,012 |
| WRB 2014 Capitalized Interest | 1,676,250 |
| Debt Service Reserve Fund | 7,700,000 |
| Cost of Issuance | 527,933 |
| Underwriters Discount | 512,198 |
| Total | \$ 115,300,393 |

Drainage System Refunding Bonds, Series 2014

Sold: November 5, 2014 Delivered: November 20, 2014

Bonds Dated: November 20, 2014, and due December 1, 2014 through December 1, 2022

Sold to: Morgan Stanley & Co., LLC

Sources:

| | |
|----------------------------|---------------|
| Bond Proceeds | \$ 14,900,000 |
| Net Original Issue Premium | 649,216 |
| Debt Service Funds DRB | 1,298,911 |
| Total | \$ 16,848,127 |

Uses:

| | |
|-----------------------|---------------|
| Escrow Purchased | \$ 16,582,956 |
| Cost of Issuance | 189,603 |
| Underwriters Discount | 75,568 |
| Total | \$ 16,848,127 |

BOARD OF LIQUIDATION, CITY DEBT
SCHEDULE OF BONDED DEBT ADMINISTERED BY BOARD OF LIQUIDATION, CITY DEBT
DECEMBER 31, 2014

| | 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 2004 (Note D.) | July 13, 2004 | Dec. 1, 2015 | 5.096% |
| Public Improvement Bonds, | | | |
| Issue of 2005A | May 24, 2005 | Dec. 1, 2034 | 4.347% |
| General Obligation Refunding | | | |
| Bonds, Series 2005 | July 6, 2005 | Dec. 1, 2029 | 5.180% |
| 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% |
| General Obligation Refunding | | | |
| Bonds, Series 2012 | Aug. 28, 2012 | Dec. 1, 2033 | 3.231% |
| <u>LIMITED TAX BONDS (Note E.)</u> | | | |
| Series 2005 | July 6, 2005 | Mar. 1, 2021 | 4.045% |
| <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% |
| <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 2015 | Interest due 2015 | Debt Service due 2015 | Amount Outstanding (Note A.) |
|--------------------------|-------------------------|--------------------------------|------------------------------------|
| \$ 4,795,365 | \$ 20,649,635 | \$ 25,445,000 | \$ 17,171,267 |
| 3,060,000 | 2,783,825 | 5,843,825 | 50,615,000 |
| 875,000 | 37,188 | 912,188 | 875,000 |
| 410,000 | 573,950 | 983,950 | 13,240,000 |
| 6,450,000 | 4,263,150 | 10,713,150 | 81,840,000 |
| 1,790,000 | 3,346,075 | 5,136,075 | 65,705,000 |
| 810,000 | 3,043,390 | 3,853,390 | 37,005,000 |
| 790,000 | 1,743,767 | 2,533,767 | 39,230,000 |
| 640,000 | 2,198,675 | 2,838,675 | 39,255,000 |
| 3,355,000 | 7,958,950 | 11,313,950 | 162,145,000 |
| <u>\$ 22,975,365</u> | <u>\$ 46,598,605</u> | <u>\$ 69,573,970</u> | <u>\$ 507,081,267</u> |
| <u>\$ 2,145,000</u> | <u>\$ 821,875</u> | <u>\$ 2,966,875</u> | <u>\$ 17,510,000</u> |
| 1,615,000 | 399,350 | 2,014,350 | 14,365,000 |
| <u>\$ 1,615,000</u> | <u>\$ 399,350</u> | <u>\$ 2,014,350</u> | <u>\$ 14,365,000</u> |
| 11,225,000 | 7,273,525 | 18,498,525 | 158,990,000 |
| <u>\$ 11,225,000</u> | <u>\$ 7,273,525</u> | <u>\$ 18,498,525</u> | <u>\$ 158,990,000</u> |
| <u>\$ 419,000</u> | <u>\$ 115,486</u> | <u>\$ 534,486</u> | <u>\$ 8,174,000</u> |

BOARD OF LIQUIDATION, CITY DEBT
SCHEDULE OF BONDED DEBT ADMINISTERED BY BOARD OF LIQUIDATION, CITY DEBT
(Continued)
DECEMBER 31, 2014

| | 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% |
| <u>AUDUBON PARK COMMISSION BONDS</u> <u>.4 MILL (Note I.)</u> Refunding & Improvement Bonds, Series 1997 | Jan. 1, 1997 | Dec. 1, 2016 | 5.422% |
| <u>AUDUBON PARK COMMISSION AQUARIUM</u> <u>BONDS 3.8 MILL (Note J.)</u> Bond Series 2011A-1 | Sept. 22, 2011 | Oct. 1, 2021 | 3.085% |
| <u>DOWNTOWN DEVELOPMENT DISTRICT TAX</u> <u>BONDS 22.97 MILL (Note K.)</u> Limited Tax Bonds Series 2012 | June 13, 2012 | Dec. 1, 2026 | 2.680% |

See accompanying notes.

| Principal due 2015 | Interest due 2015 | Debt Service due 2015 | Amount Outstanding (Note A.) |
|--------------------------|-------------------------|--------------------------------|------------------------------------|
| \$ 0 | \$ 5,176,250 | \$ 5,176,250 | \$ 103,525,000 |
| \$ 345,000 | \$ 36,920 | \$ 381,920 | \$ 710,000 |
| \$ 2,800,000 | \$ 1,026,900 | \$ 3,826,900 | \$ 22,295,000 |
| \$ 320,000 | \$ 122,878 | \$ 442,878 | \$ 4,585,000 |

BOARD OF LIQUIDATION, CITY DEBT
 SCHEDULE OF BONDED DEBT ADMINISTERED BY BOARD OF LIQUIDATION, CITY DEBT
 (Continued)
 DECEMBER 31, 2014

| | Date of Bonds | Date of Defeasance | Date of Calls or Final Maturity |
|--|---------------------|--------------------------|--|
| <u>DEFEASED BONDS - DEBT SERVICE</u> | | | |
| <u>GUARANTEED BY ESCROW AGREEMENTS</u> | | | |
| 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 2015 | Interest due 2015 | Debt Service due 2015 | Amount Outstanding (Note A.) |
|--------------------------|-------------------------|--------------------------------|------------------------------------|
| <u>\$ 845,000</u> | <u>\$ 1,164,281</u> | <u>\$ 2,009,281</u> | <u>\$ 19,695,000</u> |

BOARD OF LIQUIDATION, CITY DEBT
NOTES TO SCHEDULE OF BONDED DEBT ADMINISTERED
BY THE BOARD OF LIQUIDATION, CITY DEBT
DECEMBER 31, 2014

- A. Amount Outstanding - The amounts in this column exclude the balances recorded as liabilities in the Combining Statement of Assets, Liabilities and Net Position - Modified Cash Basis.
- B. General Obligation Bonds -
- 1) Legal debt limit is \$1,326,595,630
 - 2) Debt service coverage is an unlimited ad valorem tax levy
 - 3) Reserve fund is sufficient to cover 1/2 of the high year's principal and interest due
- C. General Obligation Bonds, Series 1991 - Portions of this series were refunded in 1998 and 2002. The debt service is guaranteed by escrow agreements.
- D. General Obligation Refunding Bonds, Series 1998 and Public Improvement Bonds, Series 2004 - A portion of these issues were 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 984% of the debt service due.
- G. Sewerage Service Revenue Bonds -

The Sewerage and Water Board of New Orleans adopted a new Sewerage Service Revenue General Bond Resolution on May 21, 2014. This was approved by the Board of Liquidation, City Debt on May 29, 2014.

Prior to May 29, 2014, the debt service coverage required revenue rates sufficient to produce revenues over and above the amount required for operation and maintenance of the system which shall be not less than 130% of the maximum of Debt Service due in any calendar year on all outstanding bonds. The reserve fund was 125% of the average aggregate debt service.

BOARD OF LIQUIDATION, CITY DEBT
NOTES TO SCHEDULE OF BONDED DEBT ADMINISTERED
BY THE BOARD OF LIQUIDATION, CITY DEBT
(Continued)
DECEMBER 31, 2014

Sewerage Service Revenue Bonds - (Continued)

The LADEQ Sewerage Service Subordinate Revenue Bonds, Series 2011 payable May and November, initially were drawn as loan proceeds and could not exceed \$9,000,000. These funds were 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, 2014, the outstanding bonds totaled \$8,174,000.

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 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:
 - (A) 10% of the aggregate original stated principal amount of all common debt service reserve secured bonds,
 - (B) the maximum amount of aggregate annual debt service on all common debt service reserve secured bonds in any fiscal year, or

BOARD OF LIQUIDATION, CITY DEBT
NOTES TO SCHEDULE OF BONDED DEBT ADMINISTERED
BY THE BOARD OF LIQUIDATION, CITY DEBT
(Continued)
DECEMBER 31, 2014

Sewerage Service Revenue Bonds - (Continued)

- (C) 125% of average aggregate annual debt service on all common debt service reserve secured bonds.

H. Water Revenue Bonds -

The Sewerage and Water Board of New Orleans adopted a new Water Revenue General Bond Resolution on May 21, 2014. This resolution was approved by the Board of Liquidation, City Debt on May 29, 2014.

Prior to May 29, 2014, the debt service coverage required that the revenue rates be sufficient to produce revenues over and above the amount required for operation and maintenance of the system. These revenues shall be not less than 130% of the maximum of debt service due in any calendar year on all outstanding bonds. The reserve fund is the highest year's principal and interest due.

The issuance of Water Revenue and Refunding Bonds, Series 2014 on June 18, 2014, resulted in:

- 1) The rate covenant net revenues shall be sufficient in each 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.
- 2) The rate covenant net revenues excluding transfers from the Rate Stabilization Fund to the Revenue Fund and the proceeds of grants in each fiscal year shall at least equal 100% of annual debt service on senior debt and subordinate debt for such fiscal year.

In all cases, annual debt service related to the CEA GO Zone indebtedness and all DPW payments shall be excluded from the foregoing calculations.

BOARD OF LIQUIDATION, CITY DEBT
NOTES TO SCHEDULE OF BONDED DEBT ADMINISTERED
BY THE BOARD OF LIQUIDATION, CITY DEBT
(Continued)
DECEMBER 31, 2014

Water Revenue Bonds - (Continued)

- 3) The common debt service reserve requirement shall mean, for all common debt service reserve secured bonds, the least of:
- (A) 10% of the aggregate original stated principal amount of all common debt service reserve secured bonds,
 - (B) the maximum amount of aggregate annual debt service on all common debt service reserve secured bonds in any fiscal year, or
 - (C) 125% of average aggregate annual debt service on all common debt service reserve secured bonds.
- I. Audubon Park Commission .4 Mill Bonds - The debt service coverage was a tax yield of 235% of debt service due. The reserve fund is established to be sufficient to cover 1/2 of high year's principal and interest due.
- J. Audubon Park Commission 3.8 Mill Bonds - The debt service coverage was a tax yield of 219% of debt service due. There is no required reserve fund.
- K. Downtown Development District Bonds - The debt service coverage was a tax yield of 1,308% of the debt service due. The reserve fund is an amount 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.
- L. Sewerage Service Revenue Bonds: Only a portion of this issue was refunded in 2014 the other portion was defeased. The 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, 2014

| | 1993 through 2002 |
|---|-------------------------|
| <u>DEBT SERVICE</u> | 26.90 |
| <u>CAPITAL IMPROVEMENT LIMITED TAX (Note B.)</u> | 2.50 |
| <u>SEWERAGE & WATER BOARD:</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 (Note C.) | 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>2015</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, 2014

- 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 3.8 mills for Audubon Park Aquarium was in effect for the first time in 1987.

BOARD OF LIQUIDATION, CITY DEBT
 SEWERAGE & WATER BOARD MATURED BONDS - DEBT ADMINISTRATION
 COMBINING SCHEDULE OF ASSETS AND LIABILITIES - MODIFIED CASH BASIS
 DECEMBER 31, 2014

| | 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.

BOARD OF LIQUIDATION, CITY DEBT
 DEFEASED BONDS - DEBT ADMINISTRATION COMBINING SCHEDULE OF ASSETS,
 LIABILITIES, RECEIPTS AND DISBURSEMENTS - MODIFIED CASH BASIS
 DECEMBER 31, 2014

| | General Obligation Bonds | Drainage System Bonds 9 mill | Sewerage Service Revenue Bonds |
|----------------------------|--------------------------------|---------------------------------------|--------------------------------------|
| <u>ASSETS</u> | | | |
| Cash | \$ 33,612 | \$ 0 | \$ 14,320 |
| <u>LIABILITIES</u> | | | |
| Interest payable | \$ 15,422 | \$ 0 | \$ 1,785 |
| Principal payable | 18,190 | 0 | 12,535 |
| <i>Total Liabilities</i> | \$ 33,612 | \$ 0 | \$ 14,320 |
| <u>RECEIPTS</u> | | | |
| Debt service funds | \$ 27,318,762 | \$ 16,582,957 | \$ 103,610,384 |
| <u>DISBURSEMENTS</u> | | | |
| Interest on bonds | \$ 1,343,762 | \$ 377,957 | \$ 1,435,384 |
| Principal on bonds | 25,975,000 | 16,205,000 | 102,175,000 |
| <i>Total Disbursements</i> | \$ 27,318,762 | \$ 16,582,957 | \$ 103,610,384 |

| Water Revenue Bonds | Audubon Park Commission Improve- ment Bonds | Total |
|------------------------|--|----------------|
| \$ 7,795 | \$ 2,219 | \$ 57,946 |
| \$ 7,795 | \$ 2,219 | \$ 27,221 |
| 0 | 0 | 30,725 |
| \$ 7,795 | \$ 2,219 | \$ 57,946 |
| \$ 27,884,007 | \$ 0 | \$ 175,396,110 |
| \$ 229,007 | \$ 0 | \$ 3,386,110 |
| 27,655,000 | 0 | 172,010,000 |
| \$ 27,884,007 | \$ 0 | \$ 175,396,110 |

BOARD OF LIQUIDATION, CITY DEBT
SCHEDULE OF ITEMIZED DISBURSEMENTS - INTEREST, PREMIUM AND PRINCIPAL PAID
FOR THE YEAR ENDED DECEMBER 31, 2014

| | Interest Paid | |
|--|-------------------------|--------------------------------------|
| | Debt Service Fund | Federal Subsidy Taxable BAB |
| BONDS | | |
| <u>GENERAL OBLIGATION BONDS</u> | | |
| Grade Separation Bond, Series B | \$ 675 | \$ 0 |
| Grade Separation Bond, Series C | 90 | 0 |
| Grade Separation Bond, Series E | 400 | 0 |
| Public Improvement Bonds, Issue of 2004 | 71,425 | 0 |
| Public Improvement Bonds, Issue of 2005A | 595,675 | 0 |
| Public Improvement Bonds, Issue of 2007A | 3,431,825 | 0 |
| Public Improvement Bonds, Issue of 2010A BABs | 2,088,300 | 1,003,760 |
| Taxable Public Improvement Bonds, Issue of 2013A | 1,766,868 | 0 |
| Taxable Public Improvement Bonds, Issue of 2014A | 1,906,134 | 0 |
| General Obligation Refunding Bonds, Series 1991 | 20,303,074 | 0 |
| General Obligation Refunding Bonds, Series 1998 | 2,942,500 | 0 |
| General Obligation Refunding Bonds, Series 2005 | 4,584,450 | 0 |
| General Obligation Refunding Bonds, Series 2012 | 8,048,800 | 0 |
| <i>Total General Obligation Bonds</i> | 45,740,216 | 1,003,760 |
| <u>SPECIAL TAX BONDS</u> | | |
| Limited Tax Bonds, Series 2005 | 926,500 | 0 |
| <u>SEWER & WATER BOARD SPECIAL TAX BONDS</u> | | |
| Drainage System Bonds, Series 1998 | 85,009 | 0 |
| Drainage System Bonds, Series 2002 | 280,009 | 0 |
| Drainage System Bonds, Series 2014 | 12,529 | 0 |
| Total Drainage System 9 mill bonds | 377,547 | 0 |
| <u>SEWER & WATER BOARD REVENUE BONDS</u> | | |
| Sewerage Service Revenue Bonds, Series 1997 | 240,990 | 0 |
| Sewerage Service Revenue Bonds, Series 1998 | 212,904 | 0 |
| Sewerage Service Revenue Bonds, Series 2000 | 355,509 | 0 |
| Sewerage Service Revenue Bonds, Series 2000B | 267,868 | 0 |
| Sewerage Service Revenue Bonds, Series 2001 | 420,630 | 0 |
| Sewerage Service Revenue Bonds, Series 2002 | 829,000 | 0 |
| Sewerage Service Revenue Bonds, Series 2003 | 65,735 | 0 |
| Sewerage Service Revenue Bonds, Series 2004 | 459,391 | 0 |
| Sewerage Service Revenue Bonds, Series 2009 | 613,231 | 0 |
| Sewerage Service Revenue Bonds, Series 2014 | 3,056,890 | 0 |
| Total Sewerage Service Revenue Bonds | 6,522,148 | 0 |
| Water Revenue Bonds, Series 1998 | 134,896 | 0 |
| Water Revenue Bonds, Series 2002 | 552,126 | 0 |
| Water Revenue Bonds, Series 2014 | 2,142,392 | 0 |
| Total Water Revenue Bonds | \$ 2,829,414 | \$ 0 |

| | Premium Paid | Principal Paid | |
|---------------------|-------------------|-------------------|---------------------------------------|
| Total Interest | Debt Service Fund | Debt Service Fund | Total Interest, Premium and Principal |
| \$ 675 | \$ 0 | \$ 10,000 | \$ 10,675 |
| 90 | 0 | 2,000 | 2,090 |
| 400 | 0 | 4,000 | 4,400 |
| 71,425 | 0 | 830,000 | 901,425 |
| 595,675 | 0 | 395,000 | 990,675 |
| 3,431,825 | 0 | 1,715,000 | 5,146,825 |
| 3,092,060 | 0 | 785,000 | 3,877,060 |
| 1,766,868 | 0 | 770,000 | 2,536,868 |
| 1,906,134 | 0 | 745,000 | 2,651,134 |
| 20,303,074 | 0 | 5,141,926 | 25,445,000 |
| 2,942,500 | 0 | 2,885,000 | 5,827,500 |
| 4,584,450 | 0 | 6,120,000 | 10,704,450 |
| 8,048,800 | 0 | 2,995,000 | 11,043,800 |
| <u>46,743,976</u> | <u>0</u> | <u>22,397,926</u> | <u>69,141,902</u> |
| | | | |
| <u>926,500</u> | <u>0</u> | <u>2,040,000</u> | <u>2,966,500</u> |
| | | | |
| 85,009 | 0 | 0 | 85,009 |
| 280,009 | 0 | 0 | 280,009 |
| 12,529 | 0 | 535,000 | 547,529 |
| <u>377,547</u> | <u>0</u> | <u>535,000</u> | <u>912,547</u> |
| | | | |
| 240,990 | 0 | 2,050,000 | 2,290,990 |
| 212,904 | 0 | 1,585,000 | 1,797,904 |
| 355,509 | 0 | 1,555,000 | 1,910,509 |
| 267,868 | 0 | 1,185,000 | 1,452,868 |
| 420,630 | 0 | 1,760,000 | 2,180,630 |
| 829,000 | 0 | 2,945,000 | 3,774,000 |
| 65,735 | 0 | 270,000 | 335,735 |
| 459,391 | 0 | 1,545,000 | 2,004,391 |
| 613,231 | 0 | 800,000 | 1,413,231 |
| 3,056,890 | 0 | 0 | 3,056,890 |
| <u>6,522,148</u> | <u>0</u> | <u>13,695,000</u> | <u>20,217,148</u> |
| | | | |
| 134,896 | 0 | 0 | 134,896 |
| 552,126 | 0 | 0 | 552,126 |
| 2,142,392 | 0 | 0 | 2,142,392 |
| <u>\$ 2,829,414</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 2,829,414</u> |

BOARD OF LIQUIDATION, CITY DEBT
SCHEDULE OF ITEMIZED DISBURSEMENTS-INTEREST, PREMIUM AND PRINCIPAL PAID
(Continued)
FOR THE YEAR ENDED DECEMBER 31, 2014

| | Interest Paid | |
|--|-------------------------|--------------------------------------|
| | Debt Service Fund | Federal Subsidy Taxable BAB |
| <u>LADHH LOAN REVENUE BONDS</u> | | |
| Revenue Bonds, Series 2010B, Taxable ARRA | \$ 282 | \$ 0 |
| <u>SEWERAGE & WATER BOARD SUBORDINATE REVENUE BONDS</u> | | |
| Sewerage Revenue Subordinate Bonds, Series 2011 | 80,950 | 0 |
| <u>AUDUBON COMMISSION SPECIAL TAX BONDS</u> | | |
| Audubon Park Commission Improvement Bonds, Series 1997 | 53,820 | 0 |
| Audubon Park Commission Aquarium Bonds, Series 2011A-1 | 1,089,150 | 0 |
| Audubon Park Commission Aquarium Bonds, Series 2011A-2 | 10,710 | 0 |
| Total Audubon Park Commission Aquarium Bonds | 1,099,860 | 0 |
| <u>DOWNTOWN DEVELOPMENT DISTRICT SPECIAL TAX BONDS</u> | | |
| Downtown Development District Special Tax Bonds, Series 2012 | 131,320 | 0 |
| DEFEASED BONDS | | |
| <u>GENERAL OBLIGATION DEFEASED BONDS</u> | | |
| Public Improvement Bonds, Issue of 2004 | 1,343,762 | 0 |
| <u>SEWER & WATER BOARD SPECIAL TAX BONDS</u> | | |
| Drainage System Bonds, Series 1998 | 87,731 | 0 |
| Drainage System Bonds, Series 2002 | 290,225 | 0 |
| Total Drainage System 9 mill bonds | 377,956 | 0 |
| <u>SEWER & WATER BOARD REVENUE BONDS</u> | | |
| Sewerage Service Revenue Bonds, Series 1997 | 61,966 | 0 |
| Sewerage Service Revenue Bonds, Series 1998 | 58,420 | 0 |
| Sewerage Service Revenue Bonds, Series 2000A | 104,573 | 0 |
| Sewerage Service Revenue Bonds, Series 2000B | 79,019 | 0 |
| Sewerage Service Revenue Bonds, Series 2001 | 125,837 | 0 |
| Sewerage Service Revenue Bonds, Series 2002 | 251,792 | 0 |
| Sewerage Service Revenue Bonds, Series 2003 | 20,292 | 0 |
| Sewerage Service Revenue Bonds, Series 2004 | 140,255 | 0 |
| Sewerage Service Revenue Bonds, Series 2009 | 593,231 | 0 |
| Total Sewerage Service Revenue Bonds | 1,435,385 | 0 |
| Water Revenue Bonds, Series 1998 | 44,965 | 0 |
| Water Revenue Bonds, Series 2002 | 184,042 | 0 |
| | 229,007 | 0 |
| <i>Total Itemized Disbursements-Interest, Principal and Premium Paid excluding GO Zone Loan Payments</i> | \$ 61,148,167 | \$ 1,003,760 |

| | Premium Paid | Principal Paid | |
|----------------|-------------------|-------------------|---------------------------------------|
| Total Interest | Debt Service Fund | Debt Service Fund | Total Interest, Premium and Principal |
| \$ 282 | \$ 0 | \$ 164,418 | \$ 164,700 |
| 80,950 | 0 | 415,000 | 495,950 |
| 53,820 | 0 | 325,000 | 378,820 |
| 1,089,150 | 0 | 2,075,000 | 3,164,150 |
| 10,710 | 0 | 630,000 | 640,710 |
| 1,099,860 | 0 | 2,705,000 | 3,804,860 |
| 131,320 | 0 | 315,000 | 446,320 |
| 1,343,762 | 0 | 25,975,000 | 27,318,762 |
| 87,731 | 0 | 3,445,000 | 3,532,731 |
| 290,225 | 0 | 12,760,000 | 13,050,225 |
| 377,956 | | 16,205,000 | 16,582,956 |
| 61,966 | 0 | 6,885,000 | 6,946,966 |
| 58,420 | 0 | 7,120,000 | 7,178,420 |
| 104,573 | 0 | 11,485,000 | 11,589,573 |
| 79,019 | 0 | 8,690,000 | 8,769,019 |
| 125,837 | 0 | 14,925,000 | 15,050,837 |
| 251,792 | 0 | 30,215,000 | 30,466,792 |
| 20,292 | 0 | 3,000,000 | 3,020,292 |
| 140,255 | 0 | 19,855,000 | 19,995,255 |
| 593,231 | 0 | 0 | 593,231 |
| 1,435,385 | 0 | 102,175,000 | 103,610,385 |
| 44,965 | 0 | 5,570,000 | 5,614,965 |
| 184,042 | 0 | 22,085,000 | 22,269,042 |
| 229,007 | 0 | 27,655,000 | 27,884,007 |
| \$ 62,151,927 | \$ 0 | \$ 214,602,344 | \$ 276,754,271 |

BOARD OF LIQUIDATION, CITY DEBT
SCHEDULE OF ITEMIZED DISBURSEMENTS-INTEREST, PREMIUM AND PRINCIPAL PAID
(Continued)
FOR THE YEAR ENDED DECEMBER 31, 2014

| | Interest Paid | |
|--|-------------------------|--------------------------------------|
| | Debt Service Fund | Federal Subsidy Taxable BAB |
| GO ZONE LOAN PAID TO LA DEPARTMENT OF ADMINISTRATION | | |
| <u>GENERAL OBLIGATION BONDS</u> | | |
| General Obligation Bonds | \$ 1,156,583 | \$ 0 |
| <u>SPECIAL TAX BONDS</u> | | |
| Limited Tax Bonds, Series 2005 | 0 | 0 |
| <u>SEWER & WATER BOARD SPECIAL TAX BONDS</u> | | |
| Drainage System Bonds, Series 1998 | 64,552 | 0 |
| Drainage System Bonds, Series 2002 | 116,999 | 0 |
| Total Drainage System 9 mill bonds | 181,551 | 0 |
| <u>SEWER & WATER BOARD REVENUE BONDS</u> | | |
| Sewerage Service Revenue Bonds, Series 1997 | 210,182 | 0 |
| Sewerage Service Revenue Bonds, Series 1998 | 165,964 | 0 |
| Sewerage Service Revenue Bonds, Series 2000 | 117,261 | 0 |
| Sewerage Service Revenue Bonds, Series 2000B | 140,753 | 0 |
| Sewerage Service Revenue Bonds, Series 2001 | 222,348 | 0 |
| Sewerage Service Revenue Bonds, Series 2002 | 372,435 | 0 |
| Sewerage Service Revenue Bonds, Series 2003 | 20,821 | 0 |
| Sewerage Service Revenue Bonds, Series 2004 | 208,595 | 0 |
| Sewerage Service Revenue Refunding BANS, Series 2005 | 1,319,191 | 0 |
| Total Sewerage Service Revenue Bonds | 2,777,550 | 0 |
| Water Revenue Bonds, Series 1998 | 103,965 | 0 |
| Water Revenue Bonds, Series 2002 | 181,108 | 0 |
| Total Water Revenue Bonds | 285,073 | 0 |
| <u>DOWNTOWN DEVELOPMENT DISTRICT SPECIAL TAX BONDS</u> | | |
| Downtown Development District Special Tax Bonds | 67,013 | 0 |
| <i>Total GO Zone Paid to LA Department of Administration</i> | <i>4,467,770</i> | <i>0</i> |
| <i>Total Itemized Disbursements-Interest, Principal and Premium Paid</i> | <i>\$ 65,615,937</i> | <i>\$ 1,003,760</i> |

| Total Interest | Premium Paid Debt Service Fund | Principal Paid Debt Service Fund | Total Interest, Premium and Principal |
|----------------|-----------------------------------|-------------------------------------|---------------------------------------|
| \$ 1,156,583 | \$ 0 | \$ 1,288,394 | \$ 2,444,977 |
| 0 | 0 | 151,377 | 151,377 |
| 64,552 | 0 | 80,357 | 144,909 |
| 116,999 | 0 | 145,646 | 262,645 |
| 181,551 | 0 | 226,003 | 407,554 |
| 210,182 | 0 | 261,645 | 471,827 |
| 165,964 | 0 | 206,600 | 372,564 |
| 117,261 | 0 | 145,973 | 263,234 |
| 140,753 | 0 | 175,216 | 315,969 |
| 222,348 | 0 | 276,790 | 499,138 |
| 372,435 | 0 | 463,625 | 836,060 |
| 20,821 | 0 | 25,919 | 46,740 |
| 208,595 | 0 | 259,669 | 468,264 |
| 1,319,191 | 0 | 1,642,193 | 2,961,384 |
| 2,777,550 | 0 | 3,457,630 | 6,235,180 |
| 103,965 | 0 | 129,420 | 233,385 |
| 181,108 | 0 | 225,452 | 406,560 |
| 285,073 | 0 | 354,872 | 639,945 |
| 67,013 | 0 | 83,421 | 150,434 |
| 4,467,770 | 0 | 5,561,697 | 10,029,467 |
| \$ 66,619,697 | \$ 0 | \$ 220,164,041 | \$ 286,783,738 |

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.

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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, 2014, 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 10, 2015.

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.



March 10, 2015

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APPENDIX “F”

DEBT STATEMENT

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**STATEMENT OF DIRECT AND UNDERLYING BONDED DEBT
AS OF NOVEMBER 2, 2015**

(The accompanying notes are an integral part of this statement)

| Notes | Name of Issuer & Issue | Interest Rates (%) | Dated Date | Final Maturity Date | Principal Outstanding | Principal Amount Due Within One Year |
|-------|---|--------------------|------------|---------------------|-----------------------|--------------------------------------|
| (1) | <u>Direct Debt of the City of New Orleans, Louisiana*</u> | | | | | |
| (2) | General Obligation Refunding Bonds, Series 1991 | 7.15 | 9/30/91 | 9/01/18 | \$12,375,902** | \$ 4,418,779 |
| (2) | General Obligation Refunding Bonds, Series 1998 | 5.5 | 12/01/98 | 12/01/21 | 50,615,000 | 3,060,000 |
| (2) | Public Improvement Bonds, Issue of 2004 | 4.25 | 7/13/15 | 12/01/15 | 875,000 | 875,000 |
| (2) | Public Improvement Bonds, Issue of 2005A | 4.0-4.5 | 5/24/05 | 12/01/34 | 13,240,000 | 410,000 |
| (2) | General Obligation Refunding Bonds, Series 2005 | 5.0-5.25 | 7/06/05 | 12/01/29 | 81,840,000 | 6,450,000 |
| (2) | Public Improvement Bonds, Issue of 2007A | 5.0-5.25 | 12/14/07 | 12/01/36 | 65,705,000 | 1,790,000 |
| (2) | Taxable Public Improvement Bonds, Issue of 2010A (Build America Bonds - Federally Taxable - Direct Payment to Issuer) | 6.4-8.8 | 1/19/10 | 12/01/39 | 37,005,000 | 810,000 |
| (2) | General Obligation Refunding Bonds, Series 2012 | 4.0-5.0 | 8/28/12 | 12/01/33 | 162,145,000 | 3,355,000 |
| (2) | Taxable Public Improvement Bonds, Issue of 2013A | 3.0-5.0 | 3/01/13 | 12/01/42 | 39,230,000 | 790,000 |
| (2) | Taxable Public Improvement Bonds, Issue of 2014A | 3.0-6.10 | 1/21/14 | 12/01/43 | 39,255,000 | 640,000 |
| (2) | Taxable Public Improvement Bonds, Issue of 2015A | 3.5-5.0 | 4/29/15 | 12/01/44 | 65,000,000 | 1,205,000 |
| (3) | Taxable Limited Tax Refunding Bonds, Series 2012 | 1.823-4.961 | 10/23/12 | 9/01/30 | 186,110,000 | 9,910,000 |
| (4) | Variable Rate Revenue Bonds (Canal Street Improvements Project), Series 2004 | variable | 9/29/04 | 8/01/24 | 6,500,000 | 595,000 |
| (5) | Limited Tax Refunding Bonds, Series 2015A | 1.8455 | 2/26/15 | 9/01/21 | 15,322,517 | 2,436,752 |
| (5) | Limited Tax Bonds, Series 2015B | 2.31 | 2/26/15 | 9/01/21 | 6,489,111 | 1,022,383 |
| (A) | Cooperative Endeavor Agreement with the State of Louisiana (Certificates of Indebtedness, Capital leases, LCDA Bonds) | 4.64 | 7/19/06 | 7/15/26 | 41,599,590 | 2,983,665 |
| (A) | Cooperative Endeavor Agreement with the State of Louisiana (General Obligation Bonds) | 4.64 | 7/19/06 | 7/15/26 | 19,669,049 | 1,410,731 |
| (A) | Cooperative Endeavor Agreement with the State of Louisiana (Capital Improvement Bonds) | 4.64 | 7/19/06 | 7/15/26 | 2,310,968 | 165,751 |
| (6) | <u>Underlying Debt of the Orleans Parish School Board of the Parish of Orleans, State of Louisiana</u> | | | | | |
| (7) | Revenue Bonds (Taxable QSCB), Series 2011B | 4.4 | 12/20/11 | 2/01/21 | 79,055,000 | (a) |
| (8) | <u>Underlying Debt of Parishwide School District of the Parish of Orleans, State of Louisiana</u> | | | | | |
| (2) | General Obligation School Refunding Bonds, Series 2010 | 2.5-5.0 | 9/01/10 | 9/01/20 | 51,615,000 | 10,375,000 |
| (9) | <u>Underlying Debt of the Audubon Commission</u> | | | | | |
| (10) | Audubon Commission Improvement and Refunding Bonds, Series 1997 | 5.2 | 1/01/97 | 12/01/16 | 710,000 | 345,000 |
| (11) | Audubon Commission Aquarium Tax Bonds, Series 2011A-1 | 4.0-5.0 | 9/22/11 | 10/01/21 | 19,495,000 | 2,880,000 |
| (A) | Cooperative Endeavor Agreement with the State of Louisiana (Revenue Bonds) | 4.64 | 7/19/06 | 7/15/26 | 3,905,787 | 280,136 |
| (A) | Cooperative Endeavor Agreement with the State of Louisiana (4.11 Mill Tax Bonds) | 4.64 | 7/19/06 | 7/15/26 | 8,563,503 | 614,204 |
| (A) | Cooperative Endeavor Agreement with the State of Louisiana (.44 Mill Tax Bonds) | 4.64 | 7/19/06 | 7/15/26 | 868,489 | 62,291 |

* Excludes Section 108 HUD loans.

** Original principal amount of compound interest bonds.

(a) Various amounts are required to be deposited annually into a sinking fund.

| <u>Notes</u> | <u>Name of Issuer & Issue</u> | <u>Interest Rates (%)</u> | <u>Dated Date</u> | <u>Final Maturity Date</u> | <u>Principal Outstanding</u> | <u>Principal Amount Due Within One Year</u> |
|---|--|---------------------------|-------------------|----------------------------|------------------------------|---|
| (12) | <u>Underlying Debt of the Sewerage and Water Board of New Orleans</u> | | | | | |
| (13) | Drainage System Refunding Bonds, Series 2014 | 2.0-4.0 | 11/20/14 | 12/01/22 | \$ 14,365,000 | \$ 1,615,000 |
| (14) | Water Revenue and Refunding Bonds, Series 2014 | 5.0 | 7/02/14 | 12/01/44 | 103,525,000 | 325,000 |
| (15) | Sewerage Service Subordinate Revenue Bonds, Series 2011 | 0.95 | 11/22/11 | 11/01/32 | 7,755,000 | 422,000 |
| (15) | Sewerage Service Revenue and Refunding Bonds, Series 2014 | 4.0-5.0 | 7/02/14 | 6/01/44 | 147,765,000 | 12,430,000 |
| (A) | Cooperative Endeavor Agreement with the State of Louisiana | 4.64 | 7/19/06 | 7/15/26 | 61,653,132 | 4,421,973 |
| (16) | <u>Underlying Debt of the Regional Transit Authority</u> | | | | | |
| (17) | Sales Tax Revenue Bonds, Series 1991 | 0.0 | 12/01/91 | 12/01/21 | 4,131,446* | 814,023 |
| (17) | Sales Tax Revenue Bonds, Series 2010 | 4.0-5.0 | 10/14/10 | 12/01/30 | 66,025,000 | 2,850,000 |
| (18) | LCDA Revenue Bonds (Canal Streetcar Project), Series 2000 | variable | 9/12/00 | 2/28/25 | 18,136,800 | 1,512,100 |
| (18) | LCDA Revenue Bonds (Desire Streetcar Project), Series 2000A | variable | 9/12/00 | 11/28/29 | 21,591,156 | 1,064,100 |
| (A) | Cooperative Endeavor Agreement with the State of Louisiana | 4.64 | 10/02/06 | 7/15/26 | 28,546,467 | 2,047,449 |
| * Includes \$7,990,733 original principal amount of Capital Appreciation Bonds. | | | | | | |
| (19) | <u>Underlying Debt of Law Enforcement District of the Parish of Orleans, State of Louisiana</u> | | | | | |
| (2) | General Obligation Bonds, Series 2008 | 3.95-4.05 | 12/01/08 | 9/01/18 | 3,000,000 | 1,000,000 |
| (2) | General Obligation Bonds, Series 2009 | 3.65-3.8 | 3/01/09 | 9/01/18 | 3,780,000 | 1,205,000 |
| (2) | General Obligation Bonds, Series 2010 | 4.0 | 3/01/10 | 9/01/24 | 10,625,000 | 945,000 |
| (2) | General Obligation Bonds, Series 2011 | 2.97 | 12/02/11 | 9/01/26 | 3,850,000 | 300,000 |
| (2) | General Obligation Bonds, Series 2012 | 2.85 | 4/27/12 | 9/01/26 | 3,890,000 | 305,000 |
| (2) | General Obligation Bonds, Series 2013 | 1.95 | 6/14/13 | 9/01/22 | 7,565,000 | 1,005,000 |
| (2) | General Obligation Bonds, Series 2015 | 2.75 | 6/15/15 | 9/01/24 | 7,395,000 | 700,000 |
| (20) | Taxable Certificates of Indebtedness, Series 2015 | 2.75 | 6/30/15 | 6/30/16 | 4,000,000 | 4,000,000 |
| (A) | Cooperative Endeavor Agreement with the State of Louisiana | 4.64 | 7/19/06 | 7/15/26 | 13,733,821 | 985,037 |
| (21) | <u>Underlying Debt of the New Orleans Aviation Board</u> | | | | | |
| (22) | Revenue Bonds (Passenger Facility Charge Projects), Series 2007A | 5.0-5.5 | 11/20/07 | 1/01/38 | 58,065,000 | 1,350,000 |
| (22) | Revenue Refunding Bonds (Passenger Facility Charge Projects), Series 2007B-1 | 5.25 | 11/20/07 | 1/01/20 | 4,295,000 | 0 |
| (22) | Revenue Refunding Bonds (Passenger Facility Charge Projects), Series 2007B-2 | 5.0-5.25 | 11/20/07 | 1/01/19 | 6,980,000 | 2,010,000 |
| (22) | Gulf Opportunity Zone Revenue Bonds (Passenger Facility Charge Projects), Series 2010A | 4.25-5.25 | 5/26/10 | 1/01/41 | 52,355,000 | 0 |
| (22) | Gulf Opportunity Zone Revenue Bonds (Passenger Facility Charge Projects), Series 2010B | 5.125 | 5/26/10 | 1/01/38 | 1,285,000 | 0 |
| (23) | Revenue Refunding Bonds (Restructuring GARBs), Series 2009A-1 | 4.5-6.0 | 2/03/09 | 1/01/23 | 71,275,000 | 7,465,000 |
| (23) | Revenue Refunding Bonds (Restructuring GARBs), Series 2009A-2 | 4.5-6.0 | 2/03/09 | 1/01/23 | 22,215,000 | 2,325,000 |
| (23) | General Airport Revenue Bonds (North Terminal Project), Series 2015A | 5.0 | 3/26/15 | 1/01/45 | 54,590,000 | 0 |
| (23) | General Airport Revenue Bonds (North Terminal Project), Series 2015B | 4.0-5.0 | 3/26/15 | 1/01/45 | 510,735,000 | 0 |
| (24) | Gulf Opportunity Zone CFC Revenue Bonds (Consolidated Rental Car Project), Series 2009A | 5.0-6.5 | 12/09/09 | 1/01/40 | 94,845,000 | 1,745,000 |
| (A) | Cooperative Endeavor Agreement with the State of Louisiana | 4.64 | 7/19/06 | 7/15/26 | 28,151,901 | 2,019,150 |

| <u>Notes</u> | <u>Name of Issuer & Issue</u> | <u>Interest Rates (%)</u> | <u>Dated Date</u> | <u>Final Maturity Date</u> | <u>Principal Outstanding</u> | <u>Principal Amount Due Within One Year</u> |
|--------------|---|---------------------------|-------------------|----------------------------|------------------------------|---|
| (25) | <u>Underlying Debt of the Orleans Levee District</u> | | | | | |
| (A) | Cooperative Endeavor Agreement with the State of Louisiana | 4.64 | 7/19/06 | 7/15/26 | \$ 22,218,140 | \$ 1,425,210 |
| (26) | <u>Underlying Debt of the Orleans Parish Communications District, State of Louisiana</u> | | | | | |
| (27) | Revenue Bonds, Series 2004 | 4.2-4.35 | 9/24/04 | 9/01/19 | 3,375,000 | 785,000 |
| (28) | <u>Underlying Debt of the French Market District</u> | | | | | |
| (29) | Taxable Revenue Bonds, Series 2005A | 6.15 | 8/03/06 | 5/01/25 | 3,655,467 | 216,262 |
| (30) | <u>Underlying Debt of the Downtown Development District of the City of New Orleans</u> | | | | | |
| (31) | Downtown Development District Limited Tax Refunding Bonds, Series 2012 | 2.68 | 6/13/12 | 12/01/26 | 4,585,000 | 320,000 |
| (A) | Cooperative Endeavor Agreement with the State of Louisiana | 4.64 | 7/19/06 | 7/15/26 | 1,273,531 | 91,342 |
| (32) | <u>Underlying Debt of the Public Belt Commission for the City of New Orleans</u> | | | | | |
| (33) | Taxable Indebtedness, Series 2012 | 2.955 | 4/20/12 | 6/01/17 | 630,000 | 310,000 |
| (34) | <u>Underlying Debt of the Magnolia Economic Development District</u> | | | | | |
| (35) | Sales Tax Bonds, Series 2015 | 4.375-6.00 | 4/09/15 | 4/01/45 | 2,995,000 | 0 |

NOTES

- (A) On July 19, 2006, the State of Louisiana issued \$200,000,000 General Obligation Gulf Tax Credit Bonds, Series 2006-A; \$194,475,000 General Obligation Match Bonds, Series 2006-B; and \$200,000,000 General Obligation Refunding Bonds, Series 2008. In conjunction therewith, certain debt issuing entities in the City and the State entered Cooperative Endeavor Agreements in which the State agreed to make loans to the entities from the proceeds of any combination of the said bonds of the State pursuant to Act 41 of the First Extraordinary Session of the Louisiana Legislature of 2006 (“Act 41”) 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 Downtown Development District, Audubon Commission, and Sewerage and Water Board.
 - Paying outstanding sewerage revenue and water revenue bonds of the Sewerage and Water Board.
 - Paying outstanding bonds of the Orleans Parishwide School District; the Orleans Parish School Board; the Orleans Law Enforcement District; the New Orleans Aviation Board; the Orleans Levee District; the New Orleans Exhibition Hall Authority, and the Board of Commissioners of the Port of New Orleans.
- (1) The 2015 taxable assessed valuation for the City purposes is approximately \$3,331,331,958. Certain City taxes are levied on the total assessed value of the City, which is approximately \$3,790,273,230 for 2015.
 - (2) Secured by and payable from unlimited *ad valorem* taxation.
 - (3) Secured by and payable from an irrevocable pledge and dedication of the funds to be derived by the issuer from the levy and collection of an *ad valorem* tax of 13.91 mills (subject to adjustment from time to time due to reassessment), which the city is authorized to impose and collect in each year the bonds are outstanding, to be levied on all property subject to taxation within the corporate boundaries of the city.
 - (4) Payable from (i) money received from a draw on a Letter of Credit issued by Hibernia Bank, (ii) payments made by Canal Street Development Corporation and Downtown Development District pursuant to a Cooperative Endeavor Agreement, and (iii) payments made by the City from the General Fund.
 - (5) Secured by and payable from a pledge and dedication of the funds to be derived from the levy and collection of a special *ad valorem* tax of 1.82 mills (subject to adjustment from time to time due to reassessment), which the City is authorized to collect for a period of 26 years, approved in an election held in the City on July 15, 1995.

- (6) The total 2015 assessed valuation of the Orleans Parish School Board is approximately \$3,790,273,230, of which approximately \$3,331,331,958 is taxable.
- (7) Secured by and payable as to both principal and interest solely from the revenues from (i) a constitutional millage of 27.65 mills and (ii) a ½% sales and use tax authorized at an election held in the parish on November 4, 1980, levied by the issuer and subject only to the payment of the reasonable costs and expenses of collecting and administering said sales and use tax.
- (8) The total 2015 assessed valuation of Parishwide School District of the Parish of Orleans is approximately \$3,790,273,230, of which approximately \$3,331,331,958 is taxable.
- (9) The Audubon Commission is a related entity of the City established by state act and the City Charter.
- (10) Secured by and payable solely from the tax revenues derived from the levy and collection of a 0.44 mill tax upon all taxable property in the City.
- (11) Secured by and payable solely from an irrevocable pledge and dedication of the funds to be derived from the levy and collection of a 2.99 mills special *ad valorem* tax subject to taxation within the City authorized to be collected for a period of 35 years, beginning in 1987, in an election held on November 4, 1986.
- (12) The Sewerage and Water Board is the agency responsible for the sewerage, water and drainage systems of the City.
- (13) Secured by and payable from a pledge and dedication of the funds to be derived by the City from the levy and collection of a special tax of 7.06 mills (such rate being subject to adjustment from time to time due to reassessment), which has been authorized to be levied in each of the years 1982 through 2031, inclusive, which tax was originally authorized at 9 mills pursuant to an election held in the City on May 16, 1981.
- (14) Secured by and payable solely from net revenues derived from the imposition of water rates.
- (15) Secured by and payable solely from revenues of the system, including revenues received from the imposition of sewerage rates.
- (16) The Regional Transit Authority (“RTA”) is primarily located in the City of New Orleans (Orleans Parish) and is parishwide.
- (17) Secured by and payable from the Pledged Tax Revenues, i.e. primarily the net revenues derived from the levy and collection of ½% sales and use tax levied by the Authority upon the items and services subject to the sales and use tax, and a pledge upon moneys held in the funds and accounts held under the General Indenture dated September 1, 1997.
- (18) Under agreements with the Louisiana Local Government Environmental Facilities and Community Development Authority (“LCDA”), RTA may borrow not exceeding \$65,820,000 in funds to finance the local match portion of the costs expected to be incurred in the construction of the Canal Street Corridor and Desire Street Corridor Projects. The funds are provided from a portion of the proceeds of a Master Indenture Agreement and the sale of revenue bonds by LCDA. The principal amounts shown in this debt statement represent the amounts drawn down currently, and will be amortized over the remaining life of the agreement.
- (19) The Law Enforcement District of the Parish of Orleans is parishwide and has a 2015 taxable assessed valuation of approximately \$3,331,331,958.
- (20) Secured by and payable from a pledge of all revenues accruing to the Sheriff’s General Fund, all as provided in the Resolution.
- (21) The New Orleans Aviation Board is responsible for the management and operation of the New Orleans International Airport, owned by the City and located in Kenner, Louisiana.
- (22) These bonds are special, limited obligations of the Aviation Board, payable from and secured by (i) Net PFC Revenues generated from passenger facility charges approved by the Federal Aviation Administration (the "Approved PFC") and imposed and collected by the Aviation Board for the use of the New Orleans International Airport, subject to the Aviation Board’s obligation to make payments into the Arbitrage Rebate Fund of the first Supplemental Indenture, (ii) the proceeds of any reserve asset and of any additional securities, and (iii) amounts on deposit in certain funds and accounts, included within the stand alone PFC Trust Estate. The Series 2010A and Series 2010B Bonds are subject to the Aviation Board’s obligation to make payments into the Arbitrage Rebate Fund of the third Supplemental Indenture.
- (23) These bonds are special, limited obligations of the Aviation Board, payable from and secured by (i) general airport revenues subject to the Aviation Board’s obligation to pay the operation and maintenance expenses of the Airport and make payments into the Arbitrage Rebate Fund of the first Supplemental Indenture, (ii) the proceeds of any reserve asset and of any additional securities as further described in the official statement, and (iii) amounts on deposit in certain funds and accounts.
- (24) These bonds are special, limited obligations of the Aviation Board, payable from and secured by (i) revenues primarily to be derived from a customer facility charge imposed by the Aviation Board and secondarily from contingent rent derived from the initial facilities leases executed by the companies and other supplemental facility charges, if established pursuant to the CFC Master Indenture, (ii) the proceeds of any reserve asset, and (iii) amounts on deposit in the pledged funds.

- (25) The Orleans Levee District is parishwide and has a 2015 taxable assessed valuation of approximately \$3,331,331,958.
- (26) The Orleans Parish Communications District is parishwide.
- (27) Payable solely from and secured by a pledge and dedication of (i) the proceeds of the emergency telephone tax imposed pursuant to law, and (ii) the excess of annual revenues of the District above statutory, necessary and usual charges in each of the fiscal years during which the Bonds are outstanding.
- (28) The French Market Corporation is a non-profit corporation owned by the City of New Orleans.
- (29) Payable from the revenues of the French Market.
- (30) The 2015 taxable assessed valuation of the Downtown Development District is \$522,978,460.
- (31) Secured by and payable solely from the not exceeding 22.97 mills *ad valorem* tax currently being levied at a rate of 14.76 mills, authorized by the voters at elections held on December 8, 1979 and April 7, 2001 upon all taxable real property situated within the boundaries of the District (such rate being subject to adjustment from time to time due to reassessment), which the city is authorized to collect for a period of 25 years, beginning with the year 1980, pursuant to the authority of an election held December 8, 1979 and continuing for an additional 25 years, beginning with the year 2005, pursuant to the authority of an election held April 7, 2001.
- (32) The Public Belt Commission for the City of New Orleans is parishwide.
- (33) Secured by and payable solely from moneys that are available after the payment of contractual and statutory obligations and other required expenses, in each of the fiscal years during which the obligations are outstanding, including specifically amounts payable under a Cooperative Endeavor Agreement dated December 15, 2011, the Promissory Note dated January 25, 2012, and a Limited Guaranty Agreement.
- (34) The Magnolia Economic Development District is located in the central portion of the City of New Orleans and covers an area of approximately 6.325 acres.
- (35) Payable from an irrevocable pledge and dedication of the special 1% sales tax now being levied and collected by the issuer pursuant to the EDD Act and other statutory authority, subject to the prior payment of the reasonable and necessary costs and expenses of collecting and administering the tax.

(NOTE: The above statement excludes certain outstanding indebtedness of the New Orleans Home Mortgage Authority; New Orleans Exhibition Hall Authority; Greater New Orleans Expressway Commission; New Orleans Finance Authority; New Orleans Industrial Development Board, Inc.; New Orleans Housing Development Corporation; Transportation Center Authority; New Orleans Regional Loan Corporation; Louisiana Stadium and Exposition District; Board of Commissioners of the Port of New Orleans, and all operating and capital leases.)

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APPENDIX "G"

ANNUAL DEBT SERVICE REQUIREMENTS

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**ANNUAL DEBT SERVICE REQUIREMENTS ON OUTSTANDING DEBT
AND GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015, OF
CITY OF NEW ORLEANS, LOUISIANA**

| CALENDAR YEAR | OUTSTANDING BONDS (a) | | | REFUNDING SERIES 2015 BONDS | | | TOTAL REQUIREMENTS | | |
|---------------|-----------------------|-----------------------|-----------------------|-----------------------------|----------------------|----------------------|-----------------------|-----------------------|-----------------------|
| | PRINCIPAL | INTEREST | TOTAL | (12/1) PRINCIPAL | (6/1; 12/1) INTEREST | TOTAL | PRINCIPAL | INTEREST | TOTAL |
| 2015 | 18,180,000.00 | 12,074,930.64 | 30,254,930.64 | | | | 18,180,000.00 | 12,074,930.64 | 30,254,930.64 |
| 2016 | 17,463,778.70 | 44,297,130.08 | 61,760,908.78 | 6,320,000.00 | 3,488,207.57 | 9,808,207.57 | 23,783,778.70 | 47,785,337.65 | 71,569,116.35 |
| 2017 | 17,748,227.20 | 43,996,534.08 | 61,744,761.28 | 6,630,000.00 | 3,168,875.00 | 9,798,875.00 | 24,378,227.20 | 47,165,409.08 | 71,543,636.28 |
| 2018 | 17,633,896.00 | 43,650,402.78 | 61,284,298.78 | 6,910,000.00 | 2,903,675.00 | 9,813,675.00 | 24,543,896.00 | 46,554,077.78 | 71,097,973.78 |
| 2019 | 36,830,000.00 | 21,351,523.78 | 58,181,523.78 | 7,190,000.00 | 2,627,275.00 | 9,817,275.00 | 44,020,000.00 | 23,978,798.78 | 67,998,798.78 |
| 2020 | 38,430,000.00 | 19,453,148.78 | 57,883,148.78 | 7,490,000.00 | 2,339,675.00 | 9,829,675.00 | 45,920,000.00 | 21,792,823.78 | 67,712,823.78 |
| 2021 | 40,365,000.00 | 17,470,338.78 | 57,835,338.78 | 7,855,000.00 | 1,965,175.00 | 9,820,175.00 | 48,220,000.00 | 19,435,513.78 | 67,655,513.78 |
| 2022 | 15,515,000.00 | 15,391,203.78 | 30,906,203.78 | 3,480,000.00 | 1,572,425.00 | 5,052,425.00 | 18,995,000.00 | 16,963,628.78 | 35,958,628.78 |
| 2023 | 16,270,000.00 | 14,602,023.78 | 30,872,023.78 | 3,670,000.00 | 1,398,425.00 | 5,068,425.00 | 19,940,000.00 | 16,000,448.78 | 35,940,448.78 |
| 2024 | 16,965,000.00 | 13,786,198.78 | 30,751,198.78 | 3,870,000.00 | 1,214,925.00 | 5,084,925.00 | 20,835,000.00 | 15,001,123.78 | 35,836,123.78 |
| 2025 | 17,795,000.00 | 12,916,698.78 | 30,711,698.78 | 4,075,000.00 | 1,021,425.00 | 5,096,425.00 | 21,870,000.00 | 13,938,123.78 | 35,808,123.78 |
| 2026 | 16,990,000.00 | 12,018,098.78 | 29,008,098.78 | 4,290,000.00 | 817,675.00 | 5,107,675.00 | 21,280,000.00 | 12,835,773.78 | 34,115,773.78 |
| 2027 | 14,615,000.00 | 11,165,083.78 | 25,780,083.78 | 4,520,000.00 | 603,175.00 | 5,123,175.00 | 19,135,000.00 | 11,768,258.78 | 30,903,258.78 |
| 2028 | 15,310,000.00 | 10,420,083.78 | 25,730,083.78 | 2,470,000.00 | 377,175.00 | 2,847,175.00 | 17,780,000.00 | 10,797,258.78 | 28,577,258.78 |
| 2029 | 16,035,000.00 | 9,629,346.28 | 25,664,346.28 | 2,570,000.00 | 278,375.00 | 2,848,375.00 | 18,605,000.00 | 9,907,721.28 | 28,512,721.28 |
| 2030 | 16,820,000.00 | 8,793,043.78 | 25,613,043.78 | 750,000.00 | 149,875.00 | 899,875.00 | 17,570,000.00 | 8,942,918.78 | 26,512,918.78 |
| 2031 | 16,165,000.00 | 7,909,977.54 | 24,074,977.54 | 785,000.00 | 123,625.00 | 908,625.00 | 16,950,000.00 | 8,033,602.54 | 24,983,602.54 |
| 2032 | 14,970,000.00 | 7,053,003.76 | 22,023,003.76 | 815,000.00 | 95,168.76 | 910,168.76 | 15,785,000.00 | 7,148,172.52 | 22,933,172.52 |
| 2033 | 15,660,000.00 | 6,252,993.76 | 21,912,993.76 | 855,000.00 | 65,625.00 | 920,625.00 | 16,515,000.00 | 6,318,618.76 | 22,833,618.76 |
| 2034 | 11,935,000.00 | 5,425,576.26 | 17,360,576.26 | 895,000.00 | 33,562.50 | 928,562.50 | 12,830,000.00 | 5,459,138.76 | 18,289,138.76 |
| 2035 | 12,520,000.00 | 4,761,351.26 | 17,281,351.26 | | | | 12,520,000.00 | 4,761,351.26 | 17,281,351.26 |
| 2036 | 13,135,000.00 | 4,058,853.76 | 17,193,853.76 | | | | 13,135,000.00 | 4,058,853.76 | 17,193,853.76 |
| 2037 | 8,830,000.00 | 3,321,216.26 | 12,151,216.26 | | | | 8,830,000.00 | 3,321,216.26 | 12,151,216.26 |
| 2038 | 9,265,000.00 | 2,803,152.50 | 12,068,152.50 | | | | 9,265,000.00 | 2,803,152.50 | 12,068,152.50 |
| 2039 | 9,725,000.00 | 2,254,030.00 | 11,979,030.00 | | | | 9,725,000.00 | 2,254,030.00 | 11,979,030.00 |
| 2040 | 7,585,000.00 | 1,673,810.00 | 9,258,810.00 | | | | 7,585,000.00 | 1,673,810.00 | 9,258,810.00 |
| 2041 | 7,965,000.00 | 1,293,582.50 | 9,258,582.50 | | | | 7,965,000.00 | 1,293,582.50 | 9,258,582.50 |
| 2042 | 8,365,000.00 | 893,882.50 | 9,258,882.50 | | | | 8,365,000.00 | 893,882.50 | 9,258,882.50 |
| 2043 | 6,250,000.00 | 473,637.50 | 6,723,637.50 | | | | 6,250,000.00 | 473,637.50 | 6,723,637.50 |
| 2044 | 3,730,000.00 | 158,525.00 | 3,888,525.00 | | | | 3,730,000.00 | 158,525.00 | 3,888,525.00 |
| TOTALS | 479,065,901.90 | 359,349,383.04 | 838,415,284.94 | 75,440,000.00 | 24,244,338.83 | 99,684,338.83 | 554,505,901.90 | 383,593,721.87 | 938,099,623.77 |

(a) Outstanding: General Obligation Refunding Bonds, Series 1991; General Obligation Refunding Bonds, Series 1998; Public Improvement Bonds, Issue of 2004; Unrefunded Public Improvement Bonds, Issue of 2005A; Unrefunded General Obligation Refunding Bonds, Series 2005; Public Improvement Bonds, Issue of 2007A; Taxable Public Improvement Bonds, Issue of 2010A; General Obligation Refunding Bonds, Series 2012; Taxable Public Improvement Bonds, Issue of 2013A; Taxable Public Improvement Bonds, Issue of 2014A and Taxable Public Improvement Bonds, Issue 2015A.

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FORM OF LEGAL OPINION

OF

FOLEY & JUDELL, L.L.P.

AND

McKEE LAW FIRM, L.L.C.

AND

HALEY LAW FIRM, L.L.C.

CO-BOND COUNSEL

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[FORM OF LEGAL OPINION]

Board of Liquidation, City Debt
City of New Orleans, Louisiana
New Orleans, Louisiana

\$75,440,000
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015
CITY OF NEW ORLEANS, LOUISIANA

We have acted as co-bond counsel in connection with the issuance of the captioned bonds (the "Bonds"). The Bonds are in fully registered form, are dated, bear interest at the rates, are subject to redemption, and mature on the dates and in the principal amounts as set forth in the Resolution (hereinafter defined), and a Certificate of Determination executed by the Board on November 5, 2015.

The Bonds have been issued by the City of New Orleans, Louisiana (the "City" or the "Issuer") pursuant to a resolution adopted by the Board of Liquidation, City Debt (the "Board") on October 21, 2015 (the "Resolution"), for the purpose of refunding certain of the City's (i) Public Improvement Bonds, Issue of 2005A and (ii) General Obligation Refunding Bonds, Series 2005 (collectively, the "Refunded Bonds"), and paying the costs of issuance of the Bonds, under the authority of Chapter 4, Part XIV and Chapter 14-A of Title 39 of the Louisiana Revised Statutes of 1950, as amended (collectively, the "Act"), and other constitutional and statutory authority.

In accordance with the Resolution, the Issuer has entered into a Defeasance and Escrow Deposit Agreement dated as of November 1, 2015 (the "Escrow Agreement") with U. S. Bank National Association (the "Escrow Agent"), pursuant to which a portion of the proceeds of the Bonds, together with certain additional moneys provided by the Board, have been deposited in trust with the Escrow Agent for the purpose of providing moneys to pay the Refunded Bonds to the optional redemption date; irrevocable provision having been made in the Resolution for the call for redemption of the Refunded Bonds on said date.

We have examined the provisions of the Constitution and statutes of the State of Louisiana, a certified transcript of the proceedings relating to the issuance of the Bonds, and such other documents, proofs and matters of law as we deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

On the basis of the foregoing examinations, we are of the opinion, as of the date hereof and under existing law, that:

1. The Bonds are valid and binding general obligations of the City, and the full faith and credit of the City is pledged for the payment of the Bonds.

2. All taxable property within the City is subject to the levy of an ad valorem tax for the payment of the principal of and interest on the Bonds, without limit as to rate or amount.

3. The Escrow Agreement has been duly authorized, executed and delivered by the City, and assuming the due authorization, execution and delivery of the Escrow Agreement by the Escrow Agent and that the same constitutes a legal and binding obligation of the Escrow Agent, the Escrow Agreement constitutes a legal, valid and binding obligation of the City.

4. Interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, for the purpose of computing the federal alternative minimum tax imposed on certain corporations, such interest is taken into account in determining adjusted current earnings.

5. Under the Act, the Bonds are exempt from all taxation for state, parish, municipal, or other purposes.

In rendering the opinion expressed in numbered paragraph 4, we have relied on representations of the City and the Board with respect to questions of fact material to our opinion without undertaking to verify same by independent investigation and have assumed continuing compliance with covenants in the Resolution pertaining to those sections of the Internal Revenue Code of 1986, as amended, which affect the exclusion from gross income of interest on the Bonds for federal income tax purposes. In the event that such representations are determined to be inaccurate or incomplete or the City or the Board fail to comply with the foregoing covenants in the Resolution, interest on the Bonds could become included in gross income from the date of original delivery, regardless of the date on which the event causing such inclusion occurs.

Except as stated above, we express no opinion as to any federal, state or local tax consequences resulting from the ownership of, receipt of interest on or disposition of the Bonds.

It is to be understood that the rights of the owners of the Bonds and the enforceability of the Bonds, the Escrow Agreement and the Resolution may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, and that their enforceability may also be subject to the exercise of the sovereign police powers of the State of Louisiana, or its governmental bodies, and the exercise of judicial discretion in appropriate cases.

Respectfully submitted,

APPENDIX "I"

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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[FORM OF CONTINUING DISCLOSURE CERTIFICATE]

\$75,440,000
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015
OF THE
CITY OF NEW ORLEANS, LOUISIANA

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of New Orleans, Louisiana (the "City"), acting through its duly elected Mayor and the Board of Liquidation, City Debt (the "Board"), the entity created and charged by Act No. 133 of the 1880 Regular Session, as amended from time to time, most recently by Act 628 of the 1995 Regular Session of the Louisiana Legislature, with the issuance and administration of the general obligation debt of the City, acting through its duly authorized President in connection with the issuance of the above captioned issue of General Obligation Refunding Bonds, Series 2015 (the "Bonds"). The Bonds are being issued pursuant to a resolution adopted by the Board on October 21, 2015 (the "Resolution"), and are described in that certain Official Statement dated November 5, 2015 (the "Official Statement") which contains certain information concerning the City, the *ad valorem* taxes securing the Bonds, and certain financial and other information relating thereto. The City and the Board covenant and agree as follows:

SECTION 1. *Definitions.* In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Dissemination Agent" shall mean the Board, or any successor Dissemination Agent designated by the City, acting through its duly appointed Secretary, whose mailing address is Room 8E17, City Hall, 1300 Perdido Street, New Orleans, Louisiana 70112.

"EMMA" shall mean the internet-based portal referred to as the Electronic Municipal Market Access system operated and maintained by the MSRB. The online address of EMMA is www.emma.msrb.org.

"GAAP" shall mean generally accepted accounting principles, as such principles are prescribed, in part, by the Financial Accounting Standards Board and modified by the Government Accounting Standards Board and in effect from time to time.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the single centralized repository for the collection and availability of continuing disclosure documents for purposes of the Rule. The continuing disclosure documents must be provided to the MSRB in searchable portable document format (PDF) to the following:

Municipal Securities Rulemaking Board
Electronic Municipal Market Access Center
<http://emma.msrb.org>

"Official Statement" shall mean the Official Statement with respect to the Bonds, the City and the Board dated November 5, 2015.

"Participating Underwriter" shall mean the original Purchaser (as defined in the Resolution) of the Bonds required to comply with the Rule in connection with an offering of the Bonds.

"Repositories" shall mean the MSRB and the State Information Depository, if any.

"Resolution" shall mean the bond resolution as adopted by the Board on October 21, 2015, authorizing the issuance of the Bonds.

"Rule" shall mean Rule 15c2-12 (b) (5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State Information Depository" shall mean any public or private depository or entity designated by the State of Louisiana as a state depository for the purpose of the Rule. As of the date of this Disclosure Certificate, there is no State Information Depository.

SECTION 2. *Purpose of the Disclosure Certificate.* This Disclosure Certificate is being executed and delivered by the City and the Board for the benefit of the owners of the Bonds, including owners of beneficial interests in the Bonds, and the Participating Underwriter, and in order to assist the Participating Underwriter in complying with the Rule.

SECTION 3. *Provision of Annual Reports.*

- (a) The City shall, or shall cause the Dissemination Agent to, in each year no later than eight (8) months from the end of the City's first fiscal year ending after issuance of the Bonds, with the first such report to be due not later than August 31, 2016, provide to the Repositories, an Annual Report which is consistent with the requirements set forth below. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as set forth below; *provided* that the audited financial statements of the City and the Board may be submitted separately from the balance of the Annual Report.
- (b) If the Dissemination Agent is unable to provide to the Repositories an Annual Report by the date required in (a) above, the City, acting through the Board, shall send a Notice of Failure to File Annual Report to each of the Repositories, in substantially the form attached as Exhibit A.
- (c) The Dissemination Agent shall determine each year prior to the date for providing the Annual Report the name and address of each of the Repositories.

SECTION 4. *Content of Annual Reports.* The Annual Report shall contain or incorporate by reference the following:

1. Audited financial statements of both the City and the Board for the preceding fiscal year. If the City's or the Board's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

2. Basis of accounting used by the City and the Board in reporting their financial statements. The City and the Board follow GAAP principles and mandated Louisiana statutory accounting requirements as in effect from time to time. In the event of any material change in such requirements the impact of such changes will be described in the Annual Report of the year such change occurs.
3. The total amount of debt of the City, as well as any general obligation debt which has been authorized but not yet issued.
4. Any material changes in the assessment procedures and the homestead exemption as authorized by law.
5. The assessed value of taxable property in the City and homestead exemptions for the most recent tax year available from the Louisiana Tax Commission
6. The *ad valorem* tax levies and collections of the City for the prior tax year.
7. The millage rates for the prior tax year.
8. A listing of the ten largest *ad valorem* taxpayers within the City for the prior tax year.
9. Updated Trend of Indebtedness section.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the City or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document incorporated by reference is a deemed final official statement, it shall be available from the MSRB. The City shall clearly identify each such other document so incorporated by reference.

SECTION 5. *Reporting of Listed Events.* (a) This section shall govern the giving of notices of the occurrence of any of the following Listed Events with respect to the Bonds:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of Bondholders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the City;
- (xiii) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; or
- (xiv) Appointment of a successor or additional paying agent or the change of name of the paying agent, if material.

(b) Whenever the City or the Board obtains knowledge of the occurrence of a Listed Event, the City, acting through the Board, shall direct the Dissemination Agent as soon as possible, but in no event more than ten business days after the occurrence of the event, to file a notice of such occurrence with the MSRB and with any State Information Depository.

SECTION 6. *Management Discussion of Items Disclosed.* If an item required to be disclosed as part of the Annual Report or the Listed Events would be misleading without discussion, the City shall additionally provide a statement clarifying the disclosure in order that the statement made will not be misleading in light of the circumstances in which it is made.

SECTION 7. *Termination of Reporting Obligation.* The obligations of the City under this Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 8. *Dissemination Agent.* The City, acting through the Board, may, from time to time, appoint or engage a successor Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

SECTION 9. *Amendment; Waiver.* Notwithstanding any other provision of this Disclosure Certificate, the Board, acting on behalf of itself and the City, may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if:

- (a) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the City, or type of business conducted;
- (b) This Disclosure Certificate, as amended, or the provision, as waived, would, in the opinion of a nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (c) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined either by an opinion of a nationally recognized bond counsel or by approving vote of the holders of the Bonds pursuant to the terms of the Resolution at the time of the amendment.

In the event of any such amendment or waiver of a provision of this Disclosure Certificate, the City shall describe such amendment in the next Annual Report relating to the City and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of change of accounting principles, on the presentation) of financial information or operating data being presented by or in respect of the City.

SECTION 10. *Additional Information.* Nothing in this Disclosure Certificate shall be deemed to prevent the City or the Board from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City or the Board chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, neither the City nor the Board shall have any obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. *Default.* In the event of a failure of the City to comply with any provision of this Disclosure Certificate any Bond owner (including any owner of a beneficial interest in the Bonds) or the Participating Underwriter may take such actions as may be necessary and appropriate, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 12. *Beneficiaries.* This Disclosure Certificate shall inure solely to the benefit of the City, the Board, the Dissemination Agent, the Participating Underwriter and owners (including any owner of a beneficial interest in the Bonds) from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 13. *Other Stipulations.* Any document submitted to the MSRB pursuant to this Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB. Any document submitted to the MSRB pursuant to this Disclosure Certificate shall be word-searchable (without regard to diagrams, images and other non-textual elements).

SECTION 14. *Governing Law.* This Disclosure Certificate shall be construed and interpreted in accordance with the laws of the State of Louisiana, and any suits and actions arising out of this Disclosure Certificate shall be instituted in a court of competent jurisdiction in the State of Louisiana. Notwithstanding the foregoing, to the extent this Disclosure Certificate addresses matters of federal securities laws, including the Rule, this Disclosure Certificate shall be construed and interpreted in accordance with such federal securities law and official interpretations thereof.

SECTION 15. *Mandatory Electronic Filing with EMMA.* All filings with the MSRB under this Disclosure Certificate shall be made by electronically transmitting such filings through the EMMA Dataport at <http://www.emma.msrb.org> as provided by the amendments to the Rule adopted by the SEC in Securities Exchange Release No. 59062 on December 5, 2008.

IN FAITH WHEREOF, the undersigned have executed this Disclosure Certificate on this, the 24th day of November, 2015.

CITY OF NEW ORLEANS, LOUISIANA

By: _____
Mayor

BOARD OF LIQUIDATION, CITY DEBT

By: _____
President

ATTEST:

By: _____
Secretary

EXHIBIT A
to Continuing Disclosure Certificate

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of New Orleans, Louisiana

Name of Bond Issue: \$75,440,000 General Obligation Refunding Bonds, Series 2015

Date of Issuance: November 24, 2015

NOTICE IS HEREBY GIVEN that neither the City of New Orleans, Louisiana, nor the Board of Liquidation, City Debt (the "Board"), has provided an Annual Report as required by the Continuing Disclosure Certificate executed in connection with the issuance of the above bonds. The City anticipates that its Annual Report will be filed by_____.

Date: _____

BOARD OF LIQUIDATION, CITY DEBT

By: _____
Secretary

APPENDIX “J”

BOOK-ENTRY ONLY SYSTEM

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BOOK-ENTRY ONLY SYSTEM

The Bonds initially will be issued solely in book-entry only form to be held in the system maintained by DTC. So long as such book-entry only system is used, only DTC will receive or have the right to receive physical delivery of the Bonds and Beneficial Owners will not be or be considered to be, and will not have any rights as, owners or holders of the Bonds under the Bond Resolution.

The following information about the book-entry only system applicable to the Bonds has been supplied by DTC. The Issuer makes no representations, warranties or guarantees with respect to its accuracy or completeness.

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers

of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

4. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Paying Agent, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be

requested by an authorized representative of DTC) is the responsibility of the Issuer or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, the Bonds are required to be printed and delivered.

10. The Issuer may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Bonds will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

THE ISSUER CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT THE DTC PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS (i) PAYMENTS OF PRINCIPAL OF OR INTEREST AND PREMIUM, IF ANY, ON THE BONDS; (ii) CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN BONDS; OR (iii) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNERS OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR THAT DTC, DTC PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT "RULES" APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION AND THE CURRENT "PROCEDURES" OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.

NEITHER THE ISSUER NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO SUCH DTC PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (2) THE PAYMENT BY ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OR INTEREST OR PREMIUM, IF ANY, ON THE BONDS; (3) THE DELIVERY BY ANY DTC PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE BOND RESOLUTION TO BE GIVEN TO BONDHOLDERS; (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (5) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

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