



**CITY OF NEW ORLEANS
BOARD OF LIQUIDATION,
CITY DEBT
ANNUAL FINANCIAL REPORT**

DECEMBER 31, 2017

www.bolcd.com

**BOARD OF LIQUIDATION, CITY DEBT
NEW ORLEANS, LOUISIANA**

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**BOARD OF LIQUIDATION, CITY DEBT
NEW ORLEANS, LOUISIANA**

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CITY OF NEW ORLEANS
BOARD OF LIQUIDATION,
CITY DEBT
ANNUAL FINANCIAL REPORT

INTRODUCTORY SECTION

DECEMBER 31, 2017

MEMBERS OF BOARD

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

Board of Liquidation, City Debt

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

January 3, 2017

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

Ladies and Gentlemen:

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

These transactions are reported for the twelve month period ending December 31, 2017, 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
COMPOSITION AND AUTHORITY
DECEMBER 31, 2017**

The Board of Liquidation, City Debt, is a body corporate composed of nine members. Six citizens of the City of New Orleans serve as syndicate members; along with the Mayor and Councilmembers-at-Large serving ex-officio. The Board has exclusive control and direction of all matters relating to the bonded debt of the City of New Orleans.

OFFICERS OF THE BOARD

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

COUNSEL

William R. Forrester, Jr. Esq.

MEMBERS OF THE BOARD

Mary K. Zervigon	Alan C. Arnold	Ralph W. Johnson
Mark M. Moody	Henry F. O'Connor, Jr.	Lynes R. Sloss
Stacy S. Head, Councilmember-at-Large		Ex-Officio
Mitchell J. Landrieu, Mayor		Ex-Officio
Jason R. Williams, Councilmember-at-Large		Ex-Officio

**BOARD OF LIQUIDATION, CITY DEBT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

Introduction

Within this document 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, 2017. The Board's financial activities are discussed and analyzed within the context of the accompanying financial statements and disclosures following this document. 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. There are no component units to be reported separately from the primary government.

Background

The Board of Liquidation, City Debt was established by Act No. 133, of the Acts of 1880. By this law, the Board is to provide a detailed report of its receipts and its disbursements. The Board was most recently continued under the Louisiana Revised Statutes Title 33. Accordingly, the Board's financial statements are prescribed by statute and their financial statements are prepared using a Special Purpose Framework, the Modified Cash Basis of accounting. The Modified Cash Basis of accounting is a basis of accounting other than generally accepted accounting principles (GAAP). Under the Modified Cash Basis of accounting receipts are recognized when received rather than when earned and disbursements are recognized when disbursed rather than when they are compelled to be disbursed, except for matured and unpaid bonds and coupons, certain cost of issuance and the tax credit bond loan proceeds, which are reflected as liabilities when the fiduciary funds are compelled to be disbursed.

Fund Accounting

The Board maintains one fiduciary fund to account for its activities, the Custodial Fund. A custodial fund is used to account for assets held for other funds, governments, or individuals. In addition, accounts are organized and maintained by the Board as separate accounting entities for the purpose of attaining objectives in accordance with the various special restrictions, regulations and limitations.

**BOARD OF LIQUIDATION, CITY DEBT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

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, the Custodial Fund, and include:

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

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

Basic Financial Statements

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

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

Notes to Financial Statements

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

**BOARD OF LIQUIDATION, CITY DEBT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

Other and Supplemental Information

In addition to the basic financial statements and accompanying notes, this report also presents certain other and supplemental information. This information follows the notes to the financial statements and includes, but is not limited to, items such as:

- 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, if applicable
- 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

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 following table provides a comparison of the Board's financial balances and activities:

**BOARD OF LIQUIDATION, CITY DEBT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

	<u>2017</u>	<u>2016</u>	<u>Changes</u>
Assets	\$ 175,007,575	\$298,152,622	\$(123,145,047)
Liabilities	<u>52,832,793</u>	<u>79,045,671</u>	<u>(26,212,878)</u>
Net Position	\$ <u>122,174,782</u>	\$ <u>219,106,951</u>	\$ <u>(96,932,169)</u>
Receipts	\$ 289,236,941	\$364,089,612	\$ (74,852,671)
Disbursements	<u>412,381,986</u>	<u>423,021,074</u>	<u>(10,639,088)</u>
Excess of receipts over (under) disbursements	(123,145,045)	(58,931,462)	(64,213,583)
Other sources (uses)	<u>26,212,876</u>	<u>6,089,797</u>	<u>20,123,079</u>
Change in net position	\$ <u>(96,932,169)</u>	\$ <u>(52,841,665)</u>	\$ <u>(44,090,504)</u>

Assets consist of cash, money market accounts and U.S. treasuries.

The recorded liabilities consist mostly of the Tax Credit Bond loan payable balance of \$52,604,006 of which \$4,841,852 is a current liability. This loan 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.

Net position is restricted for debt service, reserve funds and for other governments. The amounts restricted for debt service is \$44,417,227. The amounts restricted for reserve funds are \$69,980,976. The amounts restricted for other governments are \$7,776,579. The debt service funds are restricted for future debt service payments and were included in calculating the millage necessary to service the General Obligation Debt for 2017. The 2017 millage levy is 25.5 mills, remaining the same as 2016.

Receipts consist of ad valorem taxes, special taxing district fees, debt service funds, etc.

Disbursements include principal and interest on bonded debt and the tax credit bond loan, warrants paid to other governments, administrative costs of the Board, etc.

**BOARD OF LIQUIDATION, CITY DEBT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

Financial Highlights:

- Current year receipts include:
 - Ad valorem tax receipts of \$166,499,284 represent approximately 57% of total receipts
 - Debt service funds totaling \$108,894,067 represent approximately 38% of total receipts and include escrow receipts of \$65,177,788 and debt service receipts from other governments of \$43,716,279
- Current year disbursements include:
 - Debt service payments of principal, interest and administrative fees totaling \$218,331,432 represent approximately 53% of total disbursements
 - Warrants disbursed to other governments of \$193,372,977 represent approximately 46% of total disbursements

Bond Ratings

Bond ratings for the General Obligation Bonds of the City of New Orleans at December 31, 2017 were Standard and Poor's Rating AA-; Fitch Ratings A+; and Moody's Rating Service A3.

Long-term Debt Administration

The Board's financial statements are prepared on the modified cash basis of accounting and do not include the bonded debt that they administer.

At the end of the year, the Board administers total bonded debt outstanding of \$550,863,896 in General Obligation Bonds and \$14,824,770 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 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, 2017 and 2016 are as follows:

**BOARD OF LIQUIDATION, CITY DEBT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

	<u>2017</u>	<u>2016</u>
City of New Orleans:		
General Obligation Bonds	\$ 550,863,896	\$ 577,562,123
Limited Tax Bonds	<u>14,824,770</u>	<u>18,352,493</u>
	<u>565,688,666</u>	<u>595,914,616</u>
Sewerage & Water Board of New Orleans:		
Drainage System Special Tax Bonds	9,410,000	11,100,000
Sewerage Service Revenue Bonds	222,365,000	235,335,000
Louisiana Department of Environmental Quality Revolving Loan	6,906,000	7,333,000
Water Revenue Bonds	<u>200,660,000</u>	<u>203,200,000</u>
	<u>439,341,000</u>	<u>456,968,000</u>
Audubon Park Commission:		
Audubon Aquarium Bonds	<u>13,590,000</u>	<u>16,615,000</u>
Downtown Development District:		
Downtown Development District Bonds	<u>3,590,000</u>	<u>3,935,000</u>
	<u>\$ 1,022,209,666</u>	<u>\$ 1,073,432,616</u>

Contacting the Board's Financial Management

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

CITY OF NEW ORLEANS
BOARD OF LIQUIDATION,
CITY DEBT
ANNUAL FINANCIAL REPORT

FINANCIAL SECTION

DECEMBER 31, 2017

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AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

SIDNEY T. SPILSBURY, C.P.A.

(1905-1985)

KEITH T. HAMILTON, C.P.A.

(1932-2003)

LEROY P. LEGENDRE, C.P.A.

(Retired)

INDEPENDENT AUDITOR'S REPORT

President and Members
Board of Liquidation, City Debt
New Orleans, Louisiana

Report on the Financial Statements

We have audited the Statement of Assets, Liabilities and Net Position—Modified Cash Basis, Statement of Receipts, Disbursements and Changes in Net Position—Modified Cash Basis, and the related Notes to Financial Statements—Modified Cash Basis, which collectively comprise the basic financial statements for the Board of Liquidation, City Debt, a blended component unit of the City of New Orleans, as of and for the year ended December 31, 2017.

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 described in Note B; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

**President and Members
Board of Liquidation, City Debt
New Orleans, Louisiana**

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis assets, liabilities and net position of the Board of Liquidation, City Debt, as of December 31, 2017, and the receipts, disbursements and changes in net position thereof for the year then ended in accordance with the modified cash basis of accounting described in Note B.

Basis of Accounting

We draw attention to Note B of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Matters

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 introductory section and the statistical section, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information section on pages 25-42 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the supplementary information listed above is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical 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.

**President and Members
Board of Liquidation, City Debt
New Orleans, Louisiana**

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2018, 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.

A handwritten signature in blue ink that reads "Paciera, Gautreau & Priest, LLC". The signature is written in a cursive, flowing style.

Metairie, Louisiana

March 29, 2018

CITY OF NEW ORLEANS
BOARD OF LIQUIDATION,
CITY DEBT
ANNUAL FINANCIAL REPORT

BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

BOARD OF LIQUIDATION, CITY DEBT
STATEMENT OF ASSETS, LIABILITIES
AND NET POSITION - MODIFIED CASH BASIS
FIDUCIARY FUND
DECEMBER 31, 2017

	<u>Custodial Funds</u>
<u>ASSETS</u>	
Cash	\$ 2,966,825
Money market accounts	142,040,917
U.S. Treasuries	29,999,833
<i>Total Current Assets</i>	\$ 175,007,575
 <u>LIABILITIES AND NET POSITION</u>	
LIABILITIES:	
Payable within one year:	
Interest payable	\$ 86,612
Principal payable	142,175
Tax Credit Bond loan payable	4,841,852
<i>Total Current Liabilities</i>	5,070,639
Payable in more than one year:	
Tax Credit Bond loan payable	47,762,154
<i>Total Liabilities</i>	52,832,793
 NET POSITION:	
Restricted for:	
Debt service:	
Reserve funds	69,980,976
Debt service funds	44,417,227
Held for other governments	7,776,579
<i>Total Net Position</i>	122,174,782
 <i>Total Liabilities and Net Position</i>	 \$ 175,007,575

BOARD OF LIQUIDATION, CITY DEBT
STATEMENT OF RECEIPTS, DISBURSEMENTS AND
CHANGES IN NET POSITION - MODIFIED CASH BASIS
FIDUCIARY FUND
YEAR ENDED DECEMBER 31, 2017

	<u>Custodial Funds</u>
<u>RECEIPTS</u>	
Ad valorem taxes - Current year	\$ 161,343,500
Ad valorem taxes - Prior years	5,155,784
Fee - Current year	1,028,097
Fee - Prior years	52,229
Revenue sharing - State of Louisiana	593,059
Debt service funds	108,894,067
Debt service funds - Federal subsidy - Taxable Build America Bonds	958,303
Interest on investments	1,934,829
Reimbursement from FEMA	8,984,347
Excess reserve and debt service funds	292,726
<i>Total Receipts</i>	<u>289,236,941</u>
<u>DISBURSEMENTS</u>	
Interest on bonds	76,217,708
Interest on bonds - Tax Credit Bond Loan	3,596,232
Principal on bonds	112,267,950
Principal on bonds - Tax Credit Bond Loan	26,212,877
Administrative expenses - LADEQ	36,665
Warrants	193,372,977
Personnel services	463,186
Contractual services	91,295
Office expenses	25,429
Cost of issuance	97,667
<i>Total Disbursements</i>	<u>412,381,986</u>
Excess of Receipts Over (Under) Disbursements	(123,145,045)
<u>OTHER SOURCES (USES)</u>	
Change in accrued liabilities:	
Tax Credit Bond Loan payments	<u>26,212,876</u>
<i>Total Other Sources</i>	<u>26,212,876</u>
Changes in Net Position	(96,932,169)
Net Position at:	
Beginning of Year	<u>219,106,951</u>
End of Year	<u>\$ 122,174,782</u>

BOARD OF LIQUIDATION, CITY DEBT
NOTES TO FINANCIAL STATEMENTS-MODIFIED CASH BASIS
DECEMBER 31, 2017

A. General Information

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

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

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

BOARD OF LIQUIDATION, CITY DEBT
NOTES TO FINANCIAL STATEMENTS-MODIFIED CASH BASIS
(Continued)
DECEMBER 31, 2017

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.

In addition, the Board also 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,

BOARD OF LIQUIDATION, CITY DEBT
NOTES TO FINANCIAL STATEMENTS-MODIFIED CASH BASIS
(Continued)
DECEMBER 31, 2017

- 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-Boulogny Security District,
- Kingswood Subdivision Improvement District, and
- Twinbrook Security District.

Funds collected for these other governments 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.

B. Summary of Significant Accounting Policies

Fund Accounting

The Board maintains one fiduciary fund to account for its activities, the Custodial Fund. A custodial fund is used to account for assets held for other funds, governments, or individuals. In addition, the Accounts are organized and maintained by the Board as separate accounting entities for the purpose of attaining objectives in accordance with the various special restrictions, regulations and limitations. Interfund eliminations have been made in the aggregation of this data.

BOARD OF LIQUIDATION, CITY DEBT
NOTES TO FINANCIAL STATEMENTS-MODIFIED CASH BASIS
(Continued)
DECEMBER 31, 2017

Method of Accounting

The Board of Liquidation, City Debt was established by Act No. 133, of the Acts of 1880. By this law, the Board is to provide a detailed report of its receipts and its disbursements. The Board was most recently continued under the Louisiana Revised Statutes Title 33. Accordingly, the Board's financial statements are prescribed by statute and their financial statements are prepared using a Special Purpose Framework, the Modified Cash Basis of accounting. The Modified Cash Basis of accounting is a basis of accounting other than generally accepted accounting principles (GAAP). Under the Modified Cash Basis of accounting receipts are recognized when received rather than when earned and disbursements are recognized when disbursed rather than when they are compelled to be disbursed, except for matured and unpaid bonds and coupons, certain cost of issuance and the tax credit bond loan proceeds, which are reflected as liabilities when the fiduciary funds are compelled to be disbursed.

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 and is comprised of reserve funds, debt service funds, and amounts held for other governments. Reserve funds are restricted to pay debt service if pledged revenues are insufficient to satisfy the debt service requirements. Reserve fund requirements are stated in each government bond resolution. Debt service funds are restricted for the payment of debt service requirements. Issuers are required to make monthly deposits to assure the timely availability of sufficient funds for the payment of debt service requirements.

BOARD OF LIQUIDATION, CITY DEBT
NOTES TO FINANCIAL STATEMENTS—MODIFIED CASH BASIS
(Continued)
DECEMBER 31, 2017

Balances in net position restricted for debt service at December 31, 2017 is as follows:

	<u>General Obligations</u>	<u>Sewerage and Water Board</u>	<u>Downtown Development District</u>	<u>Total</u>
Reserve funds	\$37,660,754	\$32,089,192	\$231,030	\$69,980,976
Debt service funds	<u>29,897,906</u>	<u>14,517,147</u>	<u>2,174</u>	<u>44,417,227</u>
Total	<u>\$67,558,660</u>	<u>\$46,606,339</u>	<u>\$ 233,204</u>	<u>\$114,398,203</u>

Net position restricted for other governments are custodial funds that are not yet compelled to be disbursed.

In 2017, the Board early adopted applicable provisions of GASB No. 84, "Fiduciary Activities". There was no impact on beginning net position.

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.

Subsequent Events

Subsequent events have been evaluated through March 29, 2018, which is the date the financial statements were available to be issued.

C. Cash and Money Market Accounts

At December 31, 2017, the Board had \$145,007,742 (book balance) in interest-bearing demand deposits as follows:

Interest-bearing deposits:	
Cash	\$ 2,966,825
Money market accounts	<u>142,040,917</u>
	<u>145,007,742</u>

These deposits are stated at cost.

BOARD OF LIQUIDATION, CITY DEBT
NOTES TO FINANCIAL STATEMENTS-MODIFIED CASH BASIS
(Continued)
DECEMBER 31, 2017

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the Board's deposits may not be returned. As of December 31, 2017, the total bank balance of \$145,017,351 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>144,267,351</u>
	<u>\$ 145,017,351</u>

D. U.S. Treasuries

At December 31, 2017, the Board's investment in U.S. Treasury Bills, recorded at cost, totaled \$29,999,833.

E. Annual and Sick Leave

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

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

F. Pension Plan

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

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

BOARD OF LIQUIDATION, CITY DEBT
NOTES TO FINANCIAL STATEMENTS-MODIFIED CASH BASIS
(Continued)
DECEMBER 31, 2017

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

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

Employees contributed 6% of their salary in 2017. Employer contributions to the plan are based upon the amount necessary to fund normal cost and amortization of past service costs over a period of thirty years, using the level percentage of payroll method. During the year, the Board's contribution to the Plan was 21.490% of covered salaries and totaled \$46,509. These disbursements are included in 'Personnel Services' in the accompanying financial statements.

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

G. Gulf Opportunity Tax Credit Bond Loan Program

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

- Paying debt service of the City on outstanding debt for general obligation and special limited tax bonds.

BOARD OF LIQUIDATION, CITY DEBT
NOTES TO FINANCIAL STATEMENTS-MODIFIED CASH BASIS
(Continued)
DECEMBER 31, 2017

- 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. The interest rate on these loans is 4.64%.

In July 2006 \$24,713,549 was borrowed to make fiscal year 2006 debt service payments for general obligation bonds. On June 23, 2017, the Board with the agreement of the Louisiana Department of Administration made an early repayment on the outstanding balance of this loan in the amount of \$18,258,317. The balance payable as of December 31, 2017 is \$0.

In July 2006 \$2,903,660 was borrowed to make the debt service payment that was due September 1, 2006 and March 1, 2007 for the City of New Orleans Limited Tax bonds. On June 23, 2017, the Board also made an early repayment on the outstanding balance of this loan in the amount of \$2,145,218. The balance payable as of December 31, 2017 is \$0.

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. On June 23, 2017, the Board made an early repayment on the outstanding balance of this loan in the amount of \$1,182,189. The balance payable as of December 31, 2017 is \$0.

BOARD OF LIQUIDATION, CITY DEBT
NOTES TO FINANCIAL STATEMENTS—MODIFIED CASH BASIS
(Continued)
DECEMBER 31, 2017

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, 2017 the balance payable is \$52,604,006.

Maturity of long-term debt at December 31, 2017 is as follows:

Year ended December 31,	Sewerage & Water Board
2018	\$4,841,852
2019	5,066,514
2020	5,301,601
2021	5,547,595
2022	5,805,003
Thereafter	<u>26,041,441</u>
Total	<u>\$52,604,006</u>

Changes in long-term debt for the year ended December 31, 2017 is as follows:

	<u>Debt Administration</u>	<u>Sewerage and Water Board</u>	<u>Downtown Development District</u>	<u>Total</u>
Beginning Balance	\$20,403,535	\$57,231,159	\$1,182,189	\$78,816,883
Payments	<u>20,403,535</u>	<u>4,627,153</u>	<u>1,182,189</u>	<u>26,212,877</u>
Ending Balance	<u>\$ 0</u>	<u>\$52,604,006</u>	<u>\$ 0</u>	<u>\$52,604,006</u>

H. Bond Sales

There were no bond sale during the fiscal year ending December 31, 2017.

CITY OF NEW ORLEANS
BOARD OF LIQUIDATION,
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DECEMBER 31, 2017

BOARD OF LIQUIDATION, CITY DEBT
 COMBINING SCHEDULE OF ASSETS, LIABILITIES
 AND NET POSITION - MODIFIED CASH BASIS
 DECEMBER 31, 2017

	<u>Account of Debt Administration</u>	<u>Account of Sewerage & Water Board</u>
<u>ASSETS</u>		
Cash	\$ 1,594,199	\$ 1,368,533
Money market accounts	83,032,958	53,332,203
U.S. Treasuries	29,999,833	0
<i>Total Current Assets</i>	<u>\$ 114,626,990</u>	<u>\$ 54,700,736</u>
 <u>LIABILITIES AND NET POSITION</u>		
LIABILITIES:		
Payable within one year:		
Interest payable	\$ 86,612	\$ 0
Principal payable	142,175	0
Tax Credit Bond loan payable	0	4,841,852
<i>Total Current Liabilities</i>	<u>228,787</u>	<u>4,841,852</u>
Payable in more than one year:		
Tax Credit Bond loan payable	0	47,762,154
<i>Total Liabilities</i>	<u>228,787</u>	<u>52,604,006</u>
NET POSITION:		
Restricted for:		
Debt service:		
Reserve funds	69,980,976	0
Debt service funds	44,417,227	0
Held for other governments	0	2,096,730
<i>Total Net Position</i>	<u>114,398,203</u>	<u>2,096,730</u>
<i>Total Liabilities and Net Position</i>	<u>\$ 114,626,990</u>	<u>\$ 54,700,736</u>

See independent auditor's report.

Account of Downtown Development District	Account of Audubon Park Commission	Accounts of Special Taxing Districts	Total
\$ 2,645	\$ 1,448	\$ 0	\$ 2,966,825
3,040,283	0	2,635,473	142,040,917
0	0	0	29,999,833
<u>\$ 3,042,928</u>	<u>\$ 1,448</u>	<u>\$ 2,635,473</u>	<u>\$ 175,007,575</u>
\$ 0	\$ 0	\$ 0	\$ 86,612
0	0	0	142,175
0	0	0	4,841,852
<u>0</u>	<u>0</u>	<u>0</u>	<u>5,070,639</u>
0	0	0	47,762,154
<u>0</u>	<u>0</u>	<u>0</u>	<u>52,832,793</u>
0	0	0	69,980,976
0	0	0	44,417,227
3,042,928	1,448	2,635,473	7,776,579
<u>3,042,928</u>	<u>1,448</u>	<u>2,635,473</u>	<u>122,174,782</u>
\$ 3,042,928	\$ 1,448	\$ 2,635,473	\$ 175,007,575

BOARD OF LIQUIDATION, CITY DEBT
ACCOUNT OF DEBT ADMINISTRATION
COMBINING SCHEDULE OF ASSETS, LIABILITIES AND NET POSITION - MODIFIED CASH BASIS
DECEMBER 31, 2017

	General Obligation Bonds	Capital Improvement Limited Tax	Drainage System Bonds 6 mill	Drainage System Bonds 9 mill
<u>ASSETS</u>				
Cash	\$ 1,456,328	\$ 0	\$ 80	\$ 23,905
Money market accounts	36,055,751	142,437	0	68,297
U.S. Treasuries	29,999,833			
<i>Total Assets</i>	<u>\$ 67,511,912</u>	<u>\$ 142,437</u>	<u>\$ 80</u>	<u>\$ 92,202</u>
<u>LIABILITIES AND NET POSITION</u>				
Liabilities:				
Interest payable	\$ 37,389	\$ 0	\$ 80	\$ 5,755
Principal payable	58,300	0	0	18,150
<i>Total Liabilities</i>	<u>95,689</u>	<u>0</u>	<u>80</u>	<u>23,905</u>
Net Position:				
Restricted for:				
Debt service:				
Reserve funds	37,660,754	0	0	0
Debt service funds	29,755,469	142,437	0	68,297
<i>Total Net Position</i>	<u>67,416,223</u>	<u>142,437</u>	<u>0</u>	<u>68,297</u>
<i>Total Liabilities and Net Position</i>	<u>\$ 67,511,912</u>	<u>\$ 142,437</u>	<u>\$ 80</u>	<u>\$ 92,202</u>

See independent auditor's report.

Water Revenue Bonds	Sewerage Service Revenue Bonds	Sewerage & Water Board Matured Bonds	Audubon Park Commission Bonds	Downtown Development District Tax Bonds	Defeased Bonds	Total
\$ 7,562	\$ 8,401	\$ 37,142	\$ 710	\$ 2,125	\$ 57,946	\$ 1,594,199
16,807,970	29,727,424	0	0	231,079	0	83,032,958
						29,999,833
<u>\$ 16,815,532</u>	<u>\$ 29,735,825</u>	<u>\$ 37,142</u>	<u>\$ 710</u>	<u>\$ 233,204</u>	<u>\$ 57,946</u>	<u>\$ 114,626,990</u>
\$ 2,505	\$ 810	\$ 12,142	\$ 710	\$ 0	\$ 27,221	\$ 86,612
5,000	5,000	25,000	0	0	30,725	142,175
<u>7,505</u>	<u>5,810</u>	<u>37,142</u>	<u>710</u>	<u>0</u>	<u>57,946</u>	<u>228,787</u>
13,473,550	18,615,642	0	0	231,030	0	69,980,976
3,334,477	11,114,373	0	0	2,174	0	44,417,227
<u>16,808,027</u>	<u>29,730,015</u>	<u>0</u>	<u>0</u>	<u>233,204</u>	<u>0</u>	<u>114,398,203</u>
<u>\$ 16,815,532</u>	<u>\$ 29,735,825</u>	<u>\$ 37,142</u>	<u>\$ 710</u>	<u>\$ 233,204</u>	<u>\$ 57,946</u>	<u>\$ 114,626,990</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, 2017

	<u>Construction & Extention Fund 2 mill</u>	<u>Drainage System Fund 3 mill</u>	<u>Drainage System Fund 6 mill</u>
<u>ASSETS</u>			
Cash	\$ 16,445	\$ 3,932	\$ 116,308
Money market accounts	0	951,240	1,546,336
<i>Total Assets</i>	<u>\$ 16,445</u>	<u>\$ 955,172</u>	<u>\$ 1,662,644</u>
 <u>LIABILITES AND NET POSITION</u>			
Liabilities:			
Tax Credit Bond loan payable	\$ 0	\$ 0	\$ 0
Net Position:			
Restricted for:			
Held for other governments(deficit)	<u>16,445</u>	<u>955,172</u>	<u>1,662,644</u>
<i>Total Liabilities and Net Position</i>	<u>\$ 16,445</u>	<u>\$ 955,172</u>	<u>\$ 1,662,644</u>

See independent auditor's report.

Drainage System Fund 9 mill	Water Revenue Bond Proceeds	Sewerage Service Revenue Bond Proceeds	Total
\$ 3,117	\$ 600,171	\$ 628,560	\$ 1,368,533
879,298	49,506,868	448,461	53,332,203
<u>\$ 882,415</u>	<u>\$ 50,107,039</u>	<u>\$ 1,077,021</u>	<u>\$ 54,700,736</u>
\$ 2,943,829	\$ 4,622,429	\$ 45,037,748	\$ 52,604,006
(2,061,414)	45,484,610	(43,960,727)	2,096,730
<u>\$ 882,415</u>	<u>\$ 50,107,039</u>	<u>\$ 1,077,021</u>	<u>\$ 54,700,736</u>

BOARD OF LIQUIDATION, CITY DEBT
ACCOUNT OF DOWNTOWN DEVELOPMENT DISTRICT OF NEW ORLEANS
COMBINING SCHEDULE OF ASSETS AND
NET POSITION - MODIFIED CASH BASIS
DECEMBER 31, 2017

	Special Tax Fund	DDD Bond Proceeds	Total
<u>ASSETS</u>			
Cash	\$ 586	\$ 2,059	\$ 2,645
Money market accounts	3,040,283	0	3,040,283
<i>Total Assets</i>	\$ 3,040,869	\$ 2,059	\$ 3,042,928
 <u>NET POSITION</u>			
Net Position:			
Restricted for:			
Held for other governments	\$ 3,040,869	\$ 2,059	\$ 3,042,928
<i>Total Net Position</i>	\$ 3,040,869	\$ 2,059	\$ 3,042,928

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, 2017

	Aquarium Tax Fund	Special Tax Fund	Total
<u>ASSETS</u>			
Cash	\$ 1,026	\$ 422	\$ 1,448
<i>Total Assets</i>	\$ 1,026	\$ 422	\$ 1,448
<u>NET POSITION</u>			
Net Position:			
Restricted for:			
Held for other governments	\$ 1,026	\$ 422	\$ 1,448
<i>Total Net Position</i>	\$ 1,026	\$ 422	\$ 1,448

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, 2017

	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	\$ 1,076,046	\$ 24,007	\$ 153,611	\$ 62,534	\$ 65,180	\$ 74,715
<i>Total Assets</i>	<u>\$ 1,076,046</u>	<u>\$ 24,007</u>	<u>\$ 153,611</u>	<u>\$ 62,534</u>	<u>\$ 65,180</u>	<u>\$ 74,715</u>
<u>NET POSITION</u>						
Restricted for: Held for other governments	\$ 1,076,046	\$ 24,007	\$ 153,611	\$ 62,534	\$ 65,180	\$ 74,715
<i>Total Net Position</i>	<u>\$ 1,076,046</u>	<u>\$ 24,007</u>	<u>\$ 153,611</u>	<u>\$ 62,534</u>	<u>\$ 65,180</u>	<u>\$ 74,715</u>

See independent auditor's report.

Lake Forest Estates Improvement District	Lake Oaks Subdivision Improvement District	McKendall Estates Neighborhood Improvement District	Spring Lake Improvement District	Touro-Boulogny Security District	Twinbrook Security District	Upper Hurstville Security District	Total
\$ 136,314	\$ 67,936	\$ 36,163	\$ 65,463	\$ 484,644	\$ 201,779	\$ 187,081	\$ 2,635,473
<u>\$ 136,314</u>	<u>\$ 67,936</u>	<u>\$ 36,163</u>	<u>\$ 65,463</u>	<u>\$ 484,644</u>	<u>\$ 201,779</u>	<u>\$ 187,081</u>	<u>\$ 2,635,473</u>

\$ 136,314	\$ 67,936	\$ 36,163	\$ 65,463	\$ 484,644	\$ 201,779	\$ 187,081	\$ 2,635,473
<u>\$ 136,314</u>	<u>\$ 67,936</u>	<u>\$ 36,163</u>	<u>\$ 65,463</u>	<u>\$ 484,644</u>	<u>\$ 201,779</u>	<u>\$ 187,081</u>	<u>\$ 2,635,473</u>

BOARD OF LIQUIDATION, CITY DEBT
ACCOUNT OF DEBT ADMINISTRATION
SEWERAGE & WATER BOARD MATURED BONDS
COMBINING SCHEDULE OF ASSETS AND LIABILITIES - MODIFIED CASH BASIS
DECEMBER 31, 2017

	Sewerage, Water & Drainage Bonds 2 mill *	Drainage System Bonds 3 mill 6.40	Total
<u>ASSETS</u>			
Cash	\$ 30,243	\$ 6,899	\$ 37,142
<i>Total Assets</i>	\$ 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
ACCOUNT OF DEBT ADMINISTRATION
DEFEASED BONDS
COMBINING SCHEDULE OF ASSETS, LIABILITIES AND NET POSITION - MODIFIED CASH BASIS
DECEMBER 31, 2017

	General Obligation Bonds	Sewerage Service Revenue Bonds	Water Revenue Bonds	Audubon Park Commission Improve- ment Bonds	Total
<u>ASSETS</u>					
Cash	\$ 33,612	\$ 14,320	\$ 7,795	\$ 2,219	\$ 57,946
<i>Total Assets</i>	<u>\$ 33,612</u>	<u>\$ 14,320</u>	<u>\$ 7,795</u>	<u>\$ 2,219</u>	<u>\$ 57,946</u>
<u>LIABILITIES AND NET POSITION</u>					
Liabilities:					
Interest payable	\$ 15,422	\$ 1,785	\$ 7,795	\$ 2,219	\$ 27,221
Principal payable	18,190	12,535	0	0	30,725
<i>Total Liabilities</i>	<u>33,612</u>	<u>14,320</u>	<u>7,795</u>	<u>2,219</u>	<u>57,946</u>
Net Position	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Liabilities and Net Position</i>	<u>\$ 33,612</u>	<u>\$ 14,320</u>	<u>\$ 7,795</u>	<u>\$ 2,219</u>	<u>\$ 57,946</u>

BOARD OF LIQUIDATION, CITY DEBT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS AND
 CHANGES IN NET POSITION - MODIFIED CASH BASIS
 YEAR ENDED DECEMBER 31, 2017

	Account of Debt Administration	Account of Sewerage & Water Board
<u>RECEIPTS</u>		
Ad valorem taxes - Current year	\$ 88,290,473	\$ 53,847,294
Ad valorem taxes - Prior years	2,736,693	1,785,958
Fee - Current year	0	0
Fee - Prior years	0	0
Revenue sharing - State of Louisiana	0	593,059
Debt service funds	108,894,067	0
Debt service funds - Federal subsidy - Taxable Build America Bonds	958,303	0
Interest on investments	1,027,622	871,076
Reimbursement from FEMA	0	8,984,347
Excess reserve and debt service funds	249	291,899
<i>Total Receipts</i>	201,907,407	66,373,633
<u>DISBURSEMENTS</u>		
Interest on bonds	76,217,708	0
Interest on bonds - Tax Credit Bond Loan	3,596,232	0
Principal on bonds	112,267,950	0
Principal on bonds - Tax Credit Bond Loan	26,212,877	0
Administrative expenses - LADEQ	36,665	0
Warrants	0	177,455,665
Personnel services	463,186	0
Contractual services	91,295	0
Office expenses	25,429	0
Cost of issuance	97,667	0
<i>Total Disbursements</i>	219,009,009	177,455,665
Excess of Receipts Over (Under) Disbursements	(17,101,602)	(111,082,032)
<u>OTHER SOURCES (USES)</u>		
Transfers in (out)	7,906,236	(2,425,596)
Change in accrued liabilities:		
Tax Credit Bond Loan payments	20,403,535	4,627,153
<i>Total Other Sources (Uses)</i>	28,309,771	2,201,557
Changes in Net Position	11,208,169	(108,880,475)
Net Position at:		
Beginning of Year	103,190,034	110,977,205
End of Year	\$ 114,398,203	\$ 2,096,730

See independent auditor's report.

Account of Downtown Development District	Account of Audubon Park Commission	Accounts of Special Taxing Districts	Total
\$ 7,010,915	\$ 10,960,129	\$ 1,234,689	\$ 161,343,500
262,377	359,127	11,629	5,155,784
0	0	1,028,097	1,028,097
0	0	52,229	52,229
0	0	0	593,059
0	0	0	108,894,067
0	0	0	958,303
28,033	0	8,098	1,934,829
0	0	0	8,984,347
578	0	0	292,726
<u>7,301,903</u>	<u>11,319,256</u>	<u>2,334,742</u>	<u>289,236,941</u>
0	0	0	76,217,708
0	0	0	3,596,232
0	0	0	112,267,950
0	0	0	26,212,877
0	0	0	36,665
6,402,392	7,495,000	2,019,920	193,372,977
0	0	0	463,186
0	0	0	91,295
0	0	0	25,429
0	0	0	97,667
<u>6,402,392</u>	<u>7,495,000</u>	<u>2,019,920</u>	<u>412,381,986</u>
899,511	3,824,256	314,822	(123,145,045)
(1,656,740)	(3,823,900)	0	0
1,182,188	0	0	26,212,876
<u>(474,552)</u>	<u>(3,823,900)</u>	<u>0</u>	<u>26,212,876</u>
424,959	356	314,822	(96,932,169)
2,617,969	1,092	2,320,651	219,106,951
<u>\$ 3,042,928</u>	<u>\$ 1,448</u>	<u>\$ 2,635,473</u>	<u>\$ 122,174,782</u>

BOARD OF LIQUIDATION, CITY DEBT
ACCOUNT OF DEBT ADMINISTRATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS AND
CHANGES IN NET POSITION - MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2017

	General Obligation Bonds	Capital Improvement Limited Tax	Drainage System Bonds 9 mill
<u>RECEIPTS</u>			
Ad valorem taxes - Current year	\$ 84,438,268	\$ 3,852,205	\$ 0
Ad valorem taxes - Prior years	2,736,693	0	0
Debt service funds	0	0	0
Debt service funds - Federal subsidy - Taxable Build America Bonds	958,303	0	0
Interest on investments	1,027,622	0	0
Excess reserve and debt service funds	0	0	0
<i>Total Receipts</i>	89,160,886	3,852,205	0
<u>DISBURSEMENTS</u>			
Interest on bonds	49,009,051	364,088	334,050
Interest on bonds - Tax Credit Bond Loan	889,188	0	148,608
Principal on bonds	26,698,227	3,527,723	1,690,000
Principal on bonds - Tax Credit Bond Loan	18,258,317	2,145,218	258,945
Administrative Expenses - LADEQ	0	0	0
Personnel services	463,186	0	0
Contractual services	91,295	0	0
Office expenses	25,429	0	0
Cost of issuance	97,667	0	0
<i>Total Disbursements</i>	95,532,360	6,037,029	2,431,603
Excess of Receipts Over (Under) Disbursements	(6,371,474)	(2,184,824)	(2,431,603)
<u>OTHER SOURCES (USES)</u>			
Transfers in	0	0	2,425,596
Change in accrued liabilities: Tax Credit Bond Loan payments	18,258,317	2,145,218	0
<i>Total Other Sources (Uses)</i>	18,258,317	2,145,218	2,425,596
Changes in Net Position	11,886,843	(39,606)	(6,007)
Net Position at:			
Beginning of Year	55,529,380	182,043	74,304
End of Year	\$ 67,416,223	\$ 142,437	\$ 68,297

See independent auditor's report.

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	\$ 88,290,473
0	0	0	0	0	0	2,736,693
13,338,245	30,378,034	0	0	0	65,177,788	108,894,067
0	0	0	0	0	0	958,303
0	0	0	0	0	0	1,027,622
122	127	0	0	0	0	249
<u>13,338,367</u>	<u>30,378,161</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>65,177,788</u>	<u>201,907,407</u>
10,100,550	11,372,823	0	798,900	105,458	4,132,788	76,217,708
233,347	2,273,570	0	0	51,519	0	3,596,232
2,540,000	13,397,000	0	3,025,000	345,000	61,045,000	112,267,950
406,598	3,961,610	0	0	1,182,189	0	26,212,877
0	36,665	0	0	0	0	36,665
0	0	0	0	0	0	463,186
0	0	0	0	0	0	91,295
0	0	0	0	0	0	25,429
0	0	0	0	0	0	97,667
<u>13,280,495</u>	<u>31,041,668</u>	<u>0</u>	<u>3,823,900</u>	<u>1,684,166</u>	<u>65,177,788</u>	<u>219,009,009</u>
57,872	(663,507)	0	(3,823,900)	(1,684,166)	0	(17,101,602)
0	0	0	3,823,900	1,656,740	0	7,906,236
0	0	0	0	0	0	20,403,535
<u>0</u>	<u>0</u>	<u>0</u>	<u>3,823,900</u>	<u>1,656,740</u>	<u>0</u>	<u>28,309,771</u>
57,872	(663,507)	0	0	(27,426)	0	11,208,169
16,750,155	30,393,522	0	0	260,630	0	103,190,034
<u>\$ 16,808,027</u>	<u>\$ 29,730,015</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 233,204</u>	<u>\$ 0</u>	<u>\$ 114,398,203</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, 2017

	Construction & Extention Fund 2 mill	Drainage System Fund 3 mill	Drainage System Fund 6 mill
<u>RECEIPTS</u>			
Ad valorem taxes - Current year	\$ 0	\$ 14,873,626	\$ 15,595,948
Ad valorem taxes - Prior years	2,319	505,893	511,377
Revenue sharing - State of Louisiana	0	593,059	0
Interest on investments	0	24,691	50,009
Reimbursement from FEMA	0	0	0
Excess reserve and debt service funds	0	0	0
<i>Total Receipts</i>	<u>2,319</u>	<u>15,997,269</u>	<u>16,157,334</u>
<u>DISBURSEMENTS</u>			
Warrants	0	22,689,365	17,051,326
<i>Total Disbursements</i>	<u>0</u>	<u>22,689,365</u>	<u>17,051,326</u>
Excess of Receipts Over (Under) Disbursements	2,319	(6,692,096)	(893,992)
<u>OTHER SOURCES (USES)</u>			
Transfers (out)	0	0	0
Change in accrued liabilities:			
Tax Credit Bond Loan payments	0	0	0
<i>Total Other Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>
Changes in Net Position	2,319	(6,692,096)	(893,992)
Net Position at:			
Beginning of Year	14,126	7,647,268	2,556,636
End of Year	<u>\$ 16,445</u>	<u>\$ 955,172</u>	<u>\$ 1,662,644</u>

See independent auditor's report.

Drainage System Fund 9 mill	Water Revenue Bond Proceeds	Sewerage Service Revenue Bond Proceeds	Total
\$ 23,377,720	\$ 0	\$ 0	\$ 53,847,294
766,369	0	0	1,785,958
0	0	0	593,059
35,852	585,586	174,938	871,076
0	7,246,712	1,737,635	8,984,347
0	116,096	175,803	291,899
<u>24,179,941</u>	<u>7,948,394</u>	<u>2,088,376</u>	<u>66,373,633</u>
<u>28,223,537</u>	<u>54,252,459</u>	<u>55,238,978</u>	<u>177,455,665</u>
<u>28,223,537</u>	<u>54,252,459</u>	<u>55,238,978</u>	<u>177,455,665</u>
(4,043,596)	(46,304,065)	(53,150,602)	(111,082,032)
(2,425,596)	0	0	(2,425,596)
258,945	406,598	3,961,610	4,627,153
<u>(2,166,651)</u>	<u>406,598</u>	<u>3,961,610</u>	<u>2,201,557</u>
(6,210,247)	(45,897,467)	(49,188,992)	(108,880,475)
4,148,833	91,382,077	5,228,265	110,977,205
<u>\$ (2,061,414)</u>	<u>\$ 45,484,610</u>	<u>\$ (43,960,727)</u>	<u>\$ 2,096,730</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, 2017

	<u>Special Tax Fund</u>	<u>DDD Bond Proceeds</u>	<u>Total</u>
<u>RECEIPTS</u>			
Ad valorem taxes - Current year	\$ 7,010,915	\$ 0	\$ 7,010,915
Ad valorem taxes - Prior years	262,377	0	262,377
Interest on investments	28,033	0	28,033
Excess reserve and debt service funds	0	578	578
<i>Total Receipts</i>	<u>7,301,325</u>	<u>578</u>	<u>7,301,903</u>
<u>DISBURSEMENTS</u>			
Warrants	6,402,392	0	6,402,392
<i>Total Disbursements</i>	<u>6,402,392</u>	<u>0</u>	<u>6,402,392</u>
Excess of Receipts Over (Under) Disbursements	<u>898,933</u>	<u>578</u>	<u>899,511</u>
<u>OTHER SOURCES (USES)</u>			
Transfers (out)	(1,656,740)		(1,656,740)
Change in accrued liabilities:			
Tax Credit Bond Loan payments	1,182,188	0	1,182,188
<i>Total Other Sources (Uses)</i>	<u>(474,552)</u>	<u>0</u>	<u>(474,552)</u>
Changes in Net Position	424,381	578	424,959
Net Position at:			
Beginning of Year	2,616,488	1,481	2,617,969
End of Year	<u>\$ 3,040,869</u>	<u>\$ 2,059</u>	<u>\$ 3,042,928</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, 2017

	Aquarium Tax Fund	Special Tax Fund	Total
<u>RECEIPTS</u>			
Ad valorem taxes - Current year	\$ 9,900,511	\$ 1,059,618	\$ 10,960,129
Ad valorem taxes - Prior years	324,369	34,758	359,127
<i>Total Receipts</i>	10,224,880	1,094,376	11,319,256
<u>DISBURSEMENTS</u>			
Warrants	6,401,000	1,094,000	7,495,000
<i>Total Disbursements</i>	6,401,000	1,094,000	7,495,000
Excess of Receipts Over Disbursements	3,823,880	376	3,824,256
<u>OTHER SOURCES (USES)</u>			
Transfers (out)	(3,823,900)	0	(3,823,900)
<i>Total Other Sources (Uses)</i>	(3,823,900)	0	(3,823,900)
Changes in Net Position	(20)	376	356
Net Position at:			
Beginning of Year	1,046	46	1,092
End of Year	\$ 1,026	\$ 422	\$ 1,448

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, 2017

	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	\$ 869,993	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Ad valorem taxes - Prior years	8,074	0	0	0	0	0
Fee - Current year	0	30,690	71,362	64,758	66,330	78,718
Fee - Prior year	0	1,783	6,864	3,465	743	3,960
Interest on investments	3,213	81	433	203	215	284
<i>Total Receipts</i>	<u>881,280</u>	<u>32,554</u>	<u>78,659</u>	<u>68,426</u>	<u>67,288</u>	<u>82,962</u>
<u>DISBURSEMENTS</u>						
Warrants	695,000	32,500	63,000	70,000	65,000	100,000
<i>Total Disbursements</i>	<u>695,000</u>	<u>32,500</u>	<u>63,000</u>	<u>70,000</u>	<u>65,000</u>	<u>100,000</u>
Excess of Receipts Over (Under) Disbursements	<u>186,280</u>	<u>54</u>	<u>15,659</u>	<u>(1,574)</u>	<u>2,288</u>	<u>(17,038)</u>
Changes in Net Position	186,280	54	15,659	(1,574)	2,288	(17,038)
Net Position at:						
Beginning of Year	889,766	23,953	137,952	64,108	62,892	91,753
End of Year	<u>\$ 1,076,046</u>	<u>\$ 24,007</u>	<u>\$ 153,611</u>	<u>\$ 62,534</u>	<u>\$ 67,468</u>	<u>\$ 74,715</u>

See independent auditor's report.

Lake Forest Estates Improvement District	Lake Oaks Subdivision Improvement District	McKendall Estates Neighborhood Improvement District	Spring Lake Improvement District	Touro-Boulogny Security District	Twinbrook Security District	Upper Hurstville Security District	Total
\$ 0	\$ 0	\$ 0	\$ 0	\$ 364,696	\$ 0	\$ 0	\$ 1,234,689
0	0	0	0	3,555	0	0	11,629
84,026	108,900	32,917	36,630	0	243,564	210,202	1,028,097
30,822	396	742	1,103	0	2,351	0	52,229
378	248	194	186	1,388	685	590	8,098
115,226	109,544	33,853	37,919	369,639	246,600	210,792	2,334,742
83,420	111,000	70,000	40,000	310,000	220,000	160,000	2,019,920
83,420	111,000	70,000	40,000	310,000	220,000	160,000	2,019,920
31,806	(1,456)	(36,147)	(2,081)	59,639	26,600	50,792	314,822
31,806	(1,456)	(36,147)	(2,081)	59,639	26,600	50,792	314,822
104,508	69,392	72,310	67,544	425,005	175,179	136,289	2,320,651
\$ 136,314	\$ 67,936	\$ 16	\$ 65,463	\$ 484,644	\$ 201,779	\$ 187,081	\$ 2,635,473

BOARD OF LIQUIDATION, CITY DEBT
ACCOUNT OF DEBT ADMINISTRATION
DEFEASED BONDS
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN NET POSITION - MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2017

	General Obligation Bonds	Sewerage Service Revenue Bonds	Water Revenue Bonds	Audubon Park Commission Improve- ment Bonds	Total
<u>RECEIPTS</u>					
Debt service funds	\$ 63,171,075	\$ 2,006,713	\$ 0	\$ 0	\$ 65,177,788
<u>DISBURSEMENTS</u>					
Interest on bonds	3,066,075	1,066,713	0	0	4,132,788
Principal on bonds	60,105,000	940,000	0	0	61,045,000
<i>Total Disbursements</i>	<u>63,171,075</u>	<u>2,006,713</u>	<u>0</u>	<u>0</u>	<u>65,177,788</u>
Excess of Receipts Over Disbursements	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Changes in Net Position	0	0	0	0	0
Net Position at:					
Beginning of year	0	0	0	0	0
End of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

BOARD OF LIQUIDATION, CITY DEBT
ACCOUNT OF DEBT ADMINISTRATION
SCHEDULE OF ITEMIZED DISBURSEMENTS - INTEREST, ADMINISTRATIVE
EXPENSES AND PRINCIPAL PAID - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Interest and Administrative	
	Debt Service Fund	Federal Subsidy Taxable BAB
BONDS		
<u>GENERAL OBLIGATION BONDS</u>		
Public Improvement Bonds, Issue of 2007A	\$ 97,250	\$ 0
Public Improvement Bonds, Issue of 2010A BABs	1,977,900	958,303
Taxable Public Improvement Bonds, Issue of 2013A	1,695,617	0
Taxable Public Improvement Bonds, Issue of 2014A	2,159,675	0
Taxable Public Improvement Bonds, Issue of 2015A	2,634,766	0
Taxable Public Improvement Bonds, Issue of 2016	2,761,742	0
General Obligation Refunding Bonds, Series 1991	21,321,773	0
General Obligation Refunding Bonds, Series 1998	2,436,225	0
General Obligation Refunding Bonds, Series 2012	7,648,950	0
General Obligation Refunding Bonds, Series 2015	3,168,875	0
General Obligation Refunding Bonds, Series 2016	2,147,975	0
<i>Total General Obligation Bonds</i>	48,050,748	958,303
<u>SPECIAL TAX BONDS</u>		
Limited Tax Bonds, Series 2015A	237,808	0
Taxable Limited Tax Bonds, Series 2015B	126,280	0
<i>Total Limited Tax Bonds</i>	364,088	0
<u>SEWER & WATER BOARD SPECIAL TAX BONDS</u>		
Drainage System Bonds, Series 2014	334,050	0
<u>SEWER & WATER BOARD REVENUE BONDS</u>		
Sewerage Service Revenue Bonds, Series 2014	6,339,825	0
Sewerage Service Revenue Bonds, Series 2015	5,000,000	0
Water Revenue Bonds, Series 2014	5,160,000	0
Water Revenue Bonds, Series 2015	4,940,550	0
<i>Total Sewer & Water Board Revenue Bonds</i>	21,440,375	0
<u>SEWERAGE & WATER BOARD SUBORDINATE REVENUE BONDS</u>		
Sewerage Revenue Subordinate Bonds, Series 2011	69,663	0
<u>AUDUBON COMMISSION SPECIAL TAX BONDS</u>		
Audubon Park Commission Aquarium Bonds, Series 2011A-1	798,900	0
<u>DOWNTOWN DEVELOPMENT DISTRICT SPECIAL TAX BONDS</u>		
Downtown Development District Special Tax Bonds, Series 2012	105,458	0
DEFEASED BONDS		
<u>GENERAL OBLIGATION DEFEASED BONDS</u>		
Public Improvement Bonds, Issue of 2007	3,066,075	0

See independent auditor's report.

<u>Expenses Paid</u>		<u>Principal Paid</u>	
		Debt Service Fund	
<u>Total</u>			<u>Total</u>
\$ 97,250	\$ 1,945,000		\$ 2,042,250
2,936,203	875,000		3,811,203
1,695,617	840,000		2,535,617
2,159,675	675,000		2,834,675
2,634,766	1,255,000		3,889,766
2,761,742	1,405,000		4,166,742
21,321,773	4,118,227		25,440,000
2,436,225	3,460,000		5,896,225
7,648,950	4,580,000		12,228,950
3,168,875	6,630,000		9,798,875
2,147,975	915,000		3,062,975
<u>49,009,051</u>	<u>26,698,227</u>		<u>75,707,278</u>
237,808	2,476,902		2,714,710
126,280	1,050,821		1,177,101
<u>364,088</u>	<u>3,527,723</u>		<u>3,891,811</u>
334,050	1,690,000		2,024,050
6,339,825	12,970,000		19,309,825
5,000,000	0		5,000,000
5,160,000	2,540,000		7,700,000
4,940,550	0		4,940,550
<u>21,440,375</u>	<u>15,510,000</u>		<u>36,950,375</u>
69,663	427,000		496,663
798,900	3,025,000		3,823,900
105,458	345,000		450,458
<u>3,066,075</u>	<u>60,105,000</u>		<u>63,171,075</u>

BOARD OF LIQUIDATION, CITY DEBT
ACCOUNT OF DEBT ADMINISTRATION
SCHEDULE OF ITEMIZED DISBURSEMENTS - INTEREST, ADMINISTRATIVE
EXPENSES AND PRINCIPAL PAID - MODIFIED CASH BASIS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

	Interest and Administrative	
	Debt Service Fund	Federal Subsidy Taxable BAB
<u>SEWER & WATER BOARD REVENUE BONDS</u>		
Sewerage Service Revenue Bonds, Series 2009	\$ 1,066,713	\$ 0
<i>Total Itemized Disbursements-Interest, Principal and Premium Paid excluding GO Zone Loan Payments</i>	<u>75,296,070</u>	<u>958,303</u>
GO ZONE LOAN PAID TO LA DEPARTMENT OF ADMINISTRATION		
<u>GENERAL OBLIGATION BONDS</u>		
General Obligation Bonds	889,188	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	52,839	0
Drainage System Bonds, Series 2002	95,769	0
Total Drainage System 9 mill bonds	<u>148,608</u>	<u>0</u>
<u>SEWER & WATER BOARD REVENUE BONDS</u>		
Sewerage Service Revenue Bonds, Series 1997	172,045	0
Sewerage Service Revenue Bonds, Series 1998	135,850	0
Sewerage Service Revenue Bonds, Series 2000	95,984	0
Sewerage Service Revenue Bonds, Series 2000B	115,214	0
Sewerage Service Revenue Bonds, Series 2001	182,004	0
Sewerage Service Revenue Bonds, Series 2002	304,857	0
Sewerage Service Revenue Bonds, Series 2003	17,043	0
Sewerage Service Revenue Bonds, Series 2004	170,746	0
Sewerage Service Revenue Refunding BANS, Series 2005	1,079,827	0
Total Sewerage Service Revenue Bonds	<u>2,273,570</u>	<u>0</u>
Water Revenue Bonds, Series 1998	85,101	0
Water Revenue Bonds, Series 2002	148,246	0
Total Water Revenue Bonds	<u>233,347</u>	<u>0</u>
<u>DOWNTOWN DEVELOPMENT DISTRICT SPECIAL TAX BONDS</u>		
Downtown Development District Special Tax Bonds	51,519	0
<i>Total GO Zone Paid to LA Department of Administration</i>	<u>3,596,232</u>	<u>0</u>
<i>Total Itemized Disbursements-Interest, Principal and Premium Paid</i>	<u>\$78,892,302</u>	<u>\$ 958,303</u>

See independent auditor's report.

<u>Expenses Paid</u>	<u>Principal Paid</u>	
<u>Total Interest</u>	<u>Debt Service Fund</u>	<u>Total Interest, Premium and Principal</u>
\$ 1,066,713	\$ 940,000	\$ 2,006,713
76,254,373	112,267,950	188,522,323
889,188	18,258,317	19,147,505
0	2,145,218	2,145,218
52,839	92,070	144,909
95,769	166,875	262,644
148,608	258,945	407,553
172,045	299,782	471,827
135,850	236,714	372,564
95,984	167,249	263,233
115,214	200,755	315,969
182,004	317,135	499,139
304,857	531,203	836,060
17,043	29,697	46,740
170,746	297,518	468,264
1,079,827	1,881,557	2,961,384
2,273,570	3,961,610	6,235,180
85,101	148,284	233,385
148,246	258,314	406,560
233,347	406,598	639,945
51,519	1,182,189	1,233,708
3,596,232	26,212,877	29,809,109
\$ 79,850,605	\$ 138,480,827	\$ 218,331,432

BOARD OF LIQUIDATION, CITY DEBT
ACCOUNT OF DEBT ADMINISTRATION
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY
HEAD OR CHIEF EXECUTIVE OFFICER - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

Agency Head Name: David W. Gernhauser, Sr.

Purpose	Amount
Salary	\$135,114
Benefits- Insurance	\$8,569
Benefits- Retirement	N/A
Benefits- Any Other	N/A
Car Allowance	N/A
Vehicle provided by Gov.	N/A
Per diem	N/A
Reimbursements	N/A
Travel	N/A
Registration fees	N/A
Conference travel	N/A
Continuing professional education fees	N/A
Housing	N/A
Unvouchered expenses	N/A
Special Meals	N/A

1. BLCD paid \$714 per month to City of New Orleans Hospitalization.

CITY OF NEW ORLEANS
BOARD OF LIQUIDATION,
CITY DEBT
ANNUAL FINANCIAL REPORT

**STATISTICAL SECTION -
UNAUDITED**

DECEMBER 31, 2017

BOARD OF LIQUIDATION, CITY DEBT
SCHEDULE OF BONDED DEBT ADMINISTERED BY BOARD OF LIQUIDATION, CITY DEBT
DECEMBER 31, 2017
(Unaudited)

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

See accompanying notes.

Principal due 2018	Interest due 2018	Debt Service due 2018	Amount Outstanding (Note A.)
\$ 3,838,896	\$ 21,601,104	\$ 25,440,000	\$ 3,838,896
3,675,000	2,245,925	5,920,925	40,835,000
915,000	2,877,140	3,792,140	34,475,000
865,000	1,670,418	2,535,418	36,785,000
695,000	2,139,425	2,834,425	37,280,000
1,305,000	2,584,566	3,889,566	62,540,000
1,425,000	2,799,085	4,224,085	68,595,000
4,315,000	7,465,750	11,780,750	149,815,000
6,910,000	2,903,675	9,813,675	62,490,000
2,970,000	2,120,525	5,090,525	54,210,000
<u>\$ 26,913,896</u>	<u>\$ 48,407,613</u>	<u>\$ 75,321,509</u>	<u>\$ 550,863,896</u>
\$ 2,526,171	\$ 192,096	\$ 2,718,267	\$ 10,408,863
1,071,537	102,007	1,173,544	4,415,907
<u>\$ 3,597,708</u>	<u>\$ 294,103</u>	<u>\$ 3,891,811</u>	<u>\$ 14,824,770</u>
<u>\$ 1,745,000</u>	<u>\$ 283,350</u>	<u>\$ 2,028,350</u>	<u>\$ 9,410,000</u>
\$ 11,925,000	\$ 5,717,450	\$ 17,642,450	\$ 122,365,000
0	5,000,000	5,000,000	100,000,000
<u>\$ 11,925,000</u>	<u>\$ 10,717,450</u>	<u>\$ 22,642,450</u>	<u>\$ 222,365,000</u>
<u>\$ 431,000</u>	<u>\$ 65,607</u>	<u>\$ 496,607</u>	<u>\$ 6,906,000</u>

BOARD OF LIQUIDATION, CITY DEBT
 SCHEDULE OF BONDED DEBT ADMINISTERED BY BOARD OF LIQUIDATION, CITY DEBT
 (CONTINUED)
 DECEMBER 31, 2017
 (Unaudited)

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

See accompanying notes.

Principal due 2018	Interest due 2018	Debt Service due 2018	Amount Outstanding (Note A.)
\$ 2,660,000	\$ 5,033,000	\$ 7,693,000	\$ 100,660,000
700,000	4,940,550	5,640,550	100,000,000
<u>\$ 3,360,000</u>	<u>\$ 9,973,550</u>	<u>\$ 13,333,550</u>	<u>\$ 200,660,000</u>
<u>\$ 3,185,000</u>	<u>\$ 647,650</u>	<u>\$ 3,832,650</u>	<u>\$ 13,590,000</u>
<u>\$ 350,000</u>	<u>\$ 96,212</u>	<u>\$ 446,212</u>	<u>\$ 3,590,000</u>

BOARD OF LIQUIDATION, CITY DEBT
NOTES TO SCHEDULE OF BONDED DEBT ADMINISTERED
BY BOARD OF LIQUIDATION, CITY DEBT
DECEMBER 31, 2017
(Unaudited)

- A. Amount Outstanding - Amount excludes balances recorded as liabilities in the Combining Schedule of Assets, Liabilities and Net Position - Modified Cash Basis.
- B. General Obligation Bonds, Series 1991 - Portions of these series were refunded in 1998 and 2002. The debt service is guaranteed by escrow agreements.
- C. General Obligation Refunding Bonds, Series 1998 - Portions of this series was refunded in 2012. The debt service is guaranteed by escrow agreements.
- D. On June 18, 2014, as a result of the issuance of Sewerage Service Revenue and Refunding Bonds, Series 2014, the LADEQ Sewerage Service Subordinate Revenue Bonds, Series 2011, were elevated to parity status.

BOARD OF LIQUIDATION, CITY DEBT
SCHEDULE OF DEFEASED BONDED DEBT ADMINISTERED BY BOARD OF LIQUIDATION, CITY DEBT
DECEMBER 31, 2017
(Unaudited)

	Date of Bonds	Date of Defeasance	Date of Calls or Final Maturity
SEWERAGE & WATER BOARD OF NEW ORLEANS - DEFEASED Sewerage Service Revenue Bonds, Series 2009	July 14, 2009	July 2, 2014	Jun. 1, 2019

Principal due 2018	Interest due 2018	Debt Service due 2018	Amount Outstanding
<u>\$ 995,000</u>	<u>\$ 1,011,669</u>	<u>\$ 2,006,669</u>	<u>\$ 17,020,000</u>

BOARD OF LIQUIDATION, CITY DEBT
SCHEDULE OF DEDICATED AD VALOREM TAX MILLAGE
AVAILABLE FOR SERVICING BONDED DEBT
DECEMBER 31, 1993 THROUGH DECEMBER 31, 2017
(Unaudited)

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

See accompanying notes.

Millage (Note A.)

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

BOARD OF LIQUIDATION, CITY DEBT
NOTES TO SCHEDULE OF DEDICATED AD VALOREM TAX MILLAGE
AVAILABLE FOR SERVICING OF BONDED DEBT
DECEMBER 31, 2017
(Unaudited)

- 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 was effective beginning in 1996.
- C. The Sewerage & Water Board Drainage System Fund 3 Mill Tax was renewed on December 10, 2016 for 30 years.

CITY OF NEW ORLEANS
BOARD OF LIQUIDATION,
CITY DEBT
ANNUAL FINANCIAL REPORT

**OTHER GOVERNMENTAL
REPORTING INFORMATION**

DECEMBER 31, 2017

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(1905-1985)

KEITH T. HAMILTON, C.P.A.
(1932-2003)

LEROY P. LEGENDRE, C.P.A.
(Retired)

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

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 Statement of Assets, Liabilities and Net Position – Modified Cash Basis, Statement of Receipts, Disbursements and Changes in Net Position – Modified Cash Basis, and related Notes to Financial Statements – Modified Cash Basis, which collectively comprise the basic financial statements of the Board of Liquidation, City Debt, a blended component unit of the City of New Orleans, as of and for the year ended December 31, 2017, and have issued our report thereon dated March 29, 2018.

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.

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.

**President and Members
Board of Liquidation, City Debt
New Orleans, Louisiana**

Compliance and Other Matters

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

Purpose of this Report

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

Metairie, Louisiana

March 29, 2018

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**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

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

We have performed the procedures enumerated below, which were agreed to by Board of Liquidation, City Debt and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2017 through December 31, 2017. Board of Liquidation, City Debt's management is responsible for those C/C areas identified in the SAUPs. The sufficiency of these procedures is solely the responsibility of Board of Liquidation, City Debt and LLA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures:

Procedure 1: Obtained the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

- a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
- b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
- c) ***Disbursements***, including processing, reviewing, and approving
- d) ***Receipts***, including receiving, recording, and preparing deposits
- e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage

**Mrs. Mary K. Zervigon, President, and Members
Board of Liquidation, City Debt
New Orleans, Louisiana:
Page 2**

- h) *Travel and expense reimbursement*, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) *Debt Service*, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Results: No exceptions were noted as a result of applying these procedures.

Board (or Finance Committee, if applicable):

Procedure 2: Obtained and reviewed the board/committee minutes for the fiscal period, and:

- a) Reported whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
- b) Reported whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
 - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
- c) Reported whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

Results: No exceptions were noted as a result of applying these procedures.

Bank Reconciliations:

Procedure 3: Obtained a listing of client bank accounts from management and management's representation that the listing is complete.

Results: No exceptions were noted as a result of applying these procedures.

Procedure 4: Used the listing provided by management, selected all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. For each of the bank accounts selected, obtained bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

Results: No exceptions were noted as a result of applying these procedures.

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

Results: No exceptions were noted as a result of applying these procedures.

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Results: No exceptions were noted as a result of applying these procedures.

Collections:

Procedure 5: Obtained a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

Results: No exceptions were noted as a result of applying these procedures.

Procedure 6: Used the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. For each cash collection location selected:

- a) Obtained existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

Results: No exceptions were noted as a result of applying these procedures.

- b) Obtained existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

Results: No exceptions were noted as a result of applying these procedures.

- c) Selected the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
- Used entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
 - Used sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

Results: No exceptions were noted as a result of applying these procedures.

Procedure 7: Obtained existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

Results: No exceptions were noted as a result of applying these procedures.

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments):

Procedure 8: Obtained a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtained management's representation that the listing or general ledger population is complete.

Results: No exceptions were noted as a result of applying these procedures.

Procedure 9: Used the disbursement population from procedure 8 above, randomly selected 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtained supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and reported whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

Results: No exceptions were noted as a result of applying these procedures.

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

Results: No exceptions were noted as a result of applying these procedures.

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

Results: No exceptions were noted as a result of applying these procedures.

Procedure 10: Used entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

Results: No exceptions were noted as a result of applying these procedures.

Procedure 11: Used entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

Results: No exceptions were noted as a result of applying these procedures.

Procedure 12: Inquired of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, reviewed entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

Results: No exceptions were noted as a result of applying these procedures.

Procedure 13: If a signature stamp or signature machine is used, inquired of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquired of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed.

Results: No exceptions were noted as a result of applying these procedures.

Credit Cards/Debit Cards/Fuel Cards/P-Cards:

Procedure 14: Obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtained management's representation that the listing is complete.

Results: No exceptions were noted as a result of applying these procedures.

Procedure 15: Used the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Obtained the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Selected the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, selected the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Reported whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]

Results: No exceptions were noted as a result of applying these procedures. The Board of Liquidation, City Debt does not have any credit cards.

- b) Reported whether finance charges and/or late fees were assessed on the selected statements.

Results: No exceptions were noted as a result of applying these procedures. The Board of Liquidation, City Debt does not have any credit cards.

Procedure 16: Used the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:
 - An original itemized receipt (i.e., identifies precisely what was purchased)
 - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
 - Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

Results: No exceptions were noted as a result of applying these procedures. The Board of Liquidation, City Debt does not have any credit cards.

- b) For each transaction, compared the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/ disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and reported any exceptions.

Results: No exceptions were noted as a result of applying these procedures. The Board of Liquidation, City Debt does not have any credit cards.

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Results: No exceptions were noted as a result of applying these procedures. The Board of Liquidation, City Debt does not have any credit cards.

Travel and Expense Reimbursement:

Procedure 17: Obtained from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtained management's representation that the listing or general ledger is complete.

Results: No exceptions were noted as a result of applying these procedures.

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Procedure 18: Obtained the entity's written policies related to travel and expense reimbursements. Compared the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

Results: No exceptions were noted as a result of applying these procedures.

Procedure 19: Used the listing or general ledger from procedure 17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtained the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and chose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compared expense documentation to written policies and reported whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity did not have written policies, compared to the GSA rates (#18 above) and reported each reimbursement that exceeded those rates.

Results: No exceptions were noted as a result of applying these procedures.

- b) Reported whether each expense was supported by:
 - An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
 - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
 - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

Results: No exceptions were noted as a result of applying these procedures.

- c) Compared the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and reported any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precluded or obscured a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Results: No exceptions were noted as a result of applying these procedures.

- d) Reported whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: No exceptions were noted as a result of applying these procedures.

Contracts:

Procedure 20: Obtained a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtained management's representation that the listing or general ledger is complete.

Results: No exceptions were noted as a result of applying these procedures.

Procedure 21: Used the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtained the related contracts and paid invoices and:

- a) Reported whether there was a formal/written contract that supported the services arrangement and the amount paid.

Results: No exceptions were noted as a result of applying these procedures.

- b) Compared each contract's detail to the Louisiana Public Bid Law or Procurement Code. Reported whether each contract was subject to the Louisiana Public Bid Law or Procurement Code and:
 - If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
 - If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

Results: No exceptions were noted as a result of applying these procedures to the formal/written contracts.

- c) Reported whether the contract was amended. If so, reported the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

Results: No exceptions were noted as a result of applying these procedures.

- d) Selected the largest payment from each of the five contracts, obtained the supporting invoice, compare the invoice to the contract terms, and reported whether the invoice and related payment complied with the terms and conditions of the contract.

Results: No exceptions were noted as a result of applying these procedures.

- e) Obtained/reviewed contract documentation and board minutes and reported whether there was documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Results: No exceptions were noted as a result of applying these procedures.

Payroll and Personnel:

Procedure 22: Obtained a listing of employees (and elected officials, if applicable) with their related salaries, and obtained management's representation that the listing is complete. Randomly selected five employees/officials, obtained their personnel files, and:

- a) Reviewed compensation paid to each employee during the fiscal period and reported whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

Results: No exceptions were noted as a result of applying these procedures.

- b) Reviewed changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

Results: No exceptions were noted as a result of applying these procedures.

Procedure 23: Obtained attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly selected 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Reported whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

Results: No exceptions were noted as a result of applying these procedures.

- b) Reported whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

Results: No exceptions were noted as a result of applying these procedures.

- c) Reported whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

Results: No exceptions were noted as a result of applying these procedures.

Procedure 24: Obtained from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, selected the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Reported whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

Results: No exceptions were noted as a result of applying these procedures. There were no terminations during the year.

Procedure 25: Obtained supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Reported whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

Results: No exceptions were noted as a result of applying these procedures.

Ethics (excluding nonprofits):

Procedure 26: Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

Results: No exceptions were noted as a result of applying these procedures.

Procedure 27: Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether the management's actions complied with the entity's ethics policy. Report whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Results: No exceptions were noted as a result of applying these procedures.

Debt Service (excluding nonprofits):

Procedure 28: If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

Results: No exceptions were noted as a result of applying these procedures. No debt was issued during the year ended December 31, 2017.

Procedure 29: If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

Results: No exceptions were noted as a result of applying these procedures.

Procedure 30: If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal year. Also, report any millages that continue to be received for debt that has been paid off.

Results: No exceptions were noted as a result of applying these procedures.

Other:

Procedure 31: Inquired of management whether the entity had any misappropriations of public funds or assets. If so, obtained/reviewed supporting documentation and reported whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Results: No exceptions were noted as a result of applying these procedures.

Procedure 32: Observed and reported whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results: No exceptions were noted as a result of applying these procedures.

Procedure 33: If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, reported the nature of each exception.

Results: No exceptions were noted as a result of applying these procedures.

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This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.



Metairie, Louisiana
March 27, 2018