



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

ANNUAL STATEMENT

DECEMBER 31, 2010

www.boardofliquidation.com

BOARD OF LIQUIDATION, CITY DEBT
NEW ORLEANS, LOUISIANA
DECEMBER 31, 2010

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BOARD OF LIQUIDATION, CITY DEBT
NEW ORLEANS, LOUISIANA
DECEMBER 31, 2010

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

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

OFFICERS OF THE BOARD

Mary K. Zervigon, President
Barbara Lamont, Vice President
David W. Gernhauser, Secretary
Tracy David Madison, Assistant Secretary

COUNSEL

Lemle & Kelleher

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Richard P. Wolfe

Wanda Ackers-Brooks
Alan C. Arnold

Mary K. Zervigon
Vacancy

Jacquelyn B. Clarkson, Council at Large
Arnie Fielkow, Council at Large
C. Ray Nagin, Mayor

Ex-Officio
Ex-Officio
Ex-Officio

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BARBARA LAMONT
VICE PRESIDENT

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JACQUELYN B. CLARKSON, EX OFFICIO
ARNIE FIELKOW, EX OFFICIO
C. RAY NAGIN, EX OFFICIO

Board of Liquidation, City Debt

1300 PERDIDO STREET - ROOM 8E17

New Orleans, La. 70112

AREA CODE 504
658-1410
(FAX) 658-1411

www.boardofliquidation.com

January 4, 2011

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, 2010, 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 Audubon Area Security District, the Garden District Security Tax District, Huntington Park Subdivision Improvement District, the Kingswood Subdivision Improvement District, the Lake Bullard Neighborhood Improvement District, the Lake Carmel Improvement District, the Lake Forest Estates Improvement District, the Lake Oaks Subdivision Improvement District, the McKendall Estates Neighborhood Improvement District, the Spring Lake Improvement District, the Touro-Bouligny Security District, the Twinbrook Security District, and the Upper Hurstville Security District.

Sincerely,



Mary K. Zervigon



David W. Gernhauser

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

DECEMBER 31, 2010

Introduction

Within this section of the Board of Liquidation, City Debt's (the "Board") annual financial report, management provides narrative discussion and analysis of the financial activities of the Board for the fiscal year ended December 31, 2010. The Board's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosure following this section. Additional information is available in the transmittal letter which precedes the *Management's Discussion and Analysis*. The discussion focuses on the Board's primary government, and unless otherwise noted, there are no component units to be reported separately from the primary government.

Fund Accounting

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

Overview of Financial Statements

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

(1) The Combining Statement of Assets, Liabilities, Custodial, Debt Service and Reserve Funds - Modified Cash Basis, (2) The Combining Statement of Cash Receipts, Disbursements and Changes in Liabilities, Custodial Debt Service and Reserve Funds - Modified Cash Basis, and (3) Notes to Financial Statements.

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

Basic Financial Statements

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

The Combining Statement of Cash Receipts, Disbursements, and Changes in Liabilities, and Custodial, Debt Service and Reserve Funds - Modified Cash Basis, reports the Board's inflows and outflows of cash. 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 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
(Continued)
DECEMBER 31, 2010

Other Information

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

Combining Schedules of Assets, Liabilities, Custodial, Debt Service, and Reserve Funds for all activities administered by the Board; Combining Schedules of Cash Receipts, Disbursements and Changes in Liabilities, Custodial, Debt Service, and Reserve Funds for all activities administered by the Board; details of bonded debt administered by the Board; details of bond sales during the year; details of ad valorem tax millage available to service bonded debt; and 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 fund balances may be observed and used to discuss the changing financial position of the Board as a whole.

Fiduciary Funds

The Debt Service and Reserve Funds in the Debt Administration section of the financial report have a combined fund balance of \$65,930,857. The Tax Credit Bond loan payable balance of \$118,533,615 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. Escrow accounts were created at Hancock Bank to make debt service payments on outstanding bonds for governmental agencies affected by Hurricanes Katrina and Rita. The General Obligation Debt Service Funds are designated for future debt service payments and were included in calculating the millage necessary to service the General Obligation Debt for 2011. The 2010 millage levy is 25.50 mills increasing from 23.8 mills in 2009. The key factor in raising the millage levy was to meet debt service requirements from the sale of \$40,000,000 Public Improvement Bonds, Issue 2010A Taxable Build America Bonds.

The following table provides a summary of the Board's assets, liabilities, custodial, debt service and reserve funds and the related changes in receipts over disbursements:

	<u>Debt Administration</u>		
	<u>2010</u>	<u>2009</u>	<u>Changes</u>
Total assets	\$ <u>93,809,769</u>	\$ <u>93,639,546</u>	\$ <u>170,223</u>
Total liabilities	\$ <u>27,878,912</u>	\$ <u>27,878,912</u>	\$ <u>0</u>
Total debt service and reserve funds	\$ <u>65,930,857</u>	\$ <u>65,760,634</u>	\$ <u>170,223</u>
Receipts	\$ 138,720,436	\$ 139,246,012	\$ (525,576)
Disbursements	<u>138,550,213</u>	<u>145,455,321</u>	<u>(6,905,108)</u>
Excess (deficiency) of receipts over disbursements	\$ <u><u>170,223</u></u>	\$ <u><u>(6,209,309)</u></u>	\$ <u><u>6,379,532</u></u>

BOARD OF LIQUIDATION, CITY DEBT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)
DECEMBER 31, 2010

	<u>Custodial Accounts</u>		
	<u>2010</u>	<u>2009</u>	<u>Changes</u>
Total assets	\$ <u>53,016,154</u>	\$ <u>85,205,984</u>	\$(<u>32,189,830</u>)
Total liabilities	\$ <u>90,916,406</u>	\$ <u>90,916,406</u>	\$ <u>0</u>
Total custodial funds	\$(<u>37,900,252</u>)	\$(<u>5,710,422</u>)	\$(<u>32,189,830</u>)
Receipts	\$ 55,420,808	\$ 52,183,911	\$ 3,236,897
Disbursements	<u>87,610,638</u>	<u>89,133,251</u>	<u>(1,522,613)</u>
(Deficiency) of receipts over disbursements	\$(<u>32,189,830</u>)	\$(<u>36,949,340</u>)	\$ <u>4,759,510</u>

	<u>Totals</u>		
	<u>2010</u>	<u>2009</u>	<u>Changes</u>
Total assets	\$ <u>146,825,923</u>	\$ <u>178,845,530</u>	\$(<u>32,019,607</u>)
Total liabilities	\$ <u>118,795,318</u>	\$ <u>118,795,318</u>	\$ <u>0</u>
Total custodial, debt service and reserve funds	\$ <u>28,030,605</u>	\$ <u>60,050,212</u>	\$(<u>32,019,607</u>)
Receipts	\$194,141,244	\$191,429,923	\$ 2,711,321
Disbursements	<u>226,160,851</u>	<u>234,588,572</u>	<u>(8,427,721)</u>
(Deficiency) of receipts over disbursements	\$(<u>32,019,607</u>)	\$(<u>43,158,649</u>)	\$ <u>11,139,042</u>

Key Changes in Assets and Liabilities include:

- Assets increased \$170,223 in debt administration due to additional general obligation bond ad valorem tax receipts.
- Assets decreased \$32,189,830 in the custodial accounts due to payment of debt.

Key changes in receipts include:

Debt Administration

- Ad valorem tax receipts increased \$8,313,704.
- Bond proceeds increased \$17,132,380.
- Debt service funds decreased \$24,620,695.
- Interest on investments decreased \$1,006,882. This was primarily due to a decrease in the amount of assets on deposit and lower interest rates.
- Excess debt service and reserve decreased \$344,083.

BOARD OF LIQUIDATION, CITY DEBT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)
DECEMBER 31, 2010

Key changes in receipts include: (Cont'd)

Custodial Accounts

- Ad valorem taxes increased \$4,405,963.
- Interest on investments decreased \$1,040,585.
- Revenue Sharing - State of Louisiana increased \$41,074.
- Bond proceeds increased \$667,717.
- Tax Credit Bond Loan proceeds decreased \$877,113.
- Fee - current year increased \$258,937.
- Fee - prior years increased \$12,959.
- Excess reserve and debt service funds decreased \$232,055.
- Warrants paid decreased \$3,949,290.
- Debt service increased \$2,426,831.

Key changes in disbursements include:

Debt Administration

- Interest payments increased \$85,435. This increase follows the payments required under the debt service schedules which includes the issuance of the new general obligation bonds in 2010.
- Principal payments decreased \$46,682,407. The majority of this decrease was due to the General Obligation bonds being called in 2009 and the Sewer BAN's which matured in 2009.
- Funds returned to the City of New Orleans, Sewer and Water Board, and Audubon Park Commission increased by \$39,675,483 because of the difference in interest earnings mainly as a result of bond proceeds from a bond sale in 2010 transferred to the City of New Orleans.
- Personal services increased \$18,947. This is mainly due to an increase in pension expense.

Long-term Debt Administration

At the end of the fiscal year, the Board administers total bonded debt outstanding of \$529,218,992 in General Obligation Bonds and \$25,140,000 in Limited Tax Bonds. The General Obligation Bonds are backed and fully funded with an unlimited ad valorem tax levy through the Board's statutory authority. The Limited Tax Bonds are supported by a voter approved tax millage of 2.5 mills 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 agency. Debt service is collected from these custodial special taxes to pay debt service on special tax bonds. Debt service on the Revenue Bonds are supported by revenues remitted to the Board on a monthly basis by the Sewerage and Water Board of New Orleans except for the Louisiana Department of Health and Hospitals Loan Revenue Bonds Series 2010 A & B as described below.

On February 1, 2010, the Sewerage and Water Board and the Louisiana Department of Health and Hospitals entered into a loan agreement whereby up to \$3,400,000 of proceeds from the Drinking Water Revolving Loan Fund could be borrowed through the issuance of Revenue Bonds Series 2010 A & B. This loan is for the capital improvements to the water system of the City, including, but not limited to, a sodium hypochlorite facility. The Louisiana Department of Health and Hospitals agrees to forgive 30% of the loan proceeds up to \$1,000,000 of the \$3,400,000 borrowed as the funds are drawn. They also agree to

BOARD OF LIQUIDATION, CITY DEBT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)
DECEMBER 31, 2010

Long-term Debt Administration (Cont'd)

set the interest rate at 2.95%, with an administrative fee of .5% payable on August 1st and February 1st until the loan is repaid. As of December 31, 2010 \$667,717 has been drawn by the Sewerage and Water Board on the loan. Security for this loan comes from a pledge of Sewerage and Water Board Construction and Extension Fund ad valorem tax collections that are on-hand at the Board of Liquidation. The Construction and Extension funds amounted to \$2,444,086 and were transferred from the Sewerage and Water Board custodial account to the Board of Liquidation's Debt Administration account. These funds are restricted to repay the loan and related costs. At December 31, 2010 the balance of these funds was \$2,392,070.

Outstanding bonds administered by the Board at December 31, 2010 and 2009 are as follows:

	<u>2010</u>	<u>2009</u>
City of New Orleans:		
General Obligation Bonds	\$529,218,992	\$548,018,709
Limited Tax Bonds	\$ 25,140,000	\$ 26,845,000
Sewerage & Water Board of New Orleans:		
Drainage System Bonds	\$ 20,290,000	\$ 21,525,000
Sewerage Service Revenue Bonds	\$172,800,000	\$184,055,000
Sewerage Service Revenue Bonds Louisiana Department of Health and Hospitals	\$ 2,400,000	\$ 0
Water Revenue Bonds	\$ 34,635,000	\$ 36,750,000
Audubon Park Commission:		
Audubon Park Improvement Bonds	\$ 1,910,000	\$ 2,170,000
Audubon Aquarium Bonds	\$ 27,233,572	\$ 29,643,572
Downtown Development District:		
Downtown Development District Bonds	\$ 5,685,000	\$ 5,910,000

Bond Ratings

Bond ratings for the General Obligation Bonds of the City of New Orleans were upgraded by Fitch Rating Service and Standard & Poor's Rating to BBB in 2010, while Moody's Rating Service maintained a rating of Baa3. Although investment grade rated by all three agencies, the City general obligation ratings continue to feel the effects of Hurricanes Katrina and Rita, as well as the national economic crisis.

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.boardofliquidation.com.

PACIERA, GAUTREAU & PRIEST, LLC

CERTIFIED PUBLIC ACCOUNTANTS

3209 RIDGELAKE DRIVE, SUITE 200

METAIRIE, LA 70002

(504) 486-5573

FAX (504) 486-6091

www.pgpcpa.com

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

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(Retired)

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the Board of Liquidation, City Debt, a component unit of the City of New Orleans, as of and for the year ended December 31, 2010 as listed in the table of contents. These financial statements are the responsibility of the management of the Board of Liquidation, City Debt. Our responsibility is to express an opinion 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note B, the Board of Liquidation, City Debt prepares its financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and custodial, debt service and reserve fund balances of the Board of Liquidation, City Debt, at December 31, 2010, and cash receipts, disbursements and changes in liabilities, custodial, debt service and reserve fund balances for the year then ended, on the basis of accounting described in Note B.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2011 on our consideration of the Board of Liquidation, City Debt's internal control over financial reporting and our tests of its compliance with certain provision 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental information listed in the table of contents is presented for the purposes of additional analysis, and is not a required part of the financial statements of the Board of Liquidation, City Debt. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the information is fairly stated in all material respects in relation to the financial statements taken as a whole.



March 7, 2011

FINANCIAL STATEMENTS

BOARD OF LIQUIDATION, CITY DEBT
 FIDUCIARY FUND TYPE - AGENCY FUND
 COMBINING STATEMENT OF ASSETS, LIABILITIES, CUSTODIAL,
 DEBT SERVICE AND RESERVE FUNDS-MODIFIED CASH BASIS
 DECEMBER 31, 2010

	<u>Debt Administration</u>	<u>Account of Sewerage & Water Board</u>	<u>Account of Downtown Development District</u>	<u>Account of Audubon Park Commission</u>	<u>Accounts of Special Taxing Districts</u>	<u>Total (Memorandum Only)</u>
<u>ASSETS</u>						
Cash	\$ 14,094	\$ 365,875	\$ 4,383	\$ 1,566	\$ 0	\$ 385,918
Money market accounts	93,795,675	47,732,568	3,341,517	0	1,570,245	146,440,005
<i>Total Assets</i>	<u>\$ 93,809,769</u>	<u>\$ 48,098,443</u>	<u>\$ 3,345,900</u>	<u>\$ 1,566</u>	<u>\$ 1,570,245</u>	<u>\$ 146,825,923</u>
<u>LIABILITIES, CUSTODIAL, DEBT SERVICE AND RESERVE FUNDS</u>						
Interest payable	\$ 90,503	\$ 0	\$ 0	\$ 0	\$ 0	\$ 90,503
Principal payable	171,200	0	0	0	0	171,200
Tax Credit Bond loan payable	27,617,209	77,465,247	1,600,153	11,851,006	0	118,533,615
Reserve funds	50,861,883	0	0	0	0	50,861,883
Debt service funds	15,068,974	0	0	0	0	15,068,974
Custodial fund balance (deficit)	0	(29,366,804)	1,745,747	(11,849,440)	1,570,245	(37,900,252)
<i>Total Liabilities, Custodial, Debt Service and Reserve Funds</i>	<u>\$ 93,809,769</u>	<u>\$ 48,098,443</u>	<u>\$ 3,345,900</u>	<u>\$ 1,566</u>	<u>\$ 1,570,245</u>	<u>\$ 146,825,923</u>

See accompanying notes to financial statements.

BOARD OF LIQUIDATION, CITY DEBT
 FIDUCIARY FUND TYPE - AGENCY FUND
 COMBINING STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN LIABILITIES,
 CUSTODIAL, DEBT SERVICE AND RESERVE FUNDS-MODIFIED CASH BASIS
 YEAR ENDED DECEMBER 31, 2010

	Debt Administration	Account of Sewerage & Water Board	Account of Downtown Development District	Account of Audubon Park Commission	Accounts of Special Taxing Districts	Total (Memorandum Only)
<u>RECEIPTS</u>						
Ad valorem taxes-Current year	\$ 62,078,562	\$ 37,705,114	\$ 5,161,400	\$ 7,670,187	\$ 995,165	\$ 113,610,428
Ad valorem taxes-Prior years	1,939,479	966,474	325,531	269,783	30,474	3,531,741
Bond proceeds-new issue	39,600,000	667,717	0	0	0	40,267,717
Bond proceeds-cost of issuance	57,135	0	0	0	0	57,135
Fee-Current year	0	0	0	0	905,230	905,230
Fee-Prior years	0	0	0	0	46,528	46,528
Revenue sharing-State of Louisiana	0	344,463	0	0	0	344,463
Debt service funds	33,541,754	0	0	0	0	33,541,754
Debt service funds-Federal subsidy- taxable Build America Bonds	975,015	0	0	0	0	975,015
Interest on investments	421,674	240,120	14,668	0	10,314	686,776
Excess reserve and debt service funds	106,817	66,297	442	901	0	174,457
<i>Total receipts</i>	<u>138,720,436</u>	<u>39,990,185</u>	<u>5,502,041</u>	<u>7,940,871</u>	<u>1,987,711</u>	<u>194,141,244</u>
<u>DISBURSEMENTS</u>						
Interest on bonds	59,645,723	0	0	0	0	59,645,723
Principal on bonds	38,004,717	0	0	0	0	38,004,717
Administrative expenses-LADHH	191	0	0	0	0	191
Warrants	0	66,933,404	5,712,581	3,938,500	1,869,506	78,453,991
Debt service	0	4,626,825	527,728	4,002,094	0	9,156,647
Personal services	408,988	0	0	0	0	408,988
Contractual services	62,537	0	0	0	0	62,537
Office expenses	28,479	0	0	0	0	28,479
Funds returned to City of New Orleans, Sewerage & Water Board, and Audubon Park Commission	40,115,003	0	0	0	0	40,115,003
Cost of issuance	284,575	0	0	0	0	284,575
<i>Total disbursements</i>	<u>138,550,213</u>	<u>71,560,229</u>	<u>6,240,309</u>	<u>7,940,594</u>	<u>1,869,506</u>	<u>226,160,851</u>
Excess (Deficiency) of receipts over disbursements	170,223	(31,570,044)	(738,268)	277	118,205	(32,019,607)
Liabilities, Custodial, Debt Service and Reserve Funds at:						
December 31, 2009	93,639,546	79,668,487	4,084,168	1,289	1,452,040	178,845,530
December 31, 2010	<u>\$ 93,809,769</u>	<u>\$ 48,098,443</u>	<u>\$ 3,345,900</u>	<u>\$ 1,566</u>	<u>\$ 1,570,245</u>	<u>\$ 146,825,923</u>

See accompanying notes to financial statements

BOARD OF LIQUIDATION, CITY DEBT
NOTES TO FINANCIAL STATEMENTS-MODIFIED CASH BASIS
DECEMBER 31, 2010

A. General Information

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

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

No general obligation bonds, special tax bonds, or revenue bonds of the agencies mentioned above may be issued by the City without the approval of the Board and the City Council. The Board requires as a condition of such approval that a) 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, b) the proposed bond issue comply with any applicable legal debt limitation, and c) 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.

BOARD OF LIQUIDATION, CITY DEBT
NOTES TO FINANCIAL STATEMENTS-MODIFIED CASH BASIS
(Continued)
DECEMBER 31, 2010

General Information (Cont'd)

The Board issues bonds for the Sewerage and 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 and 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 serves in a custodial capacity for the accounts of the Sewerage and Water Board of New Orleans, the Downtown Development District of New Orleans, the Audubon Park Commission of New Orleans, the Lake Forest Estates Improvement District, the Garden District Security Tax District, the Springlake Improvement District, the Audubon Area Security District, the Lake Bullard Neighborhood Improvement District, the Lake Carmel Subdivision Improvement District, Lake Oaks Subdivision Improvement District, the Huntington Park Subdivision Improvement District, the McKendall Estates Neighborhood Improvement District, the Upper Hurstville Security District, the Touro-Bouligny Security District, the Kingswood Subdivision Improvement District and the Twinbrook Security District.

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

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

B. Summary of Significant Accounting Policies

Fund Accounting

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

Method of Accounting

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

BOARD OF LIQUIDATION, CITY DEBT
NOTES TO FINANCIAL STATEMENTS-MODIFIED CASH BASIS
(Continued)
DECEMBER 31, 2010

C. Bank Balances

At December 31, 2010, the Board's deposits with banks consisted of cash and money market accounts as follows:

Demand accounts	\$ 578,320
Money market accounts	<u>146,440,005</u>
Total Bank Balances	<u>\$147,018,325</u>

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

Insured	\$ 752,005
Collateralized	<u>146,266,320</u>
Total Bank Balances	<u>\$147,018,325</u>

D. Annual and Sick Leave

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

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

At December 31, 2010 the Board's liability for annual and sick leave totaled \$127,901.

E. Pension Plan

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

Employee Retirement System of New Orleans
1300 Perdido Street, Room 1E08
New Orleans, Louisiana 70112
(504) 299-4150

Under this plan, employees with thirty years of service, or who attain age sixty with ten years of service, or age sixty-five, irrespective of length of service are entitled to a retirement allowance. The retirement allowance consists of an annuity, which is the actuarial equivalent of the employees' accumulated contribution plus an annual pension, which, together with the annuity, provides a total retirement allowance equal to 2% to 4% of average compensation times the number of years of service. The maximum pension may not exceed 100% of average compensation. Pension

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

DECEMBER 31, 2010

Pension Plan (Cont'd)

amounts are reduced for service retirement prior to age sixty-two. Average compensation is defined as average earned annual compensation for the highest thirty-six consecutive months of service. Mandatory retirement age is seventy.

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

Employees contribute 4% of their salary per year. 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 beginning July 1, 1974, using the level percentage of payroll method. The Board's contributions to the Plan during the year totaled \$52,948 and is included in 'Personal services'.

F. Gulf Opportunity Tax Credit Bond Loan Program

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

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

Paying outstanding debt for special tax bonds of the:

Downtown Development District,

Audubon Commission, and

Sewerage and Water Board of New Orleans, and

Paying outstanding sewerage revenue and water revenue bonds of the Sewerage and Water Board.

The loan proceeds will be held in escrow at Hancock Bank and distributed to the Bank of New York, the Board's paying agent, as debt service maturities become payable. The amounts in escrow are not recorded on the books until these transfers take place. Once transferred, the debt service payments are made and the loan proceeds are recorded as loans payable in the appropriate custodial accounts.

These loans mature on July 15, 2012, at which time the borrower can either apply for a five year deferment, pay the loan in full or make semi-annual payments in accordance with the twenty-five year debt service schedule that ends on July 15, 2026.

BOARD OF LIQUIDATION, CITY DEBT
NOTES TO FINANCIAL STATEMENTS-MODIFIED CASH BASIS
(Continued)
DECEMBER 31, 2010

Gulf Opportunity Tax Credit Bond Loan Program (Cont'd)

Total amounts available under these loans are:

Cooperative Endeavor Agreement between the State and:

Board of Liquidation:

General obligation bonds	\$ 24,713,549
Limited tax bonds	<u>2,903,660</u>
	<u>27,617,209</u>

Downtown Development District	<u>1,600,153</u>
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Audubon Park Commission:

Audubon Park Commission .32 Mills	1,091,230
Audubon Park Commission 2.99 Mills	<u>10,759,776</u>
	<u>11,851,006</u>

Sewerage and Water Board	<u>77,465,247</u>
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\$118,533,615

Borrowings as of December 31, 2010 were:

Cooperative Endeavor Agreement between the State and:

Board of Liquidation:

General obligation bonds	\$ 24,713,549
Limited tax bonds	<u>2,903,660</u>
	<u>27,617,209</u>

Downtown Development District	<u>1,600,153</u>
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Audubon Park Commission:

Audubon Park Commission .32 Mills	1,091,230
Audubon Park Commission 2.99 Mills	<u>10,759,776</u>
	<u>11,851,006</u>

Sewerage and Water Board	<u>77,465,247</u>
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\$118,533,615

As of December 31, 2010, the \$24,713,549 available for general obligation bonds was borrowed to make fiscal year 2006 debt service payments.

As of December 31, 2010, the \$2,903,660 available for the City of New Orleans Limited Tax bonds was borrowed to make the debt service payment that was due September 1, 2006 and March 1, 2007 debt service payment.

As of December 31, 2010, \$1,600,153 available for the Downtown Development District was borrowed 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.

BOARD OF LIQUIDATION, CITY DEBT
NOTES TO FINANCIAL STATEMENTS-MODIFIED CASH BASIS
(Continued)
DECEMBER 31, 2010

Gulf Opportunity Tax Credit Bond Loan Program (Cont'd)

As of December 31, 2010, the \$11,851,006 available for the Audubon Commission was borrowed to make the debt service payments due on October 1, 2006, December 1, 2006, April 1, 2007, June 1, 2007, October 1, 2007, December 1, 2007, April 1, 2008, June 1, 2008, October 1, 2008, December 1, 2008 and June 1, 2009.

In addition to the above loans, the Audubon Park Commission's Cooperative endeavor agreement includes an additional \$4,907,500 for their 1997 Aquarium Revenue Bonds. These bonds are not part of the Board's responsibility; accordingly, the related loan is not included in the accompanying financial statements.

As of December 31, 2010, the entire \$77,465,247 available for the Sewerage and Water Board of New Orleans was borrowed. \$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.

Debt service payments made through the Gulf Opportunity Tax Credit Loan Program in the current year are recorded as defeased bonds and listed separately from the outstanding bonds of the Audubon Commission, Downtown Development District, and Sewerage and Water Board of New Orleans.

G. Total (Memorandum Only) Columns

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

SUPPLEMENTAL INFORMATION

BOARD OF LIQUIDATION, CITY DEBT
DEBT ADMINISTRATION
COMBINING SCHEDULE OF ASSETS, LIABILITIES,
DEBT SERVICE AND RESERVE FUNDS-MODIFIED CASH BASIS
DECEMBER 31, 2010

	General Obligation Bonds	Capital Improvement Limited Tax	LADHH Loan Revenue Bonds	Drainage System Bonds 6 mill	Drainage System Bonds 9 mill	Water Revenue Bonds	Sewerage Service Revenue Bonds	Sewerage & Water Board Matured Bonds	Audubon Park Commission Bonds	Downtown Develop- ment District Tax Bonds	Defeased Bonds	Total
<u>ASSETS</u>												
Cash (Due to other funds)	\$ (131,638)	\$ 0	\$ 6,670	\$ 80	\$ 23,905	\$ 7,561	\$ 6,127	\$ 37,142	\$ 710	\$ 0	\$ 63,537	\$ 14,094
Money market accounts	55,156,622	5,289,825	2,385,400	0	0	5,036,572	25,345,866	0	307,325	274,065	0	93,795,675
<i>Total Assets</i>	<u>\$ 55,024,984</u>	<u>\$ 5,289,825</u>	<u>\$ 2,392,070</u>	<u>\$ 80</u>	<u>\$ 23,905</u>	<u>\$ 5,044,133</u>	<u>\$ 25,351,993</u>	<u>\$ 37,142</u>	<u>\$ 308,035</u>	<u>\$ 274,065</u>	<u>\$ 63,537</u>	<u>\$ 93,809,769</u>
<u>LIABILITIES, DEBT SERVICE AND RESERVE FUNDS</u>												
Interest payable	\$ 40,713	\$ 0	\$ 0	\$ 80	\$ 5,755	\$ 2,506	\$ 810	\$ 12,142	\$ 710	\$ 0	\$ 27,787	\$ 90,503
Principal payable	82,300	0	0	0	18,150	5,000	5,000	25,000	0	0	35,750	171,200
Tax Credit Bond loan payable	24,713,549	2,903,660	0	0	0	0	0	0	0	0	0	27,617,209
Reserve funds	30,188,422	0	0	0	0	3,928,380	16,164,124	0	307,088	273,869	0	50,861,883
Debt service funds	0	2,386,165	2,392,070	0	0	1,108,247	9,182,059	0	237	196	0	15,068,974
<i>Total Liabilities, Debt Service and Reserve Funds</i>	<u>\$ 55,024,984</u>	<u>\$ 5,289,825</u>	<u>\$ 2,392,070</u>	<u>\$ 80</u>	<u>\$ 23,905</u>	<u>\$ 5,044,133</u>	<u>\$ 25,351,993</u>	<u>\$ 37,142</u>	<u>\$ 308,035</u>	<u>\$ 274,065</u>	<u>\$ 63,537</u>	<u>\$ 93,809,769</u>

BOARD OF LIQUIDATION, CITY DEBT
ACCOUNT OF SEWERAGE & WATER BOARD OF NEW ORLEANS
COMBINING SCHEDULE OF ASSETS, LIABILITIES AND
CUSTODIAL FUNDS-MODIFIED CASH BASIS
DECEMBER 31, 2010

	Construction & Extension Fund 2 mill	Drainage System Fund 3 mill	Drainage System Fund 6 mill	Drainage System Fund 9 mill	Drainage System Bond Proceeds	Water Revenue Bond Proceeds	Sewerage Service Revenue Bond Proceeds	Total
<u>ASSETS</u>								
Cash	\$ 1,795	\$ 1,566	\$ 157,135	\$ 1,383	\$ 2,283	\$ 60,544	\$ 141,169	\$ 365,875
Money market accounts	0	2,404,361	3,910,004	26,018,100	5,155,792	2,633,901	7,610,410	47,732,568
<i>Total Assets</i>	<u>\$ 1,795</u>	<u>\$ 2,405,927</u>	<u>\$ 4,067,139</u>	<u>\$ 26,019,483</u>	<u>\$ 5,158,075</u>	<u>\$ 2,694,445</u>	<u>\$ 7,751,579</u>	<u>\$ 48,098,443</u>
<u>LIABILITES AND CUSTODIAL FUNDS</u>								
Tax Credit Bond loan payable	\$ 0	\$ 0	\$ 0	\$ 4,335,115	\$ 0	\$ 6,807,041	\$ 66,323,091	\$ 77,465,247
Custodial fund balance (deficit)	1,795	2,405,927	4,067,139	21,684,368	5,158,075	(4,112,596)	(58,571,512)	(29,366,804)
<i>Total Liabilities and Custodial Funds</i>	<u>\$ 1,795</u>	<u>\$ 2,405,927</u>	<u>\$ 4,067,139</u>	<u>\$ 26,019,483</u>	<u>\$ 5,158,075</u>	<u>\$ 2,694,445</u>	<u>\$ 7,751,579</u>	<u>\$ 48,098,443</u>

BOARD OF LIQUIDATION, CITY DEBT
ACCOUNT OF DOWNTOWN DEVELOPMENT DISTRICT OF NEW ORLEANS
COMBINING SCHEDULE OF ASSETS, LIABILITIES AND
CUSTODIAL FUNDS-MODIFIED CASH BASIS
DECEMBER 31, 2010

	Special Tax Fund	DDD Bond Proceeds	Total
<u>ASSETS</u>			
Cash	\$ 2,611	\$ 1,772	\$ 4,383
Money market accounts	2,986,423	355,094	3,341,517
<i>Total Assets</i>	\$ 2,989,034	\$ 356,866	\$ 3,345,900
 <u>LIABILITIES AND CUSTODIAL FUNDS</u>			
Tax Credit Bond loan payable	\$ 1,600,153	\$ 0	\$ 1,600,153
Custodial fund balance	1,388,881	356,866	1,745,747
<i>Total Liabilities and Custodial Funds</i>	\$ 2,989,034	\$ 356,866	\$ 3,345,900

BOARD OF LIQUIDATION, CITY DEBT
ACCOUNT OF AUDUBON PARK COMMISSION OF NEW ORLEANS
COMBINING SCHEDULE OF ASSETS, LIABILITIES AND
CUSTODIAL FUNDS-MODIFIED CASH BASIS
DECEMBER 31, 2010

	Aquarium Tax Fund	Special Tax Fund	Total
<u>ASSETS</u>			
Cash	\$ 643	\$ 923	\$ 1,566
<i>Total Assets</i>	\$ 643	\$ 923	\$ 1,566
<u>LIABILITES AND CUSTODIAL FUNDS</u>			
Tax Credit Bond loan payable	\$ 10,759,776	\$ 1,091,230	\$ 11,851,006
Custodial fund (deficit)	(10,759,133)	(1,090,307)	(11,849,440)
<i>Total Liabilities and Custodial Funds</i>	\$ 643	\$ 923	\$ 1,566

BOARD OF LIQUIDATION, CITY DEBT
 ACCOUNTS OF SPECIAL TAXING DISTRICTS OF NEW ORLEANS
 COMBINING SCHEDULE OF ASSETS AND
 CUSTODIAL FUNDS-MODIFIED CASH BASIS
 DECEMBER 31, 2010

	Garden District Security Tax District	Huntington Park Subdivision Improvement District	Kingswood Subdivision Improvement District	Lake Bullard Subdivision Improvement District	Lake Carmel Subdivision Improvement District	Lake Forest Estates Improvement District	Lake Oaks Subdivision Improvement District	McKendall Estates Neighborhood Improvement District	Springlake Improvement District	Touro- Boulogny Security District	Twinbrook Security District	Upper Hurtsville Security District	Total
<u>ASSETS</u>													
Money market accounts	\$ 768,120	\$ 10,357	\$ 107,009	\$ 37,864	\$ 16,919	\$ 70,533	\$ 95,823	\$ 11,068	\$ 23,511	\$ 215,184	\$ 65,641	\$ 148,216	\$ 1,570,245
Total Assets	<u>\$ 768,120</u>	<u>\$ 10,357</u>	<u>\$ 107,009</u>	<u>\$ 37,864</u>	<u>\$ 16,919</u>	<u>\$ 70,533</u>	<u>\$ 95,823</u>	<u>\$ 11,068</u>	<u>\$ 23,511</u>	<u>\$ 215,184</u>	<u>\$ 65,641</u>	<u>\$ 148,216</u>	<u>\$ 1,570,245</u>
<u>CUSTODIAL FUND BALANCE</u>	<u>\$ 768,120</u>	<u>\$ 10,357</u>	<u>\$ 107,009</u>	<u>\$ 37,864</u>	<u>\$ 16,919</u>	<u>\$ 70,533</u>	<u>\$ 95,823</u>	<u>\$ 11,068</u>	<u>\$ 23,511</u>	<u>\$ 215,184</u>	<u>\$ 65,641</u>	<u>\$ 148,216</u>	<u>\$ 1,570,245</u>

BOARD OF LIQUIDATION, CITY DEBT
DEBT ADMINISTRATION
COMBINING SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES
IN LIABILITIES, DEBT SERVICE AND RESERVE FUNDS-MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2010

	General Obligation Bonds	Capital Improvement Limited Tax	LADHH Loan Revenue Bonds	Drainage System Bonds 6 mill	Drainage System Bonds 9 mill	Water Revenue Bonds	Sewerage Service Revenue Bonds	Sewerage & Water Board Matured Bonds	Audubon Park Commission Bonds	Audubon Park Commission Aquarium Bonds	Downtown Development District Tax Bonds	Defeased Bonds	Total
RECEIPTS													
Ad valorem taxes-Current year	\$ 59,092,092	\$ 2,986,470	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 62,078,562
Ad valorem taxes-Prior years	1,939,479	0	0	0	0	0	0	0	0	0	0	0	1,939,479
Bond proceeds-new issue	39,600,000	0	0	0	0	0	0	0	0	0	0	0	39,600,000
Bond proceeds-cost of issuance	0	0	57,135	0	0	0	0	0	0	0	0	0	57,135
Debt service funds	0	0	2,386,951	0	2,182,739	3,887,880	20,554,362	0	372,015	3,630,079	527,728	0	33,541,754
Debt service funds-Federal subsidy- taxable Build America Bonds	975,015	0	0	0	0	0	0	0	0	0	0	0	975,015
Interest on investments	408,633	0	0	0	0	2,201	10,840	0	0	0	0	0	421,674
Excess reserve and debt service funds	4	0	6,437	0	0	20,142	78,459	0	1,138	0	637	0	106,817
Total receipts	102,015,223	2,986,470	2,450,523	0	2,182,739	3,910,223	20,643,661	0	373,153	3,630,079	528,365	0	138,720,436
DISBURSEMENTS													
Interest on bonds	45,101,827	1,231,936	1,127	0	947,739	1,771,267	8,957,006	0	112,015	1,220,079	302,727	0	59,645,723
Principal on bonds	18,799,717	1,705,000	0	0	1,235,000	2,115,000	11,255,000	0	260,000	2,410,000	225,000	0	38,004,717
Administrative Expenses-LADHH	0	0	191	0	0	0	0	0	0	0	0	0	191
Personal services	408,988	0	0	0	0	0	0	0	0	0	0	0	408,988
Contractual services	62,537	0	0	0	0	0	0	0	0	0	0	0	62,537
Office expenses	28,479	0	0	0	0	0	0	0	0	0	0	0	28,479
Funds returned to City of New Orleans, Sewerage & Water Board, and Audubon Park Commission	40,000,189	0	0	0	0	22,146	91,325	0	901	0	442	0	40,115,003
Cost of issuance	227,440	0	57,135	0	0	0	0	0	0	0	0	0	284,575
Total disbursements	104,629,177	2,936,936	58,453	0	2,182,739	3,908,413	20,303,331	0	372,916	3,630,079	528,169	0	138,550,213
Excess (Deficiency) of receipts over disbursements	(2,613,954)	49,534	2,392,070	0	0	1,810	340,330	0	237	0	196	0	170,223
Liabilities, Debt Service and Reserve funds at:													
December 31, 2009	57,638,938	5,240,291	0	80	23,905	5,042,323	25,011,663	37,142	307,798	0	273,869	63,537	93,639,546
December 31, 2010	\$ 55,024,984	\$ 5,289,825	\$ 2,392,070	\$ 80	\$ 23,905	\$ 5,044,133	\$ 25,351,993	\$ 37,142	\$ 308,035	\$ 0	\$ 274,065	\$ 63,537	\$ 93,809,769

BOARD OF LIQUIDATION, CITY DEBT
ACCOUNT OF SEWERAGE & WATER BOARD OF NEW ORLEANS
COMBINING SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES
IN LIABILITIES AND CUSTODIAL FUNDS-MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2010

	LADHH Loan Revenue Bonds	Construction & Extension Fund 2 mill	Drainage System Fund 3 mill	Drainage System Fund 6 mill	Drainage System Fund 9 mill	Drainage System Bond Proceeds	Water Revenue Bond Proceeds	Sewerage Service Revenue Bond Proceeds	Total
RECEIPTS									
Ad valorem taxes-Current year	\$ 0	\$ 0	\$ 10,694,224	\$ 10,808,869	\$ 16,202,021	\$ 0	\$ 0	\$ 0	\$ 37,705,114
Ad valorem taxes-Prior years	0	1,045	273,586	276,919	414,924	0	0	0	966,474
Bond proceeds	667,717	0	0	0	0	0	0	0	667,717
Revenue sharing-State of Louisiana	0	0	344,463	0	0	0	0	0	344,463
Interest on investments	0	2,502	18,100	40,700	94,642	20,082	9,746	54,348	240,120
Excess reserve and debt service	0	0	0	0	0	0	6,824	59,473	66,297
<i>Total receipts</i>	<u>667,717</u>	<u>3,547</u>	<u>11,330,373</u>	<u>11,126,488</u>	<u>16,711,587</u>	<u>20,082</u>	<u>16,570</u>	<u>113,821</u>	<u>39,990,185</u>
DISBURSEMENTS									
Warrants	667,717	0	10,184,257	23,907,048	16,169,108	767,044	485,916	14,752,314	66,933,404
Debt service	0	2,444,086	0	0	2,182,739	0	0	0	4,626,825
<i>Total disbursements</i>	<u>667,717</u>	<u>2,444,086</u>	<u>10,184,257</u>	<u>23,907,048</u>	<u>18,351,847</u>	<u>767,044</u>	<u>485,916</u>	<u>14,752,314</u>	<u>71,560,229</u>
Excess (Deficiency) of receipts over disbursements	0	(2,440,539)	1,146,116	(12,780,560)	(1,640,260)	(746,962)	(469,346)	(14,638,493)	(31,570,044)
Liabilities and Custodial Fund Balance at:									
December 31, 2009	0	2,442,334	1,259,811	16,847,699	27,659,743	5,905,037	3,163,791	22,390,072	79,668,487
December 31, 2010	<u>\$ 0</u>	<u>\$ 1,795</u>	<u>\$ 2,405,927</u>	<u>\$ 4,067,139</u>	<u>\$ 26,019,483</u>	<u>\$ 5,158,075</u>	<u>\$ 2,694,445</u>	<u>\$ 7,751,579</u>	<u>\$ 48,098,443</u>

BOARD OF LIQUIDATION, CITY DEBT
ACCOUNT OF DOWNTOWN DEVELOPMENT DISTRICT OF NEW ORLEANS
COMBINING SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES
IN LIABILITIES AND CUSTODIAL FUNDS-MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2010

	Special Tax Fund	DDD Bond Proceeds	Total
<u>RECEIPTS</u>			
Ad valorem taxes-Current year	\$ 5,161,400	\$ 0	\$ 5,161,400
Ad valorem taxes-Prior years	325,531	0	325,531
Interest on investments	13,156	1,512	14,668
Excess reserve and debt service funds	0	442	442
<i>Total receipts</i>	5,500,087	1,954	5,502,041
<u>DISBURSEMENTS</u>			
Warrants	5,701,452	11,129	5,712,581
Debt service	527,728	0	527,728
<i>Total disbursements</i>	6,229,180	11,129	6,240,309
 (Deficiency) of receipts over disbursements	 (729,093)	 (9,175)	 (738,268)
 Liabilities and Custodial Fund Balance at:			
December 31, 2009	3,718,127	366,041	4,084,168
December 31, 2010	\$ 2,989,034	\$ 356,866	\$ 3,345,900

BOARD OF LIQUIDATION, CITY DEBT
ACCOUNT OF AUDUBON PARK COMMISSION OF NEW ORLEANS
COMBINING SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES
IN LIABILITIES AND CUSTODIAL FUNDS-MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2010

	Aquarium Tax Fund	Special Tax Fund	Total
	<u> </u>	<u> </u>	<u> </u>
<u>RECEIPTS</u>			
Ad valorem taxes-Current year	\$ 6,928,636	\$ 741,551	\$ 7,670,187
Ad valorem taxes-Prior years	243,680	26,103	269,783
Excess reserve and debt service funds	0	901	901
<i>Total receipts</i>	<u>7,172,316</u>	<u>768,555</u>	<u>7,940,871</u>
 <u>DISBURSEMENTS</u>			
Warrants	3,542,000	396,500	3,938,500
Debt service	3,630,079	372,015	4,002,094
<i>Total disbursements</i>	<u>7,172,079</u>	<u>768,515</u>	<u>7,940,594</u>
Excess of receipts over disbursements	237	40	277
Liabilities and Custodial Fund Balance at:			
December 31, 2009	406	883	1,289
December 31, 2010	<u>\$ 643</u>	<u>\$ 923</u>	<u>\$ 1,566</u>

BOARD OF LIQUIDATION, CITY DEBT
 ACCOUNTS OF SPECIAL TAXING DISTRICTS OF NEW ORLEANS
 COMBINING SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND
 CHANGES IN CUSTODIAL FUNDS-MODIFIED CASH BASIS
 YEAR ENDED DECEMBER 31, 2010

	Audubon Area Security District	Garden District Security Tax Improvement District	Huntington Park Improvement District	Kingswood Subdivision Improvement District	Lake Bullard Neighborhood Improvement District	Lake Carmel Subdivision Improvement District	Lake Forest Estates Improvement District	Lake Oaks Subdivision Improvement District	McKendall Estates Neighborhood Improvement District	Springlake Improvement District	Touro-Boulogny Security District	Twinbrook Security District	Upper Hurtsville Security District	Total
RECEIPTS														
Ad valorem taxes-Current year	\$ 0	\$ 747,642	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 247,523	\$ 0	\$ 0	\$ 995,165
Ad valorem taxes-Prior years	0	23,244	0	0	0	0	0	0	0	0	7,230	0	0	30,474
Fee-Current year	0	0	19,933	71,376	62,447	77,411	62,215	94,147	33,000	32,532	0	230,068	222,101	905,230
Fee-Prior year	0	0	3,306	5,104	3,223	6,204	10,434	1,744	248	2,601	0	10,089	3,575	46,528
Interest on investments	201	4,815	117	646	187	196	413	625	131	170	1,303	506	1,004	10,314
<i>Total receipts</i>	<u>201</u>	<u>775,701</u>	<u>23,356</u>	<u>77,126</u>	<u>65,857</u>	<u>83,811</u>	<u>73,062</u>	<u>96,516</u>	<u>33,379</u>	<u>35,303</u>	<u>256,056</u>	<u>240,663</u>	<u>226,680</u>	<u>1,987,711</u>
DISBURSEMENTS														
Warrants	75,669	660,000	47,710	91,000	43,127	85,000	70,000	90,000	32,000	45,000	205,000	240,000	185,000	1,869,506
<i>Total disbursements</i>	<u>75,669</u>	<u>660,000</u>	<u>47,710</u>	<u>91,000</u>	<u>43,127</u>	<u>85,000</u>	<u>70,000</u>	<u>90,000</u>	<u>32,000</u>	<u>45,000</u>	<u>205,000</u>	<u>240,000</u>	<u>185,000</u>	<u>1,869,506</u>
Excess (Deficiency) of receipts over disbursements	(75,468)	115,701	(24,354)	(13,874)	22,730	(1,189)	3,062	6,516	1,379	(9,697)	51,056	663	41,680	118,205
Custodial Fund Balance at:														
December 31, 2009	75,468	652,419	34,711	120,883	15,134	18,108	67,471	89,307	9,689	33,208	164,128	64,978	106,536	1,452,040
December 31, 2010	<u>\$ 0</u>	<u>\$ 768,120</u>	<u>\$ 10,357</u>	<u>\$ 107,009</u>	<u>\$ 37,864</u>	<u>\$ 16,919</u>	<u>\$ 70,533</u>	<u>\$ 95,823</u>	<u>\$ 11,068</u>	<u>\$ 23,511</u>	<u>\$ 215,184</u>	<u>\$ 65,641</u>	<u>\$ 148,216</u>	<u>\$ 1,570,245</u>

BOARD OF LIQUIDATION, CITY DEBT
SCHEDULE OF BOND SALES
December 31, 2010

Public Improvement Taxable Build America Bonds, Issue of 2010A

Sold: December 16, 2009 Delivered: January 19, 2010
Bonds Dated: December 1, 2010, and due December 1, 2011 through December 1, 2039

Average life of issue: 19.037 years
Net Interest Cost: 8.404715%
True Interest Cost: 5.446755% *

Sold to: Morgan Keegan & Co., Inc.

Sources:

Principal sum	\$ 40,000,000
Good faith deposit 2009	(400,000)
	<hr/>
Total received in 2010	<u>\$ 39,600,000</u>

Proceeds of \$39,600,000 were delivered to the Treasury Department of the City of New Orleans on January 19, 2010.

* 35% of the Taxable Build America Bonds coupon interest is subsidized by the U.S. Government, lowering the True Interest Cost to the City of New Orleans to TIC 5.446755%.

Louisiana Department of Health & Hospitals (LADHH) Loan Revenue Bonds, Series 2010A and 2010B

Sold: January 27, 2010 Delivered: February 11, 2010
Bonds Dated: February 1, 2010, and due February 1, 2012 through February 1, 2031

Average life of issue: 12.574 years
Net Interest Cost: 3.45%
True Interest Cost: 3.450078%

Sold to: Louisiana Department of Health & Hospitals Drinking Water Revolving Loan Fund

Sources:

Principal sum	\$ 3,400,000
Principal sum to be forgiven	(1,000,000)
	<hr/>
Principal sum to be repaid	<u>\$ 2,400,000</u>
	<hr/>
Principal sum	\$ 3,400,000
Bond proceeds received in 2010	(667,717)
	<hr/>
Principal sum available	<u>\$ 2,732,283</u>

The Bonds will be secured solely by monies on deposit in the Board of Liquidation, City Debt, Debt Administration, LADHH Loan Revenue Bonds account. The proceeds of the Bonds will be for the purpose of paying the costs of capital improvements to the water system of the City, including, but not limited to, a sodium hypochlorite facility and paying the costs of the issuance of the Bonds. The interest rate on bonds is 2.95% and the administrative fee to LADHH is .50%.

BOARD OF LIQUIDATION, CITY DEBT
SCHEDULE OF BONDED DEBT ADMINISTERED BY BOARD OF LIQUIDATION, CITY DEBT
DECEMBER 31, 2010

	<u>Date of Bonds</u>	<u>Final Serial Maturity</u>	<u>Average Annual Interest Cost</u>	<u>Principal due 2011</u>	<u>Interest due 2011</u>	<u>Debt Service due 2011</u>	<u>Amount Outstanding (Note A.)</u>
<u>GENERAL OBLIGATION BONDS (Note B.)</u>							
General Obligation Refunding Bonds, Series 1991 (Notes C. and D.)	Sep. 1, 1991	Sep. 1, 2021	7.071%	\$ 6,400,435	\$ 19,044,565	\$ 25,445,000	\$ 40,198,992
General Obligation Refunding Bonds, Series 1998	Dec. 1, 1998	Dec. 1, 2026	4.948%	3,500,000	4,646,663	8,146,663	87,615,000
Public Improvement Bonds, Issue of 2001	Apr. 1, 2001	Dec. 1, 2030	5.225%	580,000	1,032,888	1,612,888	20,190,000
Public Improvement Bonds, Issue of 2002	Apr. 1, 2002	Dec. 1, 2031	5.307%	780,000	1,501,368	2,281,368	28,540,000
General Obligation Refunding Bonds, Series 2002	Apr. 1, 2002	Sep. 1, 2021	5.384%	0	3,018,769	3,018,769	58,415,000
Public Improvement Bonds, Issue of 2003	Oct. 1, 2003	Oct. 1, 2033	5.021%	970,000	1,825,788	2,795,788	36,365,000
Public Improvement Bonds, Issue of 2004	July 13, 2004	Dec. 1, 2033	5.096%	715,000	1,505,388	2,220,388	29,935,000
Public Improvement Bonds, Issue of 2005A	May 24, 2005	Dec. 1, 2034	4.347%	350,000	655,900	1,005,900	14,730,000
General Obligation Refunding Bonds, Series 2005	July 6, 2005	Dec. 1, 2029	5.180%	4,150,000	5,239,950	9,389,950	101,070,000
Public Improvement Bonds, Issue of 2007A	Dec. 14, 2007	Dec. 1, 2036	5.086%	1,515,000	3,668,825	5,183,825	72,160,000
Public Improvement Bonds, Issue of 2010A Taxable Build America Bonds	Jan. 19, 2010	Dec. 1, 2039	8.405%	715,000	3,214,336	3,929,336	40,000,000
				<u>\$ 19,675,435</u>	<u>\$ 45,354,440</u>	<u>\$ 65,029,875</u>	<u>\$ 529,218,992</u>
<u>LIMITED TAX BONDS (Note E.)</u>							
Series 2005	July 6, 2005	Mar. 1, 2021	4.045%	<u>\$ 1,780,000</u>	<u>\$ 1,177,880</u>	<u>\$ 2,957,880</u>	<u>\$ 25,140,000</u>
<u>DRAINAGE SYSTEM SPECIAL TAX BONDS (Note F.)</u>							
Drainage System Bonds, Series 1998 (9 mill)	Dec. 1, 1998	Dec. 1, 2018	4.838%	\$ 545,000	\$ 249,583	\$ 794,583	\$ 5,155,000
Series 2002 (9 mill)	Oct. 1, 2002	Dec. 1, 2022	4.457%	755,000	647,310	1,402,310	15,135,000
				<u>\$ 1,300,000</u>	<u>\$ 896,893</u>	<u>\$ 2,196,893</u>	<u>\$ 20,290,000</u>

See accompanying notes.

BOARD OF LIQUIDATION, CITY DEBT
SCHEDULE OF BONDED DEBT ADMINISTERED BY BOARD OF LIQUIDATION, CITY DEBT
(CONTINUED)
DECEMBER 31, 2010

	<u>Date of Bonds</u>	<u>Final Serial Maturity</u>	<u>Average Annual Interest Cost</u>	<u>Principal due 2011</u>	<u>Interest due 2011</u>	<u>Debt Service due 2011</u>	<u>Amount Outstanding (Note A.)</u>
<u>SEWERAGE SERVICE REVENUE BONDS (Note G.)</u>							
Bond Series 1997	June 1, 1997	June 1, 2017	5.359%	\$ 1,745,000	\$ 726,234	\$ 2,471,234	\$ 14,460,000
Bond Series 1998	Dec. 1, 1998	June 1, 2018	4.817%	1,380,000	594,660	1,974,660	13,040,000
Bond Series 2000	May 1, 2000	June 1, 2020	5.478%	1,305,000	899,278	2,204,278	17,195,000
Bond Series 2000B	Nov. 1, 2000	June 1, 2020	5.424%	1,005,000	670,980	1,675,980	13,060,000
Bond Series 2001	Dec. 1, 2001	June 1, 2021	5.018%	1,545,000	1,032,808	2,577,808	21,530,000
Bond Series 2002	Dec. 1, 2002	June 1, 2022	4.362%	2,510,000	1,992,500	4,502,500	41,105,000
Bond Series 2003	Dec. 3, 2003	June 1, 2023	3.939%	245,000	160,769	405,769	4,025,000
Bond Series 2004	Dec. 16, 2004	June 1, 2024	4.262%	1,375,000	1,054,081	2,429,081	25,690,000
Bond Series 2009	July 14, 2009	June 1, 2029	6.282%	705,000	1,303,747	2,008,747	22,695,000
				<u>\$ 11,815,000</u>	<u>\$ 8,435,057</u>	<u>\$ 20,250,057</u>	<u>\$ 172,800,000</u>
<u>LADHH LOAN REVENUE BONDS (Note G.)</u>							
Series 2010A	Feb. 1, 2010	Feb. 1, 2031	2.950%	\$ 0	\$ 0	\$ 0	\$ 800,000
Series 2010B	Feb. 1, 2010	Feb. 1, 2031	2.950%	0	0	0	1,600,000
				<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,400,000</u>
<u>WATER REVENUE BONDS (Note H.)</u>							
Series 1998	Dec. 1, 1998	Dec. 1, 2018	4.817%	\$ 885,000	\$ 398,468	1,283,468	\$ 8,345,000
Series 2002	Oct. 1, 2002	Dec. 1, 2022	4.567%	1,335,000	1,287,150	2,622,150	26,290,000
				<u>\$ 2,220,000</u>	<u>\$ 1,685,618</u>	<u>\$ 3,905,618</u>	<u>\$ 34,635,000</u>
<u>AUDUBON PARK COMMISSION BONDS .4 MILL (Note I.)</u>							
Refunding & Improvement Bonds, Series 1997	Jan. 1, 1997	Dec. 1, 2016	5.422%	\$ 275,000	\$ 98,755	\$ 373,755	\$ 1,910,000
<u>AUDUBON PARK COMMISSION AQUARIUM BONDS 3.8 MILL (Note J.)</u>							
Refunding Bonds, Series 2001A	Nov. 1, 2001	Oct. 1, 2017	4.731%	\$ 15,000	\$ 690,224	\$ 705,224	\$ 13,375,000
Bond Series 2001B	Nov. 1, 2001	Oct. 1, 2021	5.586%	70,000	24,955	94,955	6,153,572
Refunding Bonds, Series 2003A	July 9, 2003	Oct. 1, 2013	3.726%	2,445,000	385,250	2,830,250	7,705,000
				<u>\$ 2,530,000</u>	<u>\$ 1,100,429</u>	<u>\$ 3,630,429</u>	<u>\$ 27,233,572</u>
<u>DOWNTOWN DEVELOPMENT DISTRICT TAX BONDS 22.97 MILL (Note K.)</u>							
Limited Tax Bonds Series 2001	July 1, 2001	Dec. 1, 2026	5.193%	\$ 235,000	\$ 287,878	\$ 522,878	\$ 5,685,000

See accompanying notes.

BOARD OF LIQUIDATION, CITY DEBT
NOTES TO SCHEDULE OF BONDED DEBT ADMINISTERED
BY BOARD OF LIQUIDATION, CITY DEBT
DECEMBER 31, 2010

- Note A. Amount Outstanding - Amount excludes balances recorded as liabilities in the Combining Statement of Assets, Liabilities, Custodial, Debt Service and Reserve Funds-Modified Cash Basis
- Note B. General Obligation Bonds - Legal Debt Limit: \$1,098,156,818; Debt Service Coverage: Unlimited Ad Valorem Tax Levy; Reserve Fund: Sufficient to cover 1/2 of the high year's Principal and Interest due.
- Note C. Refunded General Obligation Bonds (1998) - A portion of these Issues Refunded in 1998. Debt Service guaranteed by Escrow Agreement.
- Note D. Refunded General Obligation Bonds (2002) - A portion of these Issues Refunded in 2002. Debt Service guaranteed by Escrow Agreement.
- Note E. Limited Tax Bonds - Debt Service Coverage: 2010 Tax Yield 110% of Debt Service due
- Note F. Drainage System Bonds - Debt Service Coverage: 2010 Tax Yield 737% of Debt Service Due- 9 mill
- Note G. Sewerage Service Revenue Bonds - Bond Debt Service Coverage: Rates sufficient to produce revenues over and above the amount required for operation and maintenance of the system which shall be not less than 130% of the maximum of Debt Service due in any calendar year on all outstanding bonds. Bond Reserve Fund: 125% average aggregate debt service. LADHH Loan Revenue Bonds 2010A&B are payable February and August as loan proceeds are drawn from the Louisiana Department of Health and Hospitals Drinking Water Revolving Loan Fund. At December 31, 2010 \$667,717 was drawn from the loan fund.
- Note H. Water Revenue Bonds - Debt Service Coverage: Rates sufficient to produce revenues over and above the amount required for operation and maintenance of the system which shall be not less than 130% of the maximum of Debt Service due in any calendar year on all outstanding bonds. Reserve Fund: Highest year's principal and interest due.
- Note I. Audubon Park Commission .4 Mill Bonds - Debt Service Coverage: 2010 Tax Yield 198% of Debt Service due. Reserve Fund: Sufficient to cover 1/2 of high year's Principal and Interest due.
- Note J. Audubon Park Commission 3.8 Mill Bonds - Debt Service Coverage: 2010 Tax Yield 191% of Debt Service due. Reserve Fund: None.
- Note K. Downtown Development District Bonds - Debt Service Coverage: 2010 Tax Yield 987% of Debt Service due. Reserve Fund: Sufficient to cover The high year's Principal and Interest due.

BOARD OF LIQUIDATION, CITY DEBT
SCHEDULE OF DEDICATED AD VALOREM TAX MILLAGE
AVAILABLE FOR SERVICING OF BONDED DEBT
DECEMBER 31, 2010

	Millage (Note A.)								
	1990 & 1991	1992	1993 through 2002	2003 through 2005	2006	2007	2008	2009	2010 through 2011
<u>DEBT SERVICE</u>	35.30	26.90	26.90	28.40	38.20	31.70	23.80	23.80	25.50
<u>CAPITAL IMPROVEMENT LIMITED TAX (Note B.)</u>	N/A	N/A	2.50	2.50	2.50	2.50	1.82	1.82	1.82
<u>SEWERAGE & WATER BOARD:</u>									
Construction & Extension of Sewerage, Water & Drainage System (Tax expired 12/31/91)	4.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Operation, Maintenance and Construction & Extension of Drainage System	6.01	6.40	6.40	6.40	6.40	6.40	4.66	4.54	4.66
Operation, Maintenance and Construction of Drainage System	6.09	6.48	6.48	6.48	6.48	6.48	4.71	4.60	4.71
Operation, Maintenance and Construction of Drainage System	9.13	9.71	9.71	9.71	9.71	9.71	7.06	6.89	7.06
<u>AUDUBON PARK COMMISSION:</u>									
Audubon Park Zoo	0.41	0.44	0.44	0.44	0.44	0.44	0.32	0.32	0.32
Audubon Park Aquarium (Note C.)	3.86	4.11	4.11	4.11	4.11	4.11	2.99	2.99	2.99
<u>DOWNTOWN DEVELOPMENT DISTRICT</u>	13.24	15.68	15.90	15.90	15.90	15.90	14.76	14.76	14.76

See accompanying notes.

BOARD OF LIQUIDATION, CITY DEBT
NOTES TO SCHEDULE OF DEDICATED AD VALOREM TAX MILLAGE
AVAILABLE FOR SERVICING OF BONDED DEBT
DECEMBER 31, 2010

- Note A. Millage is approved in December of each year by the City Council of New Orleans for the new tax year.
- Note B. The 2.5 mills for Capital Improvement Limited Tax is in effect for the first time in 1996.
- Note C. The 3.8 mills for Audubon Park Aquarium was in effect for the first time in 1987.

BOARD OF LIQUIDATION, CITY DEBT
 SCHEDULE OF SEWERAGE & WATER BOARD MATURED BONDS-DEBT ADMINISTRATION
 DECEMBER 31, 2010

	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
SCHEDULE OF DEFEASED BONDS-DEBT ADMINISTRATION
DECEMBER 31, 2010

	General Obligation Bonds	Sewerage Service Revenue Bonds	Water Revenue Bonds	Audubon Park Commission Aquarium Bonds	Total
<u>ASSETS</u>					
Cash	\$ 38,678	\$ 14,320	\$ 8,320	\$ 2,219	\$ 63,537
<i>Total Assets</i>	<u>\$ 38,678</u>	<u>\$ 14,320</u>	<u>\$ 8,320</u>	<u>\$ 2,219</u>	<u>\$ 63,537</u>
<u>LIABILITIES</u>					
Interest payable	\$ 15,463	\$ 1,785	\$ 8,320	\$ 2,219	\$ 27,787
Principal payable	23,215	12,535	0	0	35,750
<i>Total Liabilities</i>	<u>\$ 38,678</u>	<u>\$ 14,320</u>	<u>\$ 8,320</u>	<u>\$ 2,219</u>	<u>\$ 63,537</u>

BOARD OF LIQUIDATION, CITY DEBT
SCHEDULE OF ITEMIZED DISBURSEMENTS-INTEREST AND PRINCIPAL PAID
FOR THE YEAR ENDED DECEMBER 31, 2010

	Interest Paid			Principal Paid	
	Debt Service Fund	Federal Subsidy Taxable BAB	Total Interest	Debt Service Fund	Total Interest and Principal
<u>GENERAL OBLIGATION BONDS</u>					
Public Improvement Bonds, Issue of 2001	\$ 1,068,638	\$ 0	\$ 1,068,638	\$ 550,000	\$ 1,618,638
Public Improvement Bonds, Issue of 2002	1,539,293	0	1,539,293	740,000	2,279,293
Public Improvement Bonds, Issue of 2003	1,875,138	0	1,875,138	940,000	2,815,138
Public Improvement Bonds, Issue of 2004	1,546,188	0	1,546,188	680,000	2,226,188
Public Improvement Bonds, Issue of 2005A	676,300	0	676,300	340,000	1,016,300
Public Improvement Bonds, Issue of 2007A	3,741,325	0	3,741,325	1,450,000	5,191,325
Public Improvement Bonds, Issue of 2010A	1,810,743	975,012	2,785,755	0	2,785,755
General Obligation Refunding Bonds, Series 1991	18,585,283	0	18,585,283	6,859,717	25,445,000
General Obligation Refunding Bonds, Series 1998	4,828,438	0	4,828,438	3,305,000	8,133,438
General Obligation Refunding Bonds, Series 2002	3,018,769	0	3,018,769	0	3,018,769
General Obligation Refunding Bonds, Series 2005	5,436,700	0	5,436,700	3,935,000	9,371,700
<i>Total General Obligation Bonds</i>	<u>44,126,815</u>	<u>975,012</u>	<u>45,101,827</u>	<u>18,799,717</u>	<u>63,901,544</u>
<u>SPECIAL TAX BONDS</u>					
Limited Tax Bonds, Series 2005	1,231,936	0	1,231,936	1,705,000	2,936,936
<u>SEWER & WATER BOARD SPECIAL TAX BONDS</u>					
Drainage System Bonds, Series 1998	272,723	0	272,723	520,000	792,723
Drainage System Bonds, Series 2002	675,016	0	675,016	715,000	1,390,016
Total Drainage System 9 mill bonds	<u>947,739</u>	<u>0</u>	<u>947,739</u>	<u>1,235,000</u>	<u>2,182,739</u>
<u>SEWER & WATER BOARD REVENUE BONDS</u>					
Sewerage Service Revenue Bonds, Series 1997	815,070	0	815,070	1,655,000	2,470,070
Sewerage Service Revenue Bonds, Series 1998	654,750	0	654,750	1,320,000	1,974,750
Sewerage Service Revenue Bonds, Series 2000	966,638	0	966,638	1,230,000	2,196,638
Sewerage Service Revenue Bonds, Series 2000B	721,043	0	721,043	950,000	1,671,043
Sewerage Service Revenue Bonds, Series 2001	1,100,240	0	1,100,240	1,485,000	2,585,240
Sewerage Service Revenue Bonds, Series 2002	2,102,850	0	2,102,850	2,380,000	4,482,850
Sewerage Service Revenue Bonds, Series 2003	167,856	0	167,856	235,000	402,856
Sewerage Service Revenue Bonds, Series 2004	1,099,594	0	1,099,594	1,320,000	2,419,594
Sewerage Service Revenue Bonds, Series 2009	1,328,965	0	1,328,965	680,000	2,008,965
Total Sewerage Service Revenue Bonds	<u>8,957,006</u>	<u>0</u>	<u>8,957,006</u>	<u>11,255,000</u>	<u>20,212,006</u>
Water Revenue Bonds, Series 1998	436,492	0	436,492	845,000	1,281,492
Water Revenue Bonds, Series 2002	1,334,775	0	1,334,775	1,270,000	2,604,775
Total Water Revenue Bonds	<u>1,771,267</u>	<u>0</u>	<u>1,771,267</u>	<u>2,115,000</u>	<u>3,886,267</u>
<u>LADHH LOAN REVENUE BONDS</u>					
Revenue Bonds, Series 2010A, Taxable ARRA	483	0	483	0	483
Revenue Bonds, Series 2010B, Taxable ARRA	644	0	644	0	644
Total Revenue Bonds-LADHH	<u>1,127</u>	<u>0</u>	<u>1,127</u>	<u>0</u>	<u>1,127</u>
<u>AUDUBON COMMISSION SPECIAL TAX BONDS</u>					
Audubon Park Commission Improvement Bonds, Series 1997	112,015	0	112,015	260,000	372,015
Audubon Park Commission Aquarium Bonds, Series 2001A	690,824	0	690,824	15,000	705,824
Audubon Park Commission Aquarium Bonds, Series 2001B	27,755	0	27,755	70,000	97,755
Audubon Park Commission Aquarium Bonds, Series 2003A	501,500	0	501,500	2,325,000	2,826,500
Total Audubon Park Commission Aquarium Bonds	<u>1,220,079</u>	<u>0</u>	<u>1,220,079</u>	<u>2,410,000</u>	<u>3,630,079</u>
<u>DOWNTOWN DEVELOPMENT DISTRICT Special Tax Bonds, Series 2001</u>	<u>302,727</u>	<u>0</u>	<u>302,727</u>	<u>225,000</u>	<u>527,727</u>
<i>Total Itemized Disbursements-Interest and Principal Paid</i>	<u>\$ 58,670,711</u>	<u>\$ 975,012</u>	<u>\$ 59,645,723</u>	<u>\$ 38,004,717</u>	<u>\$ 97,650,440</u>

PACIERA, GAUTREAU & PRIEST, LLC

CERTIFIED PUBLIC ACCOUNTANTS

3209 RIDGELAKE DRIVE, SUITE 200

METAIRIE, LA 70002

(504) 486-5573

FAX (504) 486-6091

www.pgpcpa.com

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

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INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the financial statements of the Board of Liquidation, City Debt as of and for the year ended December 31, 2010, and have issued our report thereon dated March 7, 2011. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Board of Liquidation, City Debt's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Entity's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board of Liquidation, City Debt's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

This report is intended solely for the information and use of management, the members of the Board, the City of New Orleans, and the Louisiana Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties.

Paciera Gautreau & Priest
LLC

March 7, 2011