

*In the opinion of Co-Bond Counsel, under existing law, interest on the Bonds is **not** excluded from gross income for Federal income tax purposes. Bondholders should consult their tax advisors with respect to the inclusion of interest on the Bonds in gross income for federal income tax purposes. See "TAX MATTERS" herein. Under Louisiana law, the Bonds are exempt from all taxation for state, parish, municipal, or other purposes.*

\$65,000,000
TAXABLE PUBLIC IMPROVEMENT BONDS, ISSUE OF 2015A
CITY OF NEW ORLEANS, LOUISIANA

Dated: Date of Delivery

Due: December 1, 2016 to December 1, 2044

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

The Bonds maturing on December 1, 2025, and thereafter, shall be subject to redemption at the option of the Issuer, acting through the Board of Liquidation, City Debt, prior to their stated maturities, on and after December 1, 2024, in whole or in part at any time, and if less than a full maturity, then by lot within such maturity at a redemption price equal to the principal net amount of the Bonds to be redeemed plus accrued interest to the redemption date. Any Bonds made the subject of such call or calls shall be redeemed at the principal amount thereof plus accrued interest to the date fixed for redemption. The Bonds are not required to be redeemed in inverse order of maturity. The Bonds are subject to mandatory sinking fund redemption as set forth herein.

The Bonds are general obligations of the City, for which the full faith and credit of the City is pledged, and are secured by and payable from ad valorem taxes upon all the property subject to such taxation within the City in an amount sufficient to pay the principal of and the interest on the Bonds. The Bonds are the fifth and final emission of the bonds authorized in a proposition approved by the voters of the City in a special election held on November 2, 2004, and are being issued for the purposes set forth in said proposition, all as more particularly described herein.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by ASSURED GUARANTY MUNICIPAL CORP.



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

The Bonds are offered subject to the joint approving opinion of Foley & Judell, L.L.P., New Orleans, Louisiana; McKee Law Firm, L.L.C., New Orleans, Louisiana; and Haley Law Firm, L.L.C., New Orleans, Louisiana, Co-Bond Counsel. Public Financial Management, Inc., Memphis, Tennessee, and C. Lyle Barney & Company, New Orleans, Louisiana, serve as independent Co-Municipal Advisors to the Issuer. Certain matters will be passed upon for the Issuer by Beirne, Maynard and Parsons, L.L.P., New Orleans, Louisiana, legal counsel to the Board. It is expected that the Bonds in definitive form will be available for delivery to DTC in New York, New York, on or about April 29, 2015, against payment therefor.

The date of this Official Statement is March 25, 2015. This cover page contains information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

\$65,000,000
TAXABLE PUBLIC IMPROVEMENT BONDS, ISSUE OF 2015A
CITY OF NEW ORLEANS, LOUISIANA

MATURITY SCHEDULE
(Base CUSIP No. 64763F)

<u>Due</u> <u>Dec. 1</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u> <u>or Yield</u>	<u>CUSIPs</u>	<u>Due</u> <u>Dec. 1</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u> <u>or Yield</u>	<u>CUSIPs</u>
2016	\$ 1,205,000	4.000%	1.000%	TR0	2027	\$1,900,000	3.625%	3.700%	UC1
2017	1,255,000	4.000	1.400	TS8	2028	1,970,000	3.750	3.800	UD9
2018	1,305,000	4.000	2.000	TT6	2031	2,210,000	4.000	4.050	UG2
2019	1,355,000	4.000	2.400	TU3	2032	2,295,000	4.000	4.080	UH0
2020	1,410,000	4.000	2.600	TV1	2033	2,390,000	4.000	4.120	UJ6
2021	1,465,000	4.000	2.700	TW9	2034	2,485,000	4.000	4.160	UK3
2022	1,525,000	5.000	2.900	TX7	2035	2,585,000	4.000	4.200	UL1
2023	1,600,000	5.000	3.150	TY5	2036	2,685,000	4.000	4.230	UM9
2024	1,680,000	5.000	3.250	TZ2	2037	2,795,000	4.125	4.250	UN7
2025	1,765,000	4.000	3.350*	UA5	2038	2,910,000	4.125	4.280	UP2
2026	1,835,000	3.500	100	UB3	2039	3,030,000	4.200	4.300	UQ0

\$4,165,000 4.00% Term Bonds due December 1, 2030, Price 100, CUSIP UF4
\$17,180,000 4.25% Term Bonds due December 1, 2044, Yield 4.371%, CUSIP UV9

* Priced to December 1, 2024 par call.

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

No dealer, broker, salesperson or other person has been authorized by the City or the Board of Liquidation to give any information or to make any representations in connection with the Bonds or the matters described herein, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the City or the Board of Liquidation. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds, by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein concerning The Depository Trust Company (“DTC”) has been furnished by DTC, and no representation is made by the City or the Board of Liquidation as to the completeness or accuracy of such information. All other information set forth herein has been obtained from the City and other sources which are believed to be reliable but is not guaranteed as to accuracy or completeness. The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the matters described herein since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement does not constitute a contract between the City or the Board of Liquidation and any one or more of the purchasers or registered owners of the Bonds.

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

ASSURED GUARANTY MUNICIPAL CORP. (“AGM”) MAKES NO REPRESENTATION REGARDING THE BONDS OR THE ADVISABILITY OF INVESTING IN THE BONDS. IN ADDITION, AGM HAS NOT INDEPENDENTLY VERIFIED, MAKES NO REPRESENTATION REGARDING, AND DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT OR ANY INFORMATION OR DISCLOSURE CONTAINED HEREIN, OR OMITTED HEREFROM, OTHER THAN WITH RESPECT TO THE ACCURACY OF THE INFORMATION REGARDING AGM SUPPLIED BY AGM AND PRESENTED UNDER THE HEADING “BOND INSURANCE” AND “APPENDIX K - SPECIMEN MUNICIPAL BOND INSURANCE POLICY”.

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

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

Cautionary Statements Regarding Forward-Looking Statements in this Official Statement

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

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

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

CITY OF NEW ORLEANS, LOUISIANA

MAYOR

Mitchell J. Landrieu

CITY COUNCIL

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

BOARD OF LIQUIDATION, CITY DEBT

Mary K. Zervigon, President

Richard P. Wolfe, Vice President

Mitchell J. Landrieu, *ex officio*

Jason R. Williams, *ex officio*

Alan C. Arnold

Henry F. O'Connor, Jr.

Stacy S. Head, *ex officio*

W. Raymond Manning

Mark M. Moody

David W. Gernhauser, *Secretary*

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Haley Law Firm, L.L.C.

Co-Municipal Advisors

Public Financial Management, Inc.

CLB Porter

Legal Counsel, Board of Liquidation, City Debt

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

Auditors for the City of New Orleans

Postlethwaite & Netterville, APAC

Auditors for the Board of Liquidation, City Debt

Paciera, Gautreau & Priest, LLC

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OFFICIAL STATEMENT

\$65,000,000

TAXABLE PUBLIC IMPROVEMENT BONDS, ISSUE OF 2015A

CITY OF NEW ORLEANS, LOUISIANA

INTRODUCTORY STATEMENT

This Official Statement of the City of New Orleans, Louisiana (either the “Issuer,” the “City” or “New Orleans”) is provided to furnish information with respect to the referenced Bonds (the “Bonds”). The Bonds are being issued pursuant to a resolution adopted by the Board of Liquidation, City Debt (the “Board of Liquidation”) on March 25, 2015 (the “Bond Resolution”). The Bonds are being issued for various public purposes as described herein.

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

Additional information about the City and the Parish of Orleans (the “Parish”) is included in Appendix “B” hereto. The audited financial statements of the City for the year ended December 31, 2013 can be viewed using the link included in Appendix “C” hereto. The Summary Budget of the City for the year ending December 31, 2015 is included in Appendix “D” hereto. Audited financial statements of the Board of Liquidation for the year ended December 31, 2014 are included in Appendix “E” hereto. Maps indicating the general location of the City in the State of Louisiana (the “State”) are included before Appendix “A” hereto.

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

This Official Statement contains information which has been furnished or obtained from the sources indicated. The factors affecting the City’s financial condition and the security for the Bonds are described throughout this Official Statement, which should be read in its entirety. The summaries of and references to all documents, statutes, reports and other instruments referred to herein do not purport to be complete and each such document, statute, report or instrument is qualified in its entirety by reference to each such document, statute, report or instrument, copies of which are available from the Board of Liquidation. Any dealer, broker, salesperson or other persons interested in bidding on the obligations herein described may receive additional copies of this Official Statement prior to the date of sale upon request to the Secretary of the Board of Liquidation, or electronically from the websites of IPREO (www.i-dealprospectus.com) or the Board of Liquidation (www.bolcd.com) under the link for Bond Ratings and Sales.

Authorization of Bonds

The Bonds are authorized and issued pursuant to Article VI, Section 33 of the Louisiana Constitution of 1974 (the "Constitution"), Part XIV, Chapter 4 of Title 39 and the applicable provisions of Chapter 5 and Chapter 6-A of Title 18 of the Louisiana Revised Statutes of 1950, as amended (the "Act"), and other constitutional and statutory authority. The Bonds were specifically authorized by a special election held in the City on November 2, 2004 (the "Election"). See "DESCRIPTION OF THE BONDS-Results of Election" herein.

The Louisiana State Bond Commission approved the issuance of the Bonds on September 16, 2004.

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

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

DESCRIPTION OF THE BONDS

Amount of Bonds Being Issued

Sixty-Five Million Dollars (\$65,000,000) of Bonds of the Issuer are being issued, constituting the fifth and final emission of Two Hundred Sixty Million Dollars (\$260,000,000) of Bonds authorized at the Election (hereinafter defined).

Date of Issue

The Bonds are dated as of their date of delivery, which is anticipated to be April 29, 2015.

Purpose of Issue

The Bonds are being issued for the purpose of improving streets, parks and playgrounds, public libraries and other public buildings, all as set forth in the proposition approved by the voters on November 2, 2004. (See "DESCRIPTION OF THE BONDS - Results of November 2, 2004 Election" herein.)

Paying Agent

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

Average Life

The average life of the Bonds is approximately 18.332 years from their dated date.

Form and Denominations

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

Maturities; Interest Payment Dates

The Bonds will mature on December 1 in the years and in the principal amounts indicated on the inside cover page of this Official Statement. Interest on the Bonds is payable on June 1 and December 1 of each year, commencing June 1, 2015 (each an “Interest Payment Date”), at the rates per annum indicated on the inside cover page hereof. The Bonds shall bear interest from the date thereof or from the most recent Interest Payment Date to which interest has been paid or duly provided for.

Redemption Provisions

Optional Redemption. The Bonds maturing on December 1, 2025, and thereafter, shall be subject to redemption at the option of the Issuer, acting through the Board of Liquidation, City Debt, prior to their stated maturities, on and after December 1, 2024, in whole or in part at any time, and if less than a full maturity, then by lot within such maturity at a redemption price equal to the principal net amount of the Bonds to be redeemed plus accrued interest to the redemption date. Any Bonds made the subject of such call or calls shall be redeemed at the principal amount thereof plus accrued interest to the date fixed for redemption. The Bonds are not required to be redeemed in inverse order of maturity. If a bidder shall elect to specify term bonds as provided in “BIDDING INFORMATION-Special Bidders' Option” herein, the Bonds subject to mandatory sinking fund redemption shall also be subject to the terms and conditions described in this Official Statement

In the event a Bond to be redeemed is of a denomination larger than \$5,000, a portion of such Bond (\$5,000 or any multiple thereof) may be redeemed. Bonds are not required to be redeemed in inverse order of maturity. Notice of any such redemption shall be given by the Board of Liquidation to the Paying Agent at least forty-five (45) days prior to the date fixed for redemption. Notice of redemption shall be given by the Paying Agent by mailing a copy of the redemption notice by first class mail, postage prepaid, not less than thirty (30) days prior to the redemption date addressed to the registered owner of each bond to be redeemed in whole or in part at the address as shown on the registration books of the Paying Agent.

Mandatory Redemption. The Term Bond maturing on December 1, 2030, shall be subject to mandatory sinking fund redemption on December 1 in the years and in the principal amounts set forth below, plus accrued interest thereon:

Year (Dec. 1)	Principal Amount
2029	\$2,040,000
2030	2,125,000*

The Term Bond maturing on December 1, 2044, shall be subject to mandatory sinking fund redemption on December 1 in the years and in the principal amounts set forth below, plus accrued interest thereon:

Year (Dec. 1)	Principal Amount
2040	\$3,155,000
2041	3,290,000
2042	3,430,000
2043	3,575,000
2044	3,730,000*

* Final Maturity.

Bonds May Be Defeased

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

- (1) There is deposited in an irrevocable trust with a bank which is a member of the Federal Deposit Insurance Corporation, or its successor, or with a trust company, monies in an amount sufficient to pay in full the principal of and interest and call premiums, if any, on such Bonds to their stated maturity or to the date fixed for their redemption if irrevocable provision has been made for the call thereof.

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

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

Provisions Applicable if Book-Entry Only System is Terminated

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

Place of Payment. The Bonds will be payable at the principal corporate trust office of the Paying Agent in the City of Baton Rouge, Louisiana, or at the office of any successor thereto.

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

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

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

Results of November 2, 2004 Election

The Bonds are the fifth and final emission of \$260,000,000 of general obligation bonds authorized as a result of the approval of a proposition by the voters of the City at the Election. \$75,000,000 Public Improvement Bonds, Issue of 2007A, were issued on and dated December 14, 2007, \$40,000,000 Taxable Public Improvement Bonds, Issue of 2010A (Build America Bonds-Federally Taxable-Direct Payment to Issuer), were issued on and dated January 19, 2010, \$40,000,000 Taxable Public Improvement Bonds, Issue of 2013A, were issued on and dated March 1, 2013, and \$40,000,000 Taxable Public Improvement Bonds, Issue of 2014A, were issued on and dated January 21, 2014. The proposition submitted and the result of said election follow:

GENERAL OBLIGATION BOND AUTHORIZATION PROPOSITION

SUMMARY: AUTHORITY FOR THE CITY OF NEW ORLEANS TO ISSUE UP TO \$260,000,000 OF GENERAL OBLIGATION BONDS FOR UP TO 30 YEARS AND AT INTEREST RATES NOT EXCEEDING 9% PER ANNUM, FOR STREET IMPROVEMENTS AND FOR ACQUIRING, CONSTRUCTING, IMPROVING, EQUIPPING AND/OR RENOVATING PARKS AND RECREATION FACILITIES, PUBLIC LIBRARIES AND PUBLIC BUILDINGS, SAID BONDS TO BE PAYABLE FROM AD VALOREM TAXES.

Shall the City of New Orleans, Louisiana (the "City"), incur debt and issue up to two hundred and sixty million dollars (\$260,000,000) of bonds, in one or more series, said bonds to run up to thirty (30) years from the date thereof, to bear interest at a rate or rates not exceeding nine percent (9%) per annum, and to be general obligations of the City payable from ad valorem taxes to be levied and collected in the manner provided by Article VI, Section 33 of the 1974 Louisiana Constitution and other constitutional and statutory authority, for the following purposes:

\$162,900,000 for improvements to major and minor streets, including rehabilitation, reconstruction, base stabilization, drainage adjustments and related sidewalks, curbing, bridge replacement and improvement, urban systems, traffic signal control, improvements required under the Americans with Disabilities Act, and related administrative and maintenance facilities;

\$43,545,000 for acquiring, constructing, improving, equipping and/or renovating parks, playgrounds and recreation facilities, together with lighting improvements, including without limitation, Brechtel Park, Armstrong Park, City Park, Audubon Park, Ponchartrain Park, the Pan American Stadium and NORD facilities citywide provided that from this amount, \$10,000,000 shall be dedicated to the purpose of acquisition of equipment and improvements for playgrounds and recreation facilities owned by the City of New Orleans in all five Council districts, including but not limited to swings, playground equipment, basketball courts, safety surfacing, walkways, lighting, fencing, benches, signage, water fountains, landscaping, and trash receptacles. A Citizens Recreation Advisory Committee appointed by the City Council shall make recommendations to the Council and the Executive Branch regarding expenditures of the said \$10,000,000.

\$8,100,000 for acquiring, constructing, improving, equipping and/or renovating public libraries; and

\$45,455,000 for acquiring, constructing, improving, equipping and/or renovating other public buildings and facilities, including, without limitation, City Hall, Criminal Courts Buildings, Vieux Carre Commission Offices, French Market, the New Orleans Museum of Art and police and fire department stations and facilities?

Number of Votes FOR	111,667	66 %
Number of Votes AGAINST	57,459	34 %

Status of Existing General Obligation Bond Authorization

Type of Project	Amount Authorized	Previously Issued	2015A Bonds	Remainder
Streets	\$162,900,000	\$120,374,846	\$42,525,154	\$ 0
Recreation Facilities	43,545,000	25,145,335	18,399,665	0
Libraries	8,100,000	6,892,794	1,207,206	0
Other Public Buildings	45,455,000	42,587,025	2,867,975	0
TOTALS	\$260,000,000	\$195,000,000	\$65,000,000	\$ 0

SECURITY FOR THE BONDS

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

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

"Section 33. Political Subdivisions; General Obligation Bonds.

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

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

Section 1034. Authority to issue particular type bonds

A. General obligation bonds.

(1) Authorization; election. Subject to the approval of the State Bond Commission, or its successor, general obligation bonds may be issued by the City if authorized by a majority of the electors of the City voting on the proposition(s) at an election called by ordinance or resolution adopted by affirmative vote of a majority of the members of the council and conducted substantially in accordance with the provisions of Chapter 6-A of Title 18 of the Louisiana Revised Statutes of 1950, as amended. Prior to the holding of any election to authorize the issuance of general obligation bonds, the ordinance or resolution of the council ordering and calling the election must be approved by resolution adopted by a majority of the members of the Board of Liquidation.

- (2) *Debt limit. No general obligation bonds shall be issued by the City in an amount which shall exceed the limit of indebtedness provided for municipalities in R.S. 39:562(B), or five hundred million dollars, whichever is greater.*
- (3) *Security. All general obligation bonds of the City shall be payable from ad valorem taxes levied by the council on all the property subject to taxation within the City sufficient in amount to pay principal and interest and redemption premiums, if any, thereon as they respectively become due and shall be additionally secured by a pledge of the full faith and credit of the City.*
- (4) *Obligation to impose and collect taxes. The council shall impose and collect annually in excess of all other taxes, a tax on all the property subject to taxation within the City sufficient to pay the principal and interest and redemption premiums, if any, on all general obligation bonds in each year. All ad valorem taxes levied by the council in each year for the payment of general obligation bonds shall, upon their receipt, be transferred daily to the Board of Liquidation which shall have responsibility for the deposit of such receipts and for the investment and reinvestment of such receipts and the servicing of the outstanding general obligation bonds.*
- (5) *Failure to collect taxes; default in collection. Should the council neglect or fail for any reason to impose or collect sufficient taxes for the payment of the principal or interest or redemption premiums, if any, on any general obligation bonds, any person in interest may enforce imposition and collection thereof in any court having jurisdiction of the subject matter, and any suit, action, or proceeding brought by such person in interest for such purpose shall be a preferred cause, and shall be heard by a court of competent jurisdiction and disposed of without delay. In the event of any default in the imposition and collection of any taxes required for the payment of the principal and interest and redemption premiums, if any, on any general obligation bonds, the Board of Liquidation shall, itself, by proper resolution, have the power to levy and collect the taxes required for the payment of principal and interest and redemption premiums, if any, and shall certify the rate and necessity therefor and cause the same to be imposed and collected at the same time and in the same manner as other taxes are imposed and collected in the City.*

Upon issuance of the Bonds, the City will have \$572,081,268 of general obligation bonds outstanding.

Security Interest

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

Millage Rate Setting and Procedures

The Board of Liquidation annually recommends to the City Council the property tax millage to be levied for the payment of debt service on the City’s general obligation bonded indebtedness for the succeeding year. The Board of Liquidation’s millage recommendation takes into consideration the debt service requirements on outstanding and proposed bonds; assessed valuations, net of homestead exemptions, and an assumed rate of property tax collections. The

property tax levied for the purpose of paying debt service on the City’s general obligation debt is separate from all other property taxes levied by the City Council and is dedicated solely for such purpose. All collections of the property tax dedicated to pay general obligation debt are required by statute to be paid over to the Board of Liquidation daily as collected by the City’s Department of Finance. The Board of Liquidation is responsible for depositing, investing and reinvesting such receipts and for paying debt service on general obligation debt. In the event tax collections dedicated to the payment of debt service are insufficient therefor, the Board of Liquidation may use its available funds on hand and not dedicated to other purposes to pay debt service and is empowered to levy an additional tax to pay such deficiency. The statutory provisions authorizing the Bonds provide that the Board of Liquidation shall be continued while any of the City’s general obligation bonds are outstanding and unpaid and its powers with respect to payment of the general obligation bonds shall not be diminished.

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

Estimated Millage Required to Service the Bonds

The Issuer levied 25.50 mills on the 2015 tax roll for interest and principal payments on its outstanding general obligation bonds. The Issuer estimates that this millage will be adequate and will produce sufficient revenue to service the Issuer’s outstanding general obligation bonds, the Bonds, and any additional general obligation bonds issued later in calendar year 2015. For additional information, see Appendix “G.”

Legal Debt Limit

The total principal amount of general obligation bonds of the City that may be at any time outstanding is limited by Section 39:1034 of the Louisiana Revised Statutes of 1950, as amended, to the greater of \$500,000,000 or 35% of the total assessed valuation of the City. The following table describes the debt limit of the City:

LEGAL DEBT LIMIT OF THE CITY

2015 Total Assessed Valuation	\$3,790,273,230
35% of Total Assessed Valuation (lowest thousand)	\$1,326,595,631
Less Amount of Outstanding General Obligation Bonds as of March 2, 2015	\$ 507,081,268
Less Amount of Proposed General Obligation Bonds	\$ 65,000,000
Total General Obligation Indebtedness of the City After Giving Effect to the Proposed Bonds	\$ 572,081,268
Percentage of 2015 Total Assessed Valuation	15.09%
Remaining General Obligation Bond Capacity for Capital Improvements	\$ <u>754,514,363**</u>

* The City has no principal payments scheduled on its outstanding general obligation bonds between March 2, 2015 and the anticipated delivery date of the Bonds.

** No further general obligation bonds of the city may be issued without voter approval (excluding bonds issued to refund outstanding general obligation bonds).

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Assured Guaranty Municipal Corp. ("AGM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an appendix to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Assured Guaranty Municipal Corp.

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO". AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and global public finance, infrastructure and structured finance markets. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM's financial strength is rated "AA" (stable outlook) by Standard and Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A2" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On November 13, 2014, KBRA assigned an insurance financial strength rating of "AA+" (stable outlook) to AGM. AGM can give no assurance as to any further ratings action that KBRA may take.

On July 2, 2014, S&P issued a credit rating report in which it affirmed AGM's financial strength rating of "AA-" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On July 2, 2014, Moody's issued a rating action report stating that it had affirmed AGM's insurance financial strength rating of "A2" (stable outlook). In February 2015, Moody's published a credit opinion under its new financial guarantor ratings methodology maintaining its existing rating and outlook on AGM. AGM can give no assurance as to any further ratings action that Moody's may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2014.

Capitalization of AGM

At December 31, 2014, AGM's policyholders' surplus and contingency reserve were approximately \$3,763 million and its net unearned premium reserve was approximately \$1,769 million. Such amounts represent the combined surplus, contingency reserve and net unearned premium reserve of AGM, AGM's wholly owned subsidiary Assured Guaranty (Europe) Ltd., and 60.7% of AGM's indirect subsidiary Municipal Assurance Corp.; each amount of surplus, contingency reserve and net unearned premium reserve for each company was determined in accordance with statutory accounting principles.

Incorporation of Certain Documents by Reference

Portions of the following document filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof: the Annual Report on Form 10-K for the fiscal year ended December 31, 2014 (filed by AGL with the SEC on February 26, 2015).

All consolidated financial statements of AGM and all other information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at <http://www.sec.gov>, at AGL's website at <http://www.assuredguaranty.com>, or will be provided upon request to Assured Guaranty Municipal Corp.: 31 West 52nd Street, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption "BOND INSURANCE - Assured Guaranty Municipal Corp." or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AGM or one of its affiliates may purchase a portion of the Bonds or any uninsured bonds offered under this Official Statement and such purchases may constitute a significant proportion of the bonds offered. AGM or such affiliate may hold such Bonds or uninsured bonds for investment or may sell or otherwise dispose of such Bonds or uninsured bonds at any time or from time to time.

AGM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "BOND INSURANCE".

BOARD OF LIQUIDATION

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

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

"Section 5-101. Composition.

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

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

"Section 5-102. Functions.

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

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

Mitchell J. Landrieu, *ex officio*
Mayor, City of New Orleans
(Term: 5/04/2014-5/06/2018)

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

Jason R. Williams, *ex officio*
Councilmember-at-large, City of New Orleans
(Term: 5/04/2014-5/06/2018)

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

Stacy S. Head, *ex officio*
Councilmember-at-large, City of New Orleans
(Term: 5/04/2014-5/06/2018)

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

Mary K. Zervigon, *President*
Attorney, Former Chairman of the Louisiana Tax
Commission
(Term: 2/02/14-12/31/2025)

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

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

THE CITY

City Government

The City was founded in 1718, incorporated in 1805, and with an estimated 2013 population of 378,715, is the largest populated city in the State of Louisiana (the “State”). The City’s system of government is established in its Home Rule Charter (the “Charter”). The Constitution prohibits the State Legislature from enacting any law affecting the structure, organization or distribution of the power and function of any local political subdivision which operates under a home rule charter. The Charter may be amended only by the affirmative vote of a majority of the qualified voters in the City voting at an election called by the City Council on its own initiative or upon receipt by it of a petition of not less than ten thousand registered voters.

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

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

department heads, subject to the Mayor's approval, except the City Attorney, who is appointed by the Mayor, and the Director of the Civil Service Department, who is appointed by the Civil Service Commission. There are numerous executive departments and affiliated boards and commissions.

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

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

City Financial Management, Budgeting and Control

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

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

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

Andy Kopplin serves as First Deputy Mayor and Chief Administrative Officer. In this capacity, he oversees the day-to-day operational functions of City Hall. Kopplin comes from Teach For America, where he most recently served as senior advisor to the Founder & CEO. Prior to Teach For America, Mr. Kopplin served for more than two years as Founding Executive Director of the Louisiana Recovery Authority (LRA), the agency charged with leading the State's recovery efforts after Hurricanes Katrina and Rita, where he developed the strategy that more than doubled congressional appropriations for Louisiana's rebuilding, from \$13 billion to \$28 billion. Before

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

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

Budgets

The Capital Budget and Program

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

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

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The budgeted revenues of the capital budget for the next five years are as follows:

CITY OF NEW ORLEANS
STATEMENT OF CAPITAL FUND REVENUES 2015-2019

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

The City’s five-year Capital Improvement Program anticipates general obligation bond issues of the following amounts in the years indicated; however, the City is not held to this schedule and may adjust the timing and amounts of proposed bond issues as necessary or desired:

<u>Year</u>	<u>Proposed Bonds</u>
2015	\$65,000,000*
2016	0
2017	0
2018	0
2019	0

* Includes the Bonds.

The City issued \$75,000,000 of general obligation bonds in 2007 and \$40,000,000 of general obligation bonds in 2010, 2013 and 2014, being the first four emissions of the total \$260,000,000 in general obligation bonds authorized to be issued in the Election. The general obligation bonds issued in 2010 were designated as Build America Bonds, and the City has by resolution dictated that any subsidy payments be made directly to the respective paying agent to be used to pay principal and interest on such bonds. The City expects to receive an interest subsidy of 27.70% in connection with the 2010 Build America Bonds, which amount is net of the 7.30% sequestration amounts for the 2015 federal fiscal year. If the City does not receive the direct pay subsidy relative to the Build America Bonds in any year, or if the amount of the subsidy is reduced further, the Board of Liquidation will adjust the general obligation bond millage upward to compensate for the loss of revenue.

The Operating Budget

The Charter requires the annual preparation and adoption of a balanced operating budget for the City. Not later than August 1 of each year, the First Deputy Mayor and Chief Administrative Officer is required to make available sufficient data relating to the current and preceding year’s appropriations and expenditures for the City Council and for each office, department or board or other entity that (i) is receiving or seeks to receive an appropriation from the

City Council payable from any operating fund of the City or (ii) which expends City funds. Any entity which seeks an appropriation from any operating fund of the City shall submit detailed data, in a format which adheres to generally accepted accounting principles, to the First Deputy Mayor and Chief Administrative Officer in accordance with a schedule prescribed by the First Deputy Mayor and Chief Administrative Officer for compilation and recommendations for review by the Mayor prior to the Mayor's submission of the proposed budget to the City Council.

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

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

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

Source: Chief Administrative Office, City of New Orleans.

* Total may not add due to rounding.

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

Revenues and Expenditures

There follows a five-year history of the revenues, expenditures and other financing sources and expenditures and other financing uses and changes in fund balance of the City's various funds.

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

(All Dollars in Thousands)

GENERAL FUND	2009	2010	2011	2012	2013
REVENUES					
Taxes	244,864	264,326	288,739	295,419	316,578
Licenses and permits	54,136	58,117	57,219	56,612	62,963
Intergovernmental	19,379	22,792	25,801	19,714	24,304
Charges for services	48,189	50,417	72,171	74,164	78,996
Fines and forfeits	24,796	31,578	34,685	34,315	32,947
Interest income	2,072	721	399	85	24
Miscellaneous	16,276	33,784	20,272	29,605	25,279
Contributions, Gifts & Donations	<u>1,185</u>	<u>2,043</u>	<u>395</u>	<u>40</u>	<u>614</u>
Total revenues	410,897	436,778	499,681	509,954	541,705
EXPENDITURES					
Current:					
General government	175,310	139,472	147,738	162,785	162,924
Public safety	161,623	215,720	224,641	219,690	220,464
Public works	74,262	63,289	64,811	70,472	63,545
Health and human services	14,391	13,689	17,885	15,905	14,993
Culture and recreation	19,787	20,239	16,633	19,344	19,271
Urban development and housing	2,012	10	--	--	166
Capital Outlay	4,620	6,352	293	1,186	5,329
Debt service:					
Principal retirement	26,738	31,706	35,040	22,661	22,844
Interest and fiscal charges	22,039	21,285	16,817	13,387	2,849
Bond issuance costs	--	--	113	1,110	--
Payment to refunded bond escrow agent	--	--	--	<u>2,746</u>	--
Total expenditures	500,782	511,762	523,971	529,286	512,385
Excess (deficiency) of revenues over expenditures	<u>(89,885)</u>	<u>(47,984)</u>	<u>(24,290)</u>	<u>(19,332)</u>	<u>29,320</u>
Other financing sources (uses):					
Operating transfers in	24,648	30,064	18,302	6,060	6143
Operating transfers out	(2,198)	(1,977)	(2,596)	(22,159)	(9,215)
Debt service assistance loan	8,458	--	--	--	--
Proceeds from bond issuance	7,000	--	15,995	195,885	--
Proceeds from notes issuance	--	--	--	3,500	--
Payment to refunded bond escrow agent	--	--	--	(123,542)	--
Discount on Bonds issued	--	--	--	(328)	--
Other, net	<u>334</u>	<u>485</u>	<u>(67)</u>	<u>(10)</u>	<u>44</u>
Total other financing sources (uses)	38,242	28,572	31,634	59,406	(3,028)
Special Item: Termination of interest rate swap	--	--	--	(46,000)	--
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(51,643)</u>	<u>(19,412)</u>	<u>7,344</u>	<u>(5,926)</u>	<u>26,292</u>
Fund Balance					
Beginning of year	59,579	8,351	(11,061)	(3,717)	(9,336)
Prior period adjustment	--	--	--	307	--
Beginning of year as restated	--	--	--	(3,410)	--
End of Year	7,936	(11,061)	(3,717)	(9,336)	16,956

Source: City of New Orleans Annual Financial Reports.

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

(All Dollars in Thousands)

<u>SPECIAL REVENUE FUNDS</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
REVENUES					
Taxes	4,394	6,099	5,640	6,748	7,173
Intergovernmental	113,203	136,469	115,808	154,521	116,205
Program Income	1,182	145	4,898	82	1,942
Fines and forfeits	1,823	1,987	4,139	3,451	3,030
Interest income	1,422	72	72	168	37
Miscellaneous	17,830	33,449	21,185	2,708	1,876
Contributions, Gifts & Donations	2,064	1,817	2,347	3,052	3,073
Total revenues	<u>141,918</u>	<u>167,629</u>	<u>154,089</u>	<u>170,730</u>	<u>133,336</u>
 EXPENDITURES					
Current:					
General government	56,044	105,479	77,096	74,447	44,167
Public safety	48,577	5,014	5,705	9,767	6,367
Public works	3,589	2,441	--	3,070	2,671
Health and human services	6,291	5,395	3,793	10,880	12,988
Culture and recreation	3,997	1,808	3,415	3,683	2,745
Urban development and housing	45,532	40,104	32,682	32,456	23,725
Economic development and assistance	24,321	10,329	8,680	8,793	12,731
Debt Service:					
Principal	762	808	280	300	320
Interest and fiscal charges	843	802	74	71	68
Capital outlays	1,951	3,496	1,933	378	4,458
Total expenditures	<u>191,907</u>	<u>175,676</u>	<u>133,658</u>	<u>143,845</u>	<u>110,248</u>
 Excess (deficiency) of revenue over expenditures	<u>(49,989)</u>	<u>2,147</u>	<u>20,431</u>	<u>26,885</u>	<u>23,096</u>
 Other financing sources (uses):					
Operating transfers in	2,196	1,977	2,746	--	9,215
Operating transfers out	(22,392)	26,472	(16,250)	(4,710)	(2,573)
Proceeds from bond issuance	35,269	--	--	--	--
Total other financing sources (uses)	15,073	(24,495)	(13,504)	(4,710)	6,642
 Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(34,916)</u>	<u>(22,348)</u>	<u>6,927</u>	<u>22,175</u>	<u>29,738</u>
 Fund Balance					
Beginning of year	20,291	(14,625)	(42,790)	(43,090)	(20,915)
Prior period adjustment	--	--	--	307	(3,559)
Beginning of year as restated				(3,410)	(24,474)
End of year	(14,625)	(36,973)	(35,863)	(20,915)	5,264

Source: City of New Orleans Annual Financial Reports.

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

	(All Dollars in Thousands)				
<u>DEBT SERVICE FUND</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
REVENUES					
Taxes	55,982	63,424	66,565	69,845	73,222
Interest income	1,412	410	213	208	239
Miscellaneous	<u>400</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total revenues	57,794	63,834	66,778	70,053	73,461
EXPENDITURES					
Current:					
General government	484	500	490	174	536
Debt Service:					
Principal retirement	17,572	20,505	21,455	23,237	23,939
Interest and fiscal charges	43,613	46,334	46,532	44,813	53,303
Bond issuance costs	<u>--</u>	<u>953</u>	<u>--</u>	<u>1,078</u>	<u>784</u>
Total expenditures	61,669	68,292	68,477	69,502	78,562
Excess (deficiency) of revenues over expenditures	<u>(3,875)</u>	<u>(4,458)</u>	<u>(1,699)</u>	<u>551</u>	<u>(5,101)</u>
Other financing sources (uses)					
Operating transfers in	--	--	--	22,159	9,215
Operating transfers out	--	(40,000)	--	--	(2,573)
Proceeds from bond issuance	--	40,726	--	167,840	--
Premium on bonds issued	--	--	--	26,128	--
Debt service assistance loan	--	--	--	--	--
Payment to refunded bond escrow agent	--	--	--	(195,636)	--
Federal subsidy-Build America Bonds	<u>--</u>	<u>975</u>	<u>--</u>	<u>1,112</u>	<u>--</u>
Total other financing sources (uses)	--	1,701	--	21,603	6,642
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(3,875)</u>	<u>(2,757)</u>	<u>(1,699)</u>	<u>22,154</u>	<u>29,738</u>
Fund Balance					
Beginning of year	67,871	63,596	60,839	59,140	81,294
End of year	63,996	60,839	59,140	81,294	77,759

Source: City of New Orleans Annual Financial Reports.

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

(All Dollars in Thousands)

<u>CAPITAL PROJECTS FUND</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
REVENUES					
Intergovernmental	104,888	108,226	71,075	99,222	125,085
Interest income	--	--	--	--	--
Miscellaneous	295	2,215	351	982	1,202
Total revenues	<u>105,183</u>	<u>110,441</u>	<u>71,426</u>	<u>100,204</u>	<u>126,287</u>
EXPENDITURES					
General Government	--	--	1,194	473	178
Capital outlays	145,307	131,080	133,231	93,592	143,160
Public Safety	163	--	--	--	--
Public Works	--	--	--	858	1
Health and human services	--	--	--	--	--
Culture and recreation	--	--	--	--	--
Total expenditures	<u>145,470</u>	<u>131,080</u>	<u>134,425</u>	<u>94,923</u>	<u>143,339</u>
Excess (deficiency) of revenues over expenditures	<u>(40,287)</u>	<u>(20,639)</u>	<u>(62,999)</u>	<u>5,281</u>	<u>(17,052)</u>
Other financing sources (uses)					
Operating transfers in	--	40,278	--	--	39,709
Operating transfers out	(2,254)	(3,870)	(2,202)	(1,350)	(3,570)
Insurance proceeds	--	--	--	--	--
Total other financing sources (uses)	<u>(2,254)</u>	<u>36,408</u>	<u>(2,202)</u>	<u>(1,350)</u>	<u>36,139</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(42,541)</u>	<u>15,769</u>	<u>(65,201)</u>	<u>3,931</u>	<u>19,087</u>
Fund Balances					
Beginning of year	156,460	113,919	129,688	64,487	61,160
Prior period adjustments	--	--	--	(7,258)	(1,201)
Fund Balances - beginning of year as restated	--	--	--	57,229	59,959
End of year	<u>113,919</u>	<u>129,688</u>	<u>64,487</u>	<u>61,160</u>	<u>79,046</u>

Source: City of New Orleans Annual Financial Reports.

Financial Controls

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

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

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

Extraordinary Expenditures

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

Employee Relations

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

The compensation of classified City employees is set by a comprehensive pay plan prepared by the Civil Service Commission and submitted to the City Council for approval or rejection. The Civil Service Commission is composed of five members appointed by the City Council and must be selected from nominees submitted by the presidents of several local universities and are prohibited from engaging in political activities. Once a pay plan has been adopted, the City Administration implements that plan through its adoption of a pay policy. The pay plan and the pay policy combined determines the actual compensation of City employees. The compensation of unclassified employees is set by a pay plan and pay policy recommended by the Mayor and adopted by ordinance of the City Council.

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

Retirement Systems

The City has four separate pension systems: (1) Fire Fighter's Pension and Relief Fund--Old System ("Old Fire System"); (2) Fire Fighter's Pension and Relief Fund--New System ("New Fire System"); (3) Police Pension Fund--Old System ("Old Police System"); and (4) the Employees' Retirement System of the City of New Orleans ("Employees' System"). In addition, the State administers the Municipal Police Employees' Retirement System (redesignated as the Municipal and State Police Retirement System of Louisiana, effective January 1, 1987, "MPERS") and the Fire Fighter's Retirement System ("FRS"). The Old Fire System covers firemen who were employed prior to December 31, 1967. The New Fire System covers firemen hired since that date. Currently, there are no old firefighters who are members of FRS, however, Act 715 of 1991 of the Regular Session of the Louisiana Legislature permits firemen employed by the City to become members of FRS after July 1, 1992, in accordance with certain other conditions. Effective March 6, 1983, all members of the Old Police System, active and retired, except for approximately 250 participants who did not meet the eligibility requirements, became members of MPERS. The Old Police System remains responsible for the payment of certain benefits due to differences in length of service and age requirements for the participants who were not transferred to MPERS. The Employees' System covers all City employees other than firemen and policemen. All systems are funded on an actuarial basis except the Old Police System and the Old Fire System which are funded on a pay-as-you-go basis.

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

MPERS Plan Description. MPERS is a defined benefit pension plan established by statute. Employees become eligible for retirement under MPERS at age 50, after being a member of the plan for 1 year and after 20 years of active continuous service. An employee who is age 55 becomes eligible for retirement benefits after 16 years of active continuous service. The plan also provides death and disability benefits. Authority to establish and amend benefit provisions is provided under the laws of the State. MPERS issues a publicly available financial report that includes financial statements and required supplementary information for the MPERS. That report may be obtained by writing to the Municipal Police Employees' Retirement System, 8401 United Plaza Boulevard, Room 270, Baton Rouge, Louisiana 70809, or by calling (800) 443-4248.

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

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

Police Pension Fund of the City of New Orleans
715 S. Broad, Room B23
New Orleans, Louisiana 70119
(504) 826-2900

Firefighters' Pension and Relief Fund of the
City of New Orleans (Old and New Systems)
329 S. Dorgenois Street
New Orleans, Louisiana 70119
(504) 821-4671

Funding Policies and Annual Pension Costs. The employer contributions for MPERS and the New Fire System are based on actuarially determined amounts. The employer contribution for the Old Police System is based on amounts necessary to cover administrative costs and payments of pensions and benefits, as certified by the board of trustees of the fund. The employer contribution for the Old Fire System is based on amounts necessary to pay current expenses, and, in effect, is being funded on a "pay-as-you-go" basis. The City issued the Pension Bonds to fund the projected unfunded accrued liability of the Old Fire System. Employees covered under MPERS contribute 4% of their earnable compensation to the plan in excess of \$1,200 per year. Employees covered under the Old Fire System and New Fire System contribute 6% of salary for the first 20 years of employment.

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As a result of the merger contract with the MPERS to transfer all active policemen who were participating in the City's Old Police System to MPERS, there were no active participants in the plan and therefore the only contributions by employees to the plan related to retirees' contributions for the purchase of military service credit. The City's annual pension cost for fiscal year 2013 and related actuarial methods and assumptions for each plan is as follows (amounts in thousands):

Employees'	Employees'	Old Police	Old Fire	New Fire
	System	System	System	System
Annual required contribution*	20,228	--	20,532	34,387
Annual pension cost*	19,646	--	16,834	30,824
Contributions made*	18,545	--	20,896	12,313
Actuarial valuation date	1/1/2014	12/31/2013	1/1/2014	1/1/2014
Actuarial cost method	Entry age normal cost method	Entry age normal cost method	Entry age normal cost method	Aggregate level normal cost method
Amortization method	(a)	(b)	Specific number of years - level amount, closed	(c)
Remaining amortization period	(a)	(b)	3 years	(c)
Asset valuation method	Adjusted market value	Cost which approximates market	Market value	Three-year averaging market value
Actuarial assumptions:				
Investment rate of return	7.50%	7.00%	7.50%	7.50%
Projected salary increases	5.00%	N/A	5.00%	5.00%

* Amounts in thousands.

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

- (b) The “Entry Age Normal Cost Method” was used to calculate the funding requirements of the Old Police System. Under this cost method, the actuarial present value of projected benefits of each individual included in the valuation is allocated on a level basis as a percentage of payroll for each participant between entry age and assumed retirement age.
- (c) The “Aggregate Level Normal Cost Method” is used by the New Fire System and allocates pension costs as a level percentage of payroll over the future working lifetime of current members. The Aggregate Cost Method produces no unfunded accrued liability.

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

	<u>Employees’ System</u>	<u>Old Fire System</u>	<u>New Fire System</u>
Annual required contribution	\$ 20,228	\$ 20,532	\$ 34,386
Interest on NPO	1,140	4,209	4,053
Adjustment to annual required contribution	<u>(1,203)</u>	<u>(7,907)</u>	<u>(7,615)</u>
Annual Pension cost	20,165	16,834	30,824
Contributions made	<u>18,545</u>	<u>20,896</u>	<u>12,313</u>
Decrease (increase) in NPO	(1,620)	4,062	(18,511)
NPO, beginning of year	<u>(14,675)</u>	<u>(56,116)</u>	<u>(54,053)</u>
NPO, end of year	<u>\$ (16,295)</u>	<u>\$ (52,054)</u>	<u>\$ (72,564)</u>

The NPOs were approximately \$16,295,000, \$52,054,000, and \$72,564,000 respectively, at December 31, 2013, and are recorded in the governmental activities of the government-wide statement of net assets. (See Appendix “C”-2013 Annual Financial Report of the City.)

Three Year Trend Information (amounts in thousands)

	<u>Year ending</u>	<u>APC</u>	<u>Percentage of APC contributed</u>	<u>NPO</u>
Employees’ System	12/31/13	\$ 19,646	97%	\$ 16,295
	12/31/12	18,216	109	14,675
	12/31/11	19,270	101	15,988
Old Fire System	12/31/13	16,834	123	52,054
	12/31/12	18,623	111	56,116
	12/31/11	18,084	116	58,234
New Fire System	12/31/13	30,824	39	72,564
	12/31/12	29,816	41	54,053
	12/31/11	28,087	43	36,396

Investments by Systems. For more information on the investment selections of the several systems, including interest rate risk, credit quality risk and custodial credit risk, see Appendix “C”- 2013 Annual Financial Report of the City, Note 2-Deposits and Investments, pages 41-43 therein.

Schedule of Funding Progress

<u>Actuarial valuation date</u>	<u>Value of assets (a)</u>	<u>Actuarial liability (AAL) (b)</u>	<u>Excess of assets over AAL (a-b)</u>	<u>Funded ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>Excess as percentage of covered payroll (a-b/c)</u>
Employees’ System:						
12/31/2011	\$ 379,526	\$ 507,173	\$ (127,647)	74.83%	\$ 93,636	(136.32)%
12/31/2012	372,050	545,395	(173,345)	68.22	92,881	(186.63)
12/31/2013	365,102	544,536	(179,434)	67.05	92,440	(194.11)
Old Police System:						
12/31/2011	1,805	*	*	*	--	N/A
12/31/2012	1,763	*	*	*	--	N/A
12/31/2013	1,726	*	*	*	--	N/A
Old Fire System:						
12/31/2011	14,862	171,593	(156,731)	8.66	--	N/A
12/31/2012	16,565	159,529	(142,964)	10.38	--	N/A
12/31/2013	17,680	148,577	(130,897)	11.90	--	N/A
New Fire System:						
12/31/2011	159,645	430,550	(270,905)	37.08	29,994	(903.20)
12/31/2012	150,640	440,292	(289,652)	34.21	29,688	(975.65)
12/31/2013	121,788	423,820	(302,032)	28.74	28,002	(1,078.61)

* Information not known.

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

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

As of December 31, 2013, the City has not appropriated funds to pay the increased benefit owed to members prior to December 31, 2009. The Fund is currently in the process of determining the amount of the increased benefit owed to members for pensions prior to December 31, 2009.

Member Deferred Retirement Option Plan (“DROP”) and Partial Lump-Sum Option Plan (“PLOP”) accounts were not increased during the year ended December 31, 2013. The City appropriation received did not cover these accounts.

The Fund has calculated the increased benefit owed to the members in their DROP and PLOP accounts. As of December 31, 2013, the amount of DROP benefits owed to members is estimated to be \$20,207,931 and \$3,427,427 for the New Fire System and Old Fire System, respectively. As of December 31, 2013, the amount of PLOP benefits owed to these members is estimated to be \$12,676,571 and \$1,371,247 for the New Fire System and Old Fire System, respectively.

Firefighters’ Pension and Relief Fund Investment Receivable. The Fund invested in Series N shares of the FIA Leveraged Fund, an open ended investment fund which is registered as a mutual fund. The FIA Leveraged Fund is a feeder fund to the master fund - Fletcher International, Ltd. During the year, the Fund requested a redemption of its shares in the FIA Leveraged Fund in accordance with their agreement. The FIA Leveraged Fund failed to provide the Fund with confirmation on the value of its shares in the Fund and full payment. As a result, a lawsuit was filed. The lawsuit was filed in the Grand Court, Financial Services Division, Cayman Island and sought an order from the Grand Court that the FIA Leveraged Fund be wound up (liquidated). The Fund was awarded on April 18, 2012 a winding up judgment. Liquidators were appointed over the FIA Leveraged Fund to fulfill the redemption. The receivable as of December 31, 2013 is valued at \$18,425,727. There is little chance of recovery.

Post-Employment Benefits

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

Notes 2 and 7 and the Required Supplementary Information to the City’s Annual Financial Report for fiscal year 2013 contains further information regarding the City Pension and other post-employment benefit obligations. See Appendix “C”- 2013 Annual Financial Report of the City, Note 2-Deposits and Investments, pages 41-45 therein; Note 7-Pension Plans and Postretirement Healthcare, pages 56-65 therein; and Required Supplementary Information, pages 77 and 79-80 therein. The information contained therein is current as of the date stated, and there has been no material adverse change in the financial information contained therein from the date stated.

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

age 50 and 12 years of service. However, because of the “back-loaded” benefit formula in the Fund plan relative to years of service, the retirement assumption used for that plan was the earliest of age 50 and 30 years of service, age 55 and 25 years of service, and age 60 and 12 years of service.

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

Funding Policy. Until 2007, the City recognized the cost of providing post-employment medical benefits (the City’s portion of the retiree medical benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. Effective with the fiscal year beginning January 1, 2007, the City implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions* (“GASB 45”). The funding policy is not to fund the Annual Required Contribution (“ARC”) except to the extent of the current year’s retiree funding costs.

In 2013, the City’s portion of health care funding cost for retired employees totaled approximately \$7,783,000. These amounts were applied toward the net other post-employment benefit (“OPEB”) obligation.

Annual Required Contribution. The City’s ARC is an amount actuarially determined in accordance with GASB 45. The ARC is the sum of the Normal Cost plus the contribution to amortize the Actuarial Accrued Liability (“AAL”). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB 45) has been used for the post-employment benefits. The total ARC for fiscal year 2013 was \$11,104,822, as set forth below:

Normal Cost	\$ 2,777,920
30-year UAL amortization amount	<u>8,326,902</u>
Annual required contribution (ARC)	<u>\$ 11,104,822</u>

Net Post-Employment Benefit Obligation (Asset). The table below shows the City’s net OPEB obligation for fiscal year 2013:

Beginning Net OPEB Obligation 1/1/2013	\$ 57,520,340
Annual required contribution	11,104,822
Interest on Net OPEB Obligation	2,300,814
ARC Adjustment	<u>(3,326,407)</u>
OPEB Cost	10,079,229
Contribution	-
Current year retiree premium	<u>7,783,323</u>
Change in Net OPEB Obligation	<u>2,295,906</u>
Ending Net OPEB Obligation 12/31/2013	<u>\$ 59,816,246</u>

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

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Obligation</u>
December 31, 2013	\$10,079,229	77.22%	\$59,816,246
December 31, 2012	12,957,882	75.72	57,520,340
December 31, 2011	12,482,789	72.78	54,374,713

Funded Status and Funding Progress. In fiscal year 2013, the City made no contributions to its post employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the January 1, 2011 actuarial valuation, the most recent valuation, the AAL at the end of fiscal year 2013 was \$149,749,527 which is defined as that portion, as determined by a particular actuarial cost method (the City uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

Actuarial Accrued Liability (AAL)	\$ 149,749,527
Actuarial Value of Plan Assets (AVP)	-
Unfunded Act. Accrued Liability (UAAL)	\$ <u>149,749,527</u>
Funded Ratio (AVP/AAL)	0%
Covered Payroll (active plan members)	\$ 216,764,077
UAAL as a percentage of covered payroll	69%

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

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

Further information on other methods, assumptions and related projections may be found in Appendix "C"- 2013 Annual Financial Report of the City, Note 7-Pension Plans and Postretirement Healthcare, pages 63-63 therein.

SOURCE OF REVENUE

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

Assessment Procedure

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

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

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

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

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

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

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

By law, assessment lists shall be open for public inspection from August 1 through August 15 of each year in the Parish, and the Orleans Parish Assessor must finish the preparation and listing on the assessment lists of all real and personal property and certify his roll to the Board of Review. The Board of Review is required to certify the roll to the Tax Commission on or before October 20 of each year. The roll is then filed with the tax collector (City's Director of Finance). The City Council, as the governing authority of the City, annually adopts by December 1 an ordinance levying the *ad valorem* taxes (other than the *ad valorem* taxes levied by the Orleans Law Enforcement District, Orleans Parish School Board and the Orleans Levee District) on taxable real and personal property for the following calendar year. Taxes on real property are payable on January 1 and are delinquent February 1. Taxes on personal property are payable on May 1 and are delinquent on June 1.

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

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

Constitutional Amendments

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

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

Homestead Exemptions

Under the Constitution, \$7,500 of the assessed value of property applicable to owner-occupied residences is exempt from property tax in the Parish (except for certain millage levied for police and fire protection). In all other parishes in the State, taxes for municipal purposes are applied to the total assessed valuation of the property being taxed.

Approximately 12.06% of the total assessed valuation of the Issuer for 2015 represents homestead exempt property. The special *ad valorem* tax is subject to homestead exemption.

Tax Rate Adjustment

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

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

Penalty for Nonpayment of Taxes

Effective January 1, 2009, and thereafter, *ad valorem* taxes assessed are due in that calendar year as soon as the tax roll is delivered to the tax collector, and shall be paid on or before December 31 in each respective year. (§47:2127 of the Louisiana Revised Statutes of 1950, as amended. A delinquent tax accrues interest at a rate of one percent for each month or portion of a month the tax remains unpaid (normally, as of February 1).

Property Tax Collections

The property taxes for the calendar year 2015 are currently being collected by the City Finance Department. Section 47:1997.1 of the Louisiana Revised Statutes of 1950, as amended, provides that in Orleans Parish, each tax recipient body that receives a portion of *ad valorem* taxes must reimburse the City's Finance Director for the cost of collection, not to exceed two percent (2%). The cost of collection is deducted from each tax recipient governing bodies' proportionate share of the taxes with the proceeds received from the collection charge to be deposited in the City's General Fund. In addition, the Assessor receives two percent (2%) of the amount of taxes levied pursuant to La. R.S. 47:1925.8, which provides that the Orleans Parish Assessor's Office shall be funded annually no later than March 1 by the City with no less than two percent of the *ad valorem* taxes levied on property in the City and Orleans Parish. The total amount of revenue received by the Assessor's Office shall never be less than that received by the former Board of Assessors for Orleans Parish in 2006.

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

DEBT STATEMENT

Short Term Debt

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

Long Term Debt

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

General Obligation Bonds of the City

The total principal amount of general obligation bonds of the City that may be at any time outstanding is limited by Section 39:1034 of the Louisiana Revised Statutes of 1950, as amended, to the sum of \$500,000,000, or 35% of the total assessed valuation of the City, whichever is greater. The limited tax bonds, revenue bonds and the paving certificates of the City are not included in or subject to this limitation and refunded general obligation bonds are not considered outstanding for this purpose. As of March 2, 2015, the City had \$507,081,268 aggregate principal amount of its general obligation bonds outstanding (excluding the Bonds). The issuance of general obligation bonds subject to this limitation must be approved by the City’s voters at an election. See “SECURITY FOR THE BONDS-Legal Debt Limit” herein.

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

As of March 2, 2015, the Law Enforcement District of the Parish of Orleans, State of Louisiana had a total of \$37,325,000 of general obligation bonds outstanding which are secured by and payable from unlimited *ad valorem* taxes.

As of March 2, 2015, the Parishwide School District of the Parish of Orleans, State of Louisiana had a total of \$61,520,000 of general obligation bonds for public school purposes outstanding which are secured by and payable from unlimited *ad valorem* taxes, and the Orleans Parish School Board had a total of \$79,055,000 of revenue bonds outstanding which are payable from (i) an *ad valorem* tax of 27.65 mills and (ii) the net revenues from a one-half of one percent (½%) sales and use tax authorized in an election held on November 4, 1980.

Limited Tax Bonds of the City and its Agencies

As of March 2, 2015, the City had outstanding \$15,527,933 Limited Tax Refunding Bonds, Series 2015A (“2015A Tax Bonds”), dated February 26, 2015 and maturing September 1, 2015 to September 1, 2021, inclusive, and \$6,489,111 Taxable Limited Tax Bonds, Series 2015B (“2015B Tax Bonds”), dated February 26, 2015 and maturing September 1, 2016 to September 1, 2021, inclusive, secured by the net proceeds of a 1.82 mills *ad valorem* tax authorized in an election held on July 15, 1995, to finance repairs, renovations and improvements to parks, playgrounds and recreation facilities and for the acquisition of fire fighting, sanitation, and mosquito control equipment.

As of March 2, 2015, the City had outstanding \$195,885,000 of Taxable Limited Tax Refunding Bonds, Series 2012 (“Series 2012 Refunding Bonds”), dated October 23, 2012, all of which is outstanding, and was issued for the purposes of refunding, restructuring and extending the City’s outstanding Taxable Pension Revenue Bonds, Series 2000, and Taxable Bonds, Series 2011. Said obligations are payable from proceeds derived from the levy and collection of a special *ad valorem* tax of 14.91 mills (13.91 mills adjusted due to reassessment) which the City is authorized to levy for general purposes pursuant to the Louisiana Constitution of 1974, as amended (the “Constitutional Tax”).

The City is authorized to issue limited tax bonds for the Audubon Commission payable solely from the proceeds of special *ad valorem* taxes. The maximum principal and interest payable in any year on Audubon Commission limited tax bonds at any time outstanding may not exceed 75% of the revenues of the respective tax dedicated therefor in the calendar year next preceding the date of the adoption by the Audubon Commission of the resolution authorizing the issuance of said bonds. As of March 2, 2015, the Audubon Commission had outstanding \$2,469,369 aggregate principal amount of its limited tax bonds outstanding for the purpose of improving the Audubon Park Zoo, payable solely from the proceeds of the equivalent of a 0.40 mills *ad valorem* tax (0.32 mills adjusted due to reassessment), and \$21,017,225 outstanding aggregate principal amount of its limited tax bonds outstanding, payable solely from the proceeds of the equivalent of a 4.11 mills *ad valorem* tax (2.99 mills adjusted due to reassessment).

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

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

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

Revenue Bonds - Sewerage and Water Board

The City, acting by and through the Board of Liquidation, is authorized to issue water revenue bonds and sewerage service revenue bonds secured by and payable solely from revenues received from the imposition of water charges and sewerage charges, respectively, and from the

amounts held on deposit in the funds and accounts established under the resolutions pursuant to which such bonds were issued. The net revenues are required by statute and by such resolutions to be at least 130% of the maximum annual debt service on bonds payable therefrom.

As of March 2, 2015, there were outstanding \$103,525,000 of water revenue bonds and \$167,164,000 of sewerage service revenue bonds issued by the City for the Sewerage and Water Board.

Other Revenue Bonds of Related Entities

The City is authorized through the New Orleans Aviation Board (the “Aviation Board”) to issue revenue bonds which are secured by and payable solely from the revenues derived from the operation of New Orleans International Airport. As of March 2, 2015, there were \$93,490,000 of outstanding airport revenue bonds of the Aviation Board. The Aviation Board has also issued revenue bonds secured solely from funds derived from an approved passenger facility charge. As of March 2, 2015, there were \$122,980,000 of outstanding passenger facility charge revenue bonds of the Aviation Board.

As of March 2, 2015, the Orleans Parish Communication District had \$4,125,000 of its Revenue Bonds, Series 2004 outstanding, which are payable from a dedication of the proceeds of the emergency telephone tax and the excess of annual revenues of the District.

On September 29, 2004, the City issued \$11,500,000 of Revenue Bonds (Canal Street Improvements Project) (the “Canal Street Revenue Bonds”) which are payable from payments made by Canal Street Development Corporation and Downtown Development District pursuant to a Cooperative Endeavor Agreement and from payments made by the City from the General Fund. As of March 2, 2015, \$7,070,000 of the Canal Street Revenue Bonds were outstanding.

Sales Tax Bonds

The City is authorized to issue bonds secured by and payable from sales tax revenues pursuant to Sub-Part F, Part III, Chapter 4 of Title 39 of the Louisiana Revised Statutes of 1950, as amended, except as otherwise provided in Act 674 of 1985 of the Louisiana Legislature. The City does not presently have any outstanding sales tax bonds; however, the City does have outstanding \$19,360,000 of Sales Tax Increment Bonds which are payable from the City’s portion of the sales tax collected each year solely from the Wal-Mart or any replacement or successor national retailer within the St. Thomas Economic Development District.

Hurricane-Related Borrowing

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

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

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

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

In addition, the Federal Government acting through the Federal Emergency Management Agency (“FEMA”) pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (the “Stafford Act”), as amended, loaned the City and its component entities funds for current operations related to essential services, evidenced by one or more notes of such entities. The City received loans totaling \$240,000,000; the Sewerage and Water Board received a total of \$61,956,747; the New Orleans Aviation Board received a total of \$10,882,641; and the Orleans Parish Communications District received a total of \$1,270,570.

Pursuant to Section 4502 of the U.S. Troop Readiness, Veterans’ Care, Katrina Recovery, and Iraq Accountability Appropriations Act of 2007, FEMA may forgive Stafford Act loans relating to Hurricane Katrina under certain circumstances. FEMA has, to date, forgiven the Stafford Act loans made to the City and the New Orleans Aviation Board. FEMA has extended the maturity date of the Orleans Parish Communication District loans to January 17, 2016 and August 27, 2016, respectively. The repayment of Stafford Act loans that have not been forgiven is secured by all available revenues of the recipient entity after payment of debt outstanding at the time of the loan.

Loan and Lease Agreements

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

In addition, the City has received multiple Section 108 loans from HUD for economic development projects. As of December 31, 2014, the only outstanding Section 108 loans are \$6,630,000 of obligations for the development of the Jazzland Theme Park.

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

Trend of Indebtedness

The following table sets forth a ten year trend in the amounts of general obligation bonds, limited tax bonds and general fund indebtedness of the City outstanding as of the end of each of the following calendar years:

<u>Year</u>	<u>General Obligation Bonds</u>	<u>Limited Tax Bonds of the City</u>	<u>General Fund Indebtedness</u>	<u>City Total</u>	<u>Limited Tax Bonds of City Agencies</u>
2003	\$470,687,183	\$ 44,170,000	\$254,169,000	\$769,026,183	\$80,668,572
2004	499,852,183	81,824,000	237,005,000	818,681,183	77,898,572
2005	493,683,176	105,340,000	227,345,000	826,368,176	74,108,572
2006	478,419,936	97,635,000	214,805,000	790,859,936	70,633,572
2007	538,514,462	88,795,000	200,155,000	827,464,462	64,338,572
2008	523,955,533	80,650,000	185,375,000	789,980,533	63,213,572
2009	548,018,709	72,620,000	167,330,000	787,968,709	59,248,572
2010	529,218,992	63,360,000	148,490,000	741,068,992	55,118,572
2011	509,543,556	55,690,000	140,990,000	706,223,556	56,335,000
2012*	470,076,614	242,990,000	8,535,000	721,601,614	51,875,000
2013	489,463,192	228,570,000	7,815,000	724,973,192	47,140,000
2014	507,081,268	213,395,000	7,070,000	727,546,268	41,955,000

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

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

INVESTOR CONSIDERATIONS

Hurricanes Katrina and Rita

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

Nearly ten years after the storms, the City is experiencing an economic recovery. The estimated population of the City in 2013 (the last estimate available from the U.S. Census) was 378,715, reflecting a 9.0% growth over the 2010 Census. The pre-Katrina population of the City was

approximately 435,000. City sales tax revenues in fiscal year 2013 were 87.28% of those in fiscal year 2004. Tourism continues to show steady growth with over 9.3 million tourists visiting the City in 2013, the fourth consecutive year since Katrina that the number of visitors has topped 8 million. By contrast, an estimated 10.1 million tourists visited the City in 2004, the last full year prior to the storm. Visitors spent an estimated \$6.5 billion in the City in 2013, the highest total in the City's history. While not all economic indicators have reached pre-Katrina levels, the City is recovering at a steady pace.

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

Hurricane Isaac

Hurricane Isaac made landfall on August 29, 2012, the 7th anniversary of Hurricane Katrina, as a Category 1 storm. The eye passed just west of the City. The City was largely spared significant damage from the storm. Early indications suggest the levees described below performed as designed. The City currently estimates it will incur approximately \$25,000,000 in additional expenditures resulting from debris removal, clean up costs and extraordinary maintenance resulting from Hurricane Isaac; however, FEMA will pay between 75% and 90% of such expenditures. As a result, the City expects to pay between \$2,500,000 and \$6,000,000 as a result of Hurricane Isaac and is instituting measures to pay such costs without negatively impacting its operating budget.

The City does not expect any long-term material impact on its financial condition as a result of Hurricane Isaac.

Levees and Flood Protection

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

Subsequent to Hurricane Katrina, the U.S. Army Corps of Engineers has undertaken a project consisting of the planning, design and construction of a flood protection system for the Metropolitan New Orleans Area. The flood protection system includes improved levees and floodwalls and temporary and permanent floodgates. Construction has been completed on several portions of the flood protection system improvements, and construction has commenced on others. It is anticipated that all proposed flood protection system improvements will be completed in 2016, at a total cost of \$12 billion; however, most of the work has been completed as of the date of this Official Statement. No assurance can be given that the proposed flood protection system improvements will prevent wind damage and flooding resulting from future significant weather events.

Limitations on Remedies Available to Bondholders

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

The enforceability of the rights and remedies of the owners of the Bonds, and the obligations incurred by the City in issuing the Bonds, are subject to the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect to the extent constitutionally applicable; equity principles which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the federal Constitution; and the exercise of the sovereign police powers of the State or its governmental bodies. Consistent with the Contracts Clauses of the Louisiana and United States Constitutions, in a City bankruptcy proceeding or due to the exercise of powers by the federal or State government, bondholders could be subject to judicial discretion and the interpretation of their rights in bankruptcy or otherwise, which consequently may entail risks of delay, limitation, or modification of their rights.

Financial Information

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

Secondary Market

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

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

Failure to Provide Ongoing Disclosure

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

Book-Entry

Persons who purchase Bonds through DTC Participants become creditors of the DTC Participant with respect to the Bonds. Records of the investors’ holdings are maintained only by the DTC Participant and the investor. In the event of the insolvency of the DTC Participant, the investor would be required to look to the DTC Participant’s estate and to any insurance maintained by the DTC Participant, to make good the investor’s loss. Neither the Issuer nor the Purchaser are responsible for failures to act by, or insolvencies of, the Securities Depository or any DTC Participant. See “APPENDIX K - BOOK-ENTRY ONLY SYSTEM” herein.

TAX MATTERS

Federal Taxes

In the opinion of Foley & Judell, L.L.P., New Orleans, Louisiana; McKee Law Firm, L.L.C., New Orleans, Louisiana; and Haley Law Firm, L.L.C., New Orleans, Louisiana, Co-Bond Counsel (“Co-Bond Counsel”), interest on the Bonds (including original issue discount, as discussed below) is **NOT** excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”). Interest on the Bonds will be fully subject to federal income taxation. Thus, owners of the Bonds generally must include interest on the Bonds in gross income for federal income tax purposes (See Appendix “I”).

Tax Treatment of Original Issue Premium

The Bonds maturing December 1, 2016 to December 1, 2025, inclusive (the “Premium Bonds”), are being offered and sold to the public at prices in excess of their stated principal amounts.

Except as may be provided by regulation, amortized premium on the Premium Bonds will be allocated among, and treated as an offset to, interest payments on such bonds. The basis reduction requirements of Section 1016(a)(5) of the Code apply to amortizable bond premium that reduces interest payments under Section 171 of the Code. Regulations have been issued dealing with certain aspects of federal income tax treatment of premium, but such regulations do not fully address the method to be used to amortize premium on obligations such as the Premium Bonds.

Investors who purchase Premium Bonds should consult their own tax advisors regarding the amortization of bond premium and its effect on the Premium Bonds’ basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Premium Bonds.

Tax Treatment of Original Issue Discount

The Bonds maturing December 1, 2027 to December 1, 2028, inclusive, December 1, 2031 to December 1, 2039, inclusive and December 1, 2044 (the “OID Bonds”), are sold to their original owners at a discount. The difference between the initial public offering prices and their stated amounts constitutes original issue discount treated as interest which is **not** excluded from gross income for federal income tax purposes.

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

Federal Income Taxes

The following is a summary of certain anticipated United States federal income tax consequences of the purchase, ownership and disposition of the Bonds. The summary is based upon the provisions of the Code, the regulations promulgated thereunder and the judicial and administrative rulings and decisions now in effect, all of which are subject to change. The summary generally addresses the Bonds held as capital assets and does not purport to address all aspects of federal income taxation that may affect particular investors in light of their individual circumstances or certain types of investors subject to special treatment under the federal income tax laws, including but not limited to financial institutions, insurance companies, dealers in securities or currencies, persons holding such Bonds as a hedge against currency risks or as a position in a “straddle” for tax purposes, or persons whose functional currency is not the United States dollar. Potential purchasers of the Bonds should consult their own tax advisors in determining the federal, state or local tax consequences to them of the purchase, holding and disposition of the Bonds.

Medicare Contribution Tax

Pursuant to Section 1411 of the Code, as enacted by the Health Care and Education Reconciliation Act of 2010, an additional tax is imposed on individuals beginning January 1, 2013. The additional tax is 3.8% of the lesser of (i) net investment income (defined as gross income from interest, dividends, net gain from disposition of property not used in a trade or business, and certain other listed items of gross income), or (ii) the excess of “modified adjusted gross income” of the individual over \$200,000 for unmarried individuals (\$250,000 for married couples filing a joint return and a surviving spouse). Holders of the Bonds should consult with their tax advisor concerning this additional tax as it may apply to interest earned on the Bonds as well as gain on the sale of a Bond.

Market Discount

Any owner who purchases a Bond at a price which includes market discount in excess of a prescribed de minimis amount (*i.e.*, at a purchase price that is less than its adjusted issue price in the hands of an original owner) will be required to recharacterize all or a portion of the gain as ordinary income upon receipt of each scheduled or unscheduled principal payment or upon other disposition. In particular, such owner will generally be required either (a) to allocate each such principal payment to accrued market discount not previously included in income and to recognize

ordinary income to that extent and to treat any gain upon sale or other disposition of such a Bond as ordinary income to the extent of any remaining accrued market discount (under this caption) or (b) to elect to include such market discount in income currently as it accrues on all market discount instruments acquired by such owner on or after the first day of the taxable year to which such election applies.

The Code authorizes the Treasury Department to issue regulations providing for the method for accruing market discount on debt instruments the principal of which is payable in more than one installment. Until such time as regulations are issued by the Treasury Department, certain rules described in the legislative history of the Tax Reform Act of 1986 will apply. Under those rules, market discount will be included in income either (a) on a constant interest basis or (b) in proportion to the accrual of stated interest.

An owner of a Bond who acquires such Bond at a market discount also may be required to defer, until the maturity date of such Bonds or the earlier disposition in a taxable transaction, the deduction of a portion of the amount of interest that the owner paid or accrued during the taxable year on indebtedness incurred or maintained to purchase or carry a Bond in excess of the aggregate amount of interest (including original issue discount) includable in such owner's gross income for the taxable year with respect to such Bond. The amount of such net interest expense deferred in a taxable year may not exceed the amount of market discount accrued on the Bond for the days during the taxable year on which the owner held the Bond and, in general, would be deductible when such market discount is includable in income. The amount of any remaining deferred deduction is to be taken into account in the taxable year in which the Bond matures or is disposed of in a taxable transaction. In the case of a disposition in which gain or loss is not recognized in whole or in part, any remaining deferred deduction will be allowed to the extent gain is recognized on the disposition. This deferral rule does not apply if the bondowner elects to include such market discount in income currently as described above.

Sale or Redemption of the Bonds

A bondowner's tax basis for a Bond is the price such owner pays for the Bond plus the amount of any original issue discount and market discount previously included in income, reduced on account of any payments received (other than "qualified periodic interest" payments) and any amortized bond premium. Gain or loss recognized on a sale, exchange or redemption of a Bond, measured by the difference between the amount realized and the Bond basis as so adjusted, will generally give rise to capital gain or loss if the Bond is held as a capital asset (except as discussed above under "Market Discount"). The defeasance of the Bonds may result in a deemed sale or exchange of such Bonds under certain circumstances; owners of such Bonds should consult their tax advisors as to the Federal income tax consequences of such an event.

Defeasance

The legal defeasance of the Bonds may result in a deemed sale or exchange of such bonds under certain circumstances. Owners of such Bonds should consult their tax advisors as to the federal income tax consequences of such a defeasance.

Backup Withholding

A bondowner may, under certain circumstances, be subject to “backup withholding.” This withholding generally applies if the owner of a Bond (a) fails to furnish the Paying Agent or other payor with its taxpayer identification number; (b) furnishes the Paying Agent or other payor an incorrect taxpayer identification number; (c) fails to report properly interest, dividends or other “reportable payments” as defined in the Code; or (d) under certain circumstances, fails to provide the Paying Agent or other payor with a certified statement, signed under penalty of perjury, that the taxpayer identification number provided is its correct number and that the holder is not subject to backup withholding. Backup withholding will not apply, however, with respect to certain payments made to bondowners, including payments to certain exempt recipients (such as certain exempt organizations) and to certain Nonresidents (as defined below). Owners of the Bonds should consult their tax advisors as to their qualification for exemption from backup withholding and the procedure for obtaining the exemption.

The amount of “reportable payments” for each calendar year and the amount of tax withheld, if any, with respect to payments on the Bonds will be reported to the bondowners and to the IRS.

Nonresident Bondowners

Under the Code, interest and original issue discount income with respect to the Bonds held by nonresident alien individuals, foreign corporations or other non-United States persons (“Nonresidents”) generally will not be subject to the United States withholding tax (or backup withholding) if the Paying Agent (or other person who would otherwise be required to withhold tax from such payments) is provided with an appropriate statement that the beneficial owner of the Bond is a Nonresident. Notwithstanding the foregoing, if any such payments are effectively connected with a United States trade or business conducted by a Nonresident bondowner, they will be subject to regular United States income tax, but will ordinarily be exempt from United States withholding tax.

ERISA

The Employee Retirement Income Security Act of 1974, as amended (“ERISA”), imposes certain requirements on “employee benefit plans” (as defined in Section 3(3) of ERISA) subject to ERISA, including entities such as collective investment funds and separate accounts whose underlying assets include the assets of such plans (collectively, “ERISA Plans”) and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA’s general fiduciary requirements, including the requirement of investment prudence and diversification and the requirement that an ERISA Plan’s investments be made in accordance with the documents governing the ERISA Plan. The prudence of any investment by an ERISA Plan in the Bonds must be determined by the responsible fiduciary of the ERISA Plan by taking into account the ERISA Plan’s particular circumstances and all of the facts and circumstances of the investment. Government and non-electing church plans are generally not subject to ERISA; however, such plans may be subject to similar or other restrictions under state or local law.

In addition, ERISA and the Code generally prohibit certain transactions between an ERISA Plan or a qualified employee benefit plan under the Code and persons who, with respect to that plan, are fiduciaries or other “parties in interest” within the meaning of ERISA or “disqualified persons” within the meaning of the Code. In the absence of an applicable statutory, class or

administrative exemption, transactions between an ERISA Plan and a party in interest with respect to an ERISA Plan, including the acquisition by one from the other of the Bonds could be viewed as violating those prohibitions. In addition, Section 4975 of the Code prohibits transactions between certain tax-favored vehicles such as Individual Retirement Accounts and disqualified persons. Section 503 of the Code includes similar restrictions with respect to governmental and church plans. In this regard, the Issuer or any dealer of the Bonds might be considered or might become a "party in interest" within the meaning of ERISA or a "disqualified person" within the meaning of the Code, with respect to an ERISA Plan or a plan or arrangement subject to Sections 4975 or 503 of the Code. Prohibited transactions within the meaning of ERISA and the Code may arise if the Bonds are acquired by such plans or arrangements with respect to which the Issuer or any dealer is a party in interest or disqualified person.

In all events, fiduciaries of ERISA Plans and plans or arrangements subject to the above sections of the Code, in consultation with their advisors, should carefully consider the impact of ERISA and the Code on an investment in the Bonds. The sale of the Bonds to a plan is in no respect a representation by the Issuer or the Purchaser that such an investment meets the relevant legal requirements with respect to benefit plans generally or any particular plan. Any plan proposing to invest in the Bonds should consult with its counsel to confirm that such investment is permitted under the plan documents and will not result in a non-exempt prohibited transaction and will satisfy the other requirements of ERISA, the Code and other applicable law.

Changes in Federal and State Tax Law

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

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

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

MUNICIPAL ADVISORS

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

LITIGATION AFFECTING THE CITY

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

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

This original suit, filed on July 14, 1981 as a class action by the New Orleans Firefighters Union and individual employees of the New Orleans Fire Department (“NOFD”), asserted a claim that the City’s implementation of the New Orleans Civil Service Commission’s annual leave policy, which limited the amount of unused annual leave that could be accrued and carried over into subsequent years, was an unconstitutional “taking of property” in violation of Article 1, Sections 2 and 4 of the Louisiana Constitution. Plaintiffs sought back pay and “all other damages” arising from the alleged unconstitutional “taking” of excess unused annual leave days and injunctive relief enjoining the City from denying the plaintiffs the use of accrued annual leave beyond the City-imposed limit (then 90 days).

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

On March 2, 1993, some twelve years after the original suit was filed, the plaintiffs filed a second amended petition to add two new causes of action to the original claim; specifically, that (1) the City policy establishing a lesser accrual rate for annual leave privileges and the forfeiture

of accumulated annual leave benefits violated La. R.S. 33:1996 by providing less “vacation and annual leave privileges” than that mandated by the statute, and (2) the City’s Civil Service Commission Rules, which provided for a different schedule of longevity pay increases than that mandated by La. R.S. 33:1992(B), violated that statute.

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

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

2. The amount she calculated as owing for the lost leave component of the judgment for the years 1991 – 2001 is \$107,846. 00. She used the 2013 Louisiana Judicial Interest Calculator and input 6/11/1996 as the start date (about half way between the calculation start date in 1991 and the calculation end date in 2001) and June 11, 2013 as the end date. The amount of interest owed on this amount is calculated as \$119,170.00.00.

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

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

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

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

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

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

In 2011, the trial court scheduled trials for the next seventy six (76) plaintiffs. The 76 Plaintiffs' first flight trials were continued without date pending pre-trial motions, writs and appeals to the Fourth Circuit and Supreme Court. In 2011, the plaintiffs made a demand on the defendants for approximately \$96,000,000.00 not including judicial interest. In late 2012 the Supreme Court affirmed the appointment of Retired Judge Nadine Ramsey to preside over the case. The insurance coverage issues were remanded back to trial court. Several trials on the issue of insurance were set and continued pending co-defendants' settlement negotiations with petitioners in 2013.

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

National Union Fire Insurance Company of Pittsburgh, Pa, and United States Fire Insurance Company settled with the plaintiffs, leaving the City of New Orleans and HANO as the remaining defendants. The City estimates the financial impact could range from \$38,000,000.00 dollars upwards plus interest.

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

This class action matter relates to the taking of private citizens' land over the course of several decades to operate the Gentilly Landfill. The parties recently reached a settlement in principle, whereby the City's potential settlement exposure is approximately \$1,000,000.00. The settlement is awaiting approval by the court.

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

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

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

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

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

This class action lawsuit by police officers for millage payments for the years 1980-2003 that allegedly should have been used for police protection rather than paid into the general fund. There is a prior judgment for \$3,376,740.00 for failure to pay a portion of the 1928 millage dedicated to a supplemental pay for police officers from 1979 to 1994, which has been placed on the City's Unpaid Settlement/Judgment List. Currently, litigation is pending for other years and is in discovery mode. The City estimates that potential liability could exceed \$5 million.

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

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

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

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

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

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

Plaintiffs filed a wrongful death and survival action alleging constitutional violations for the death of Brian Harris. Plaintiffs allege the NOPD used excessive force when they used a Taser and shot Harris. Harris was armed with a knife, threatened suicide and refused to comply with the Officers' orders to drop the knife at the time of his death. Plaintiffs sought \$3,000,000.00 in damages. The City filed a motion for summary judgment seeking dismissal of the case, and the City's motion was granted. Plaintiffs have appealed the dismissal of the lawsuit to the U.S. Fifth Circuit Court of Appeal, and the trial court's ruling was upheld. The U.S. Supreme Court denied a writ of certiorari. The Plaintiffs also filed a related lawsuit in Civil District Court which is still pending

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

On March 1, 2012, brothers Earl and Justin Sipp engaged in a shootout with two City police officers behind a Burger King in Mid-City. The officers were conducting a traffic stop of the two brothers when the brothers began shooting at the officers. The officers suffered severe injuries, and Justin Sipp was killed in the cross fire. A lawsuit has been filed by the family members. If the officers' actions are found to constitute excessive force, the City estimates the potential liability could be substantial and well over \$1,000,000.00.

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

On March 7, 2012 police executed a search warrant for narcotics at the home of Wendal Allen, who was shot and killed by Officer Joshua Colclough during the execution of the warrant by a City police officer. Allen was not in possession of a firearm or any other weapon at the time of the shooting. Allen's family filed suit against the City and Officer Colclough in federal court alleging excessive force and other violations under Section 1983. Colclough pled guilty to Manslaughter for the death of Allen and is currently serving four (4) years in prison. If the City is found to be liable for Colclough's actions, then the potential liability could be substantial and well over \$1,000,000.00.

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

The U.S. Department of Justice ("USDOJ") filed a lawsuit against the City alleging that the New Orleans Police Department was engaging in practices of unconstitutional policing. After much litigation, the U.S. District Court for the Eastern District of Louisiana, Judge Susie Morgan, entered a Consent Decree on January 11, 2013 resolving the lawsuit. The City moved to vacate the Court's order, which motion was denied. The City appealed the order to the U.S. Fifth Circuit Court of Appeal, and the City's appeal was denied. Accordingly, the Consent Decree became effective on August 9, 2013. The Consent Decree monitor was approved to begin work, and the monitor estimates a total maximum cost of \$8.5 million over the term of the Consent Decree for its services. This amount is included in the estimated \$55 million to implement the Consent Decree over a 5-year period.

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

The USDOJ intervened in this lawsuit filed by Plaintiff inmates at Orleans Parish Prison alleging unconstitutional conditions at the jail. The Plaintiffs, the Sheriff, Marlin Gusman, and the USDOJ executed a Consent Decree to settle the lawsuit. The Sheriff filed a Third Party Demand against the City alleging that any additional amounts to pay to implement the Consent Decree must be funded by the City. After extensive litigation, the City and the Sheriff entered into an agreement to settle the Sheriff's Third Party claim as to funding until the end of 2013. In that agreement, the City agreed to pay the Sheriff \$1,888,652.07 in 2013. In the budget process, the Sheriff requested an additional \$11 million for 2014, although the City did not comply with said request. The Sheriff made additional requests throughout 2014 as expenditures for the Consent Decree were incurred, and the total amount of additional funding provided to the Sheriff in 2014 was approximately \$7.4 million. The amount to be paid to the Sheriff in 2015 was considered by the City Council, and the Council appropriated approximately \$20 million less than the Sheriff requested in his budget presentation. The Sheriff has signed an agreement providing \$15 million for medical and mental health services. The City's potential exposure for 2015 is approximately \$20 million. The Court, however, will retain jurisdiction over any disputes related to funding.

Mani Agrawal Et Al V. City Of New Orleans Et Al, Cdc # 2010-6014

On December 12, 2009 at 7:15 pm the plaintiff, Dr. Krishna Agrawal, deceased, and his wife Mani Agrawal were driving to a Christmas party. Torrential rainfall during the day had resulted in flooding of the area, and the Plaintiff attempted to take an alternative route on Marr St. in Algiers. He failed to turn left or right onto Donner St. and drove the vehicle into the Donner Canal. Mr. Agrawal drowned while saving his wife. The plaintiffs allege that the City failed to properly place barriers and dead-end signs to warn the public. The City included the Sewerage and Water Board of New Orleans (S&WB) as a third party defendant in the lawsuit, as the S&WB owns and maintains the canals located within the City. The lawsuit makes both wrongful death and survival claims. The City estimates the potential liability to be between \$ 1,000,000.00 to \$ 2,500,000.00.

Corey Groves v. City of New Orleans, et al USDC #: 95-3309 STAYED

This case involves the murder of Kim Groves at the behest of former NOPD Officer Len Davis. The case has been stayed for nearly 15 years pending Davis' appeal of his conviction, and proceedings are close to being initiated. The City estimates the potential liability to be \$5,000,000.00.

Darrin Hill V. City of New Orleans, et al Usdc#13-2463

The Plaintiff was found not guilty of rape by reason of insanity, and spent 20 years in a mental institution before he was exonerated of the crime by DNA evidence. He has since filed suit against the City as well as numerous police officers, claiming false arrest and other charges. The City estimates the potential liability to be \$ 1,000,000.00.

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

This case is currently stayed, but Plaintiff's counsel expects to re-open it in the near future. This case arises from the federal criminal trial of US v. Henry Dillon, a former Assistant City Attorney (ACA) convicted of raping two women under color of law in violation of 18 U.S.C. Sect. 242 by using his position as an ACA. The plaintiff is one of the victims raped by Dillon in 2004. The civil suit was stayed pending a final resolution of the criminal trial, which concluded with a conviction and life sentence for Dillon. The plaintiff filed suit against the City, former Mayor Ray Nagin and former City Attorney Sherry Landry under 42 U.S.C. Sect. 1983 and under State law. The City may be held liable as Dillon was found guilty of acting under color of law by using his position as an ACA to meet, threaten and assault his victims. The City estimates potential liability to be between \$50,000 and \$500,000.00.

Arabia Whitfield, et al v City of New Orleans, et al USDC 2009-1877, c/w 2009 8074, Adolph Grimes v New Orleans Police Department, et al CDC 2009-13550 STAYED

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

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

LEGAL MATTERS

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

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

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

FINANCIAL STATEMENTS

The audited financial statements of the City for the year ended December 31, 2013, can be viewed using the link included in Appendix “C” to this Official Statement and have been audited by Postlethwaite & Netterville, APAC, as stated in their report dated as of June 27, 2014. The audited financial statements pertaining to the City which are included in this Official Statement have been included in reliance upon said report; however, since the date of its report, said auditors have not performed any procedures on the financial statements, consented to inclusion of the financial statements herein, and have not performed any additional review procedures related hereto.

Included in Appendix “E” to this Official Statement is a link to view the audited financial statements of the Board of Liquidation for the year ended December 31, 2013, which have been examined by Paciera, Gautreau & Priest, LLC, Certified Public Accountants, to the extent and for the period indicated in their report thereon, dated as of March 24, 2014. The audited financial statements pertaining to the Board of Liquidation which are included by reference in this Official Statement have been included in reliance upon said report; however, since the date of its report, said auditors have not consented to inclusion of the financial statements herein, and have not performed any additional review procedures related hereto.

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

GOVERNING AUTHORITY

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

CONTINUING DISCLOSURE

The City and the Board of Liquidation will, pursuant to a Continuing Disclosure Certificate to be dated the date of delivery of the Bonds (the “Continuing Disclosure Certificate”), covenant for the benefit of Bond owners to provide (i) certain financial information and operating data relating to the Issuer in each year, with the first such report due not later than August 31, 2015 (the “Annual Report”), and (ii) notices of the occurrence of certain enumerated events, called “Listed Events,” in the future that may affect the Issuer or the Bonds. The Annual Reports and any notices of Listed Events required pursuant to the Continuing Disclosure Certificate will be filed with the MSRB through the Electronic Municipal Market Access website (“EMMA”) and with any future Louisiana officially designated State Information Depository. For the specific nature of the information to be contained in the Annual Report or the potential Listed Events, see Appendix “J” - Proposed Form of Continuing Disclosure Certificate attached hereto. The Issuer is entering into the Continuing Disclosure Certificate in order to assist the Purchaser in complying with S.E.C. Rule

15c2-12(b)(5) (the “Rule”). The Issuer has not undertaken to provide all information investors may desire to have in making decisions to hold, sell or buy the Bonds and has no obligation to provide any information subsequent to the delivery of the Bonds except as provided in the Continuing Disclosure Certificate.

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

The Issuer has entered into other undertakings (the “Prior Undertakings”) with respect to bonds previously issued. The Issuer has filed all continuing disclosure reports currently required by its prior undertakings under the Rule; however, not all reports were timely filed. While the Issuer has not made any determination as to materiality, the following summarizes the results of the Issuer’s review of the last five years of filings: For fiscal year 2010, the Issuer satisfied the reporting requirement for the Annual Report and Audited Financial Statements of the Board of Liquidation on August 30, 2011; however, said filings were not properly indexed at the time of submission and the City’s Audited Financial Statements were unavailable at the time of filing. The Audited Financial Statements for the City were filed on September 30, 2011. For fiscal year 2011, the Issuer filed the entire annual report on September 4, 2012 as a direct result of a mandatory evacuation of City Hall, a requirement of the State of Emergency declared in Louisiana, ahead of the anticipated landfall of Hurricane Isaac. Further, the Issuer may have failed to notify the MSRB of certain Listed Events, including but not limited to those pertaining to Bond Insurer ratings, as required by its Prior Undertakings.

The Issuer has established procedures to ensure proper filing of the reports and notices required by the Continuing Disclosure Certificate and its Prior Undertakings with the MSRB in the future. Furthermore, Act 463 of the 2014 Regular Session of the Louisiana Legislature, effective August 1, 2014, provides additional procedures designed to ensure compliance with the Continuing Disclosure Certificate by (i) requiring public entities, such as the Issuer, to keep certain records demonstrating compliance with the Continuing Disclosure Certificate, and (ii) mandating the Issuer’s auditor, as part of the preparation of the Issuer’s annual financial audit, review the Issuer’s compliance with its continuing disclosure undertakings and record keeping requirements.

PURCHASER

The Bonds are being purchased by Robert W. Baird & Co., Inc. Red Bank, New Jersey (the “Purchaser”) at a purchase price of \$64,355,068.15 (representing the principal amount of the Bonds, plus a bid premium of \$495,498.15, and less an Underwriters discount of \$1,140,430.00).

BOND RATINGS

Moody’s Investors Service, Inc. (“Moody’s”) and Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business (“S&P” and collectively, the “Rating Agencies”) have assigned their ratings of “A2/Stable” and “AA/Stable”, respectively, to the Bonds, with the understanding that the policy of Assured Guaranty Municipal Corp. (“AGM”) will be issued concurrently with the delivery of the Bonds. Such ratings reflect only the views of such organizations and are not a recommendation to buy, sell or hold the Bonds. Any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same,

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

ADDITIONAL INFORMATION

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

CERTIFICATION AS TO OFFICIAL STATEMENT

At the time of payment for and delivery of the Bonds, the City will furnish the Purchaser a certificate signed by the Secretary of the Board of Liquidation and the Director of Finance of the City to the effect that on the date of the Preliminary Official Statement, on the date of the Official Statement, on the date of sale of the Bonds and on the date of the delivery thereof (a) the descriptions and statements of or pertaining to the Board of Liquidation and the City's Bonds contained in the Official Statement were and are true and complete in all material respects; (b) insofar as such matters are concerned, the Official Statement did not and does not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in light of the circumstances under which they are made, not misleading; (c) insofar as the descriptions and statements, including financial data, of or pertaining to governmental and non-governmental entities other than the City, and their activities, contained in the Official Statement are concerned, such descriptions, statements and data have been obtained from sources which the Board of Liquidation believes to be reliable and the Board of Liquidation has no reason to believe that they are untrue or incomplete in any material respect; and (d) other than as set forth herein, there has been no material adverse change in the financial condition of the City since December 31, 2013, the date of the last audited financial statements of the City appearing in the Official Statement.

MISCELLANEOUS

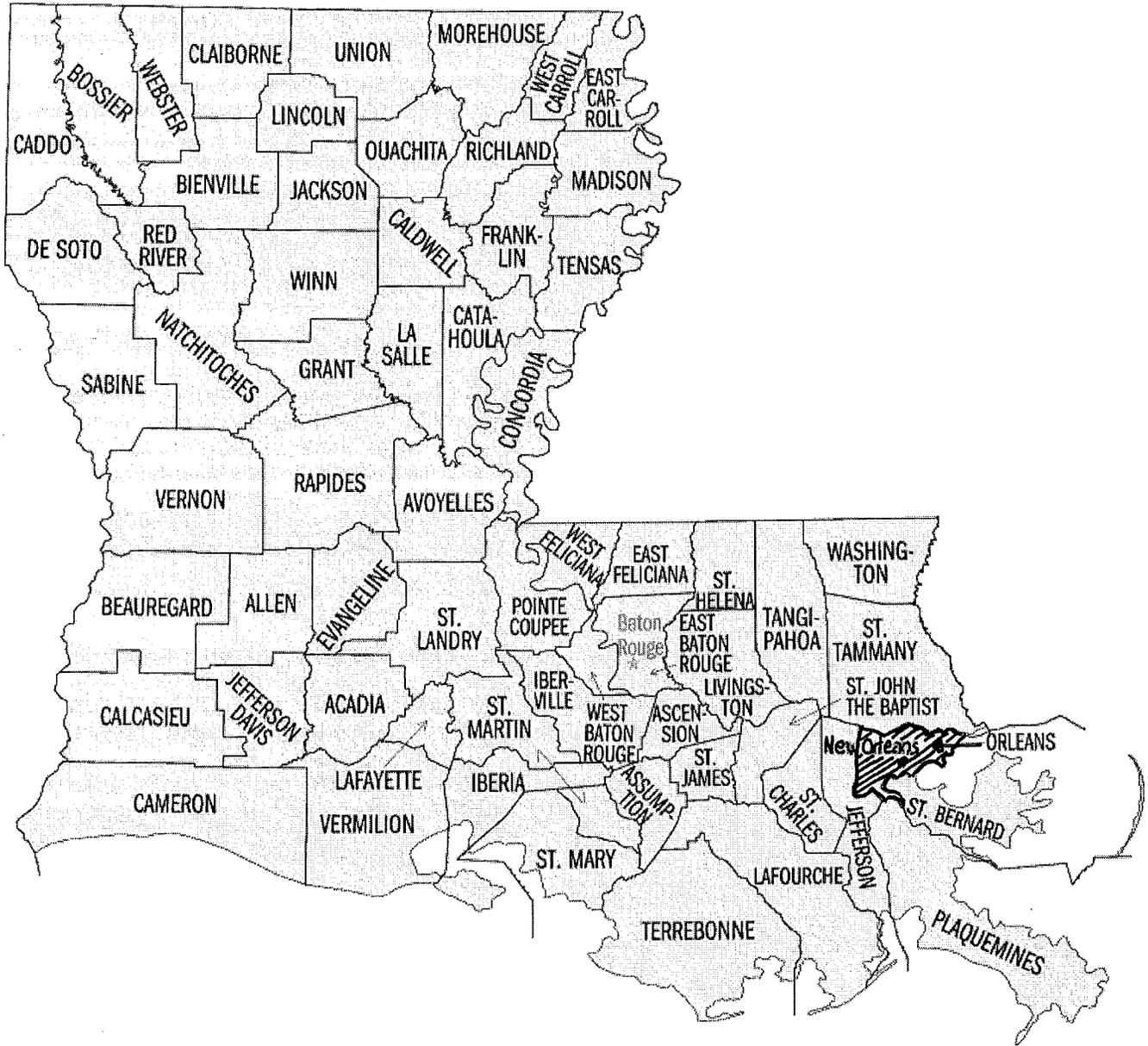
This Official Statement has been prepared in connection with the initial offering and sale of the Bonds to the Purchaser on the date hereof and is not intended for use in connection with any subsequent sale, reoffering or remarketing of the Bonds. Subsequent purchasers must therefore rely on their own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

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

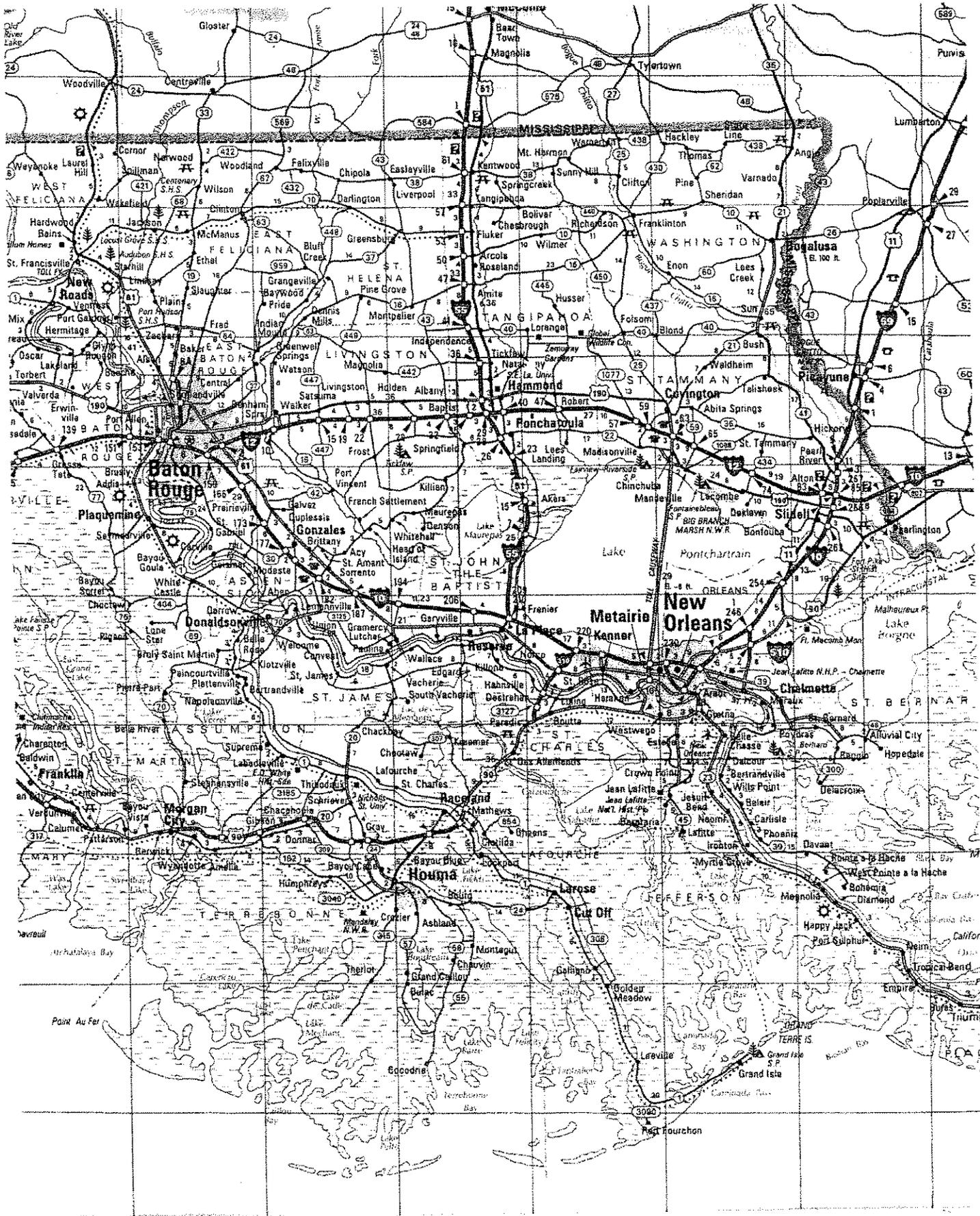
/s/ *David W. Gernhauser*
David W. Gernhauser
Secretary
Board of Liquidation, City Debt

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

MAPS



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



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APPENDIX "A"

OFFICIAL NOTICE OF BOND SALE

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OFFICIAL NOTICE OF BOND SALE

**\$65,000,000
CITY OF NEW ORLEANS, LOUISIANA
TAXABLE PUBLIC IMPROVEMENT BONDS,
ISSUE OF 2015A**

**Electronic bids via PARITY®
will be received until eleven o'clock a.m.,
New Orleans, Louisiana (Central) Time
on Wednesday, March 25, 2015**

Electronic bids via PARITY® will be received at the office of the Board of Liquidation, City Debt (the "Board"), Room 8E17, City Hall, 1300 Perdido Street, New Orleans, Louisiana 70112-2197 for the purchase of the above described Bonds aggregating \$65,000,000 (the "Bonds").

Date of Sale: Wednesday, March 25, 2015 (or such other date as may be determined by the President and Secretary of the Board and advertised by Munifacts Disclosure Service).

Hour of Sale: Eleven (11:00) o'clock a.m., New Orleans, Louisiana (Central) Time.

Place of Sale: Office of the Board of Liquidation, City Debt, Room 8E17, City Hall, 1300 Perdido Street, New Orleans, Louisiana 70112-2197, telephone (504) 658-1410.

Date of Bonds: Delivery date of the Bonds.

Form and Denomination: The Bonds will be issued as fully registered bonds in "book-entry only" form and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds, and purchasers of the Bonds will not receive certificates representing their interest in the Bonds purchased. The Bonds will be in the denomination of Five Thousand Dollars (\$5,000) each.

Maximum Interest Rate Allowable: Eight per centum (8%) per annum.

Paying Agent and Registrar: U.S. Bank National Association, Nashville, Tennessee.

Interest Payment Dates: June 1 and December 1. The Bonds will bear interest from their delivery date until paid, payable on June 1, 2015, and semiannually on each June 1 and December 1 thereafter.

Manner and Place of Payment: Principal of the Bonds will be payable in lawful money of the United States of America by U.S. Bank National Association, Nashville, Tennessee.

Maturity Schedule: Bonds will mature on December 1 of each of the following years and in the principal amounts as follows:

<u>DUE (DEC. 1)</u>	<u>PRINCIPAL AMOUNT *</u>	<u>DUE (DEC. 1)</u>	<u>PRINCIPAL AMOUNT *</u>
2016	\$1,385,000	2031	\$2,140,000
2017	1,390,000	2032	2,230,000
2018	1,405,000	2033	2,330,000
2019	1,425,000	2034	2,430,000
2020	1,445,000	2035	2,545,000
2021	1,475,000	2036	2,660,000
2022	1,515,000	2037	2,785,000
2023	1,560,000	2038	2,915,000
2024	1,615,000	2039	3,055,000
2025	1,670,000	2040	3,200,000
2026	1,730,000	2041	3,355,000
2027	1,800,000	2042	3,515,000
2028	1,875,000	2043	3,685,000
2029	1,955,000	2044	3,865,000
2030	2,045,000		

*Preliminary, subject to adjustment.

Prior to accepting bids, the Board reserves the right to change the principal amount of the Bonds being offered, and certain terms of the Bonds as described herein, to postpone the sale to a later date, or to cancel the sale of the Bonds based upon market conditions as discussed herein. Notice of a change or cancellation will be announced via Thomson Municipal News at the internet website address www.tm3.com not later than 10:00 a.m., Central Time, on the business day preceding the bid opening. Such notice will specify the revised principal amount or feature, if any, and any later date selected for the sale, which may be postponed or cancelled in the same manner. If the sale is postponed, a later public sale may be held at the hour and place and on such date as communicated upon at least forty-eight (48) hours' notice via Thomson Municipal News service at the internet website address www.tm3.com.

Adjustment of Maturity Schedule: The schedule of maturities set forth above (the "Maturity Schedule") represents an estimate of the principal amounts and maturities of the Bonds which will be sold. If, after final computation of the bids, the Board determines that the maturities of the Bonds should be adjusted after consideration of the winning bidder's coupon structure in order to achieve the Board's structuring goals, the Board reserves the right to either increase or decrease the principal amount of any maturity of the Bonds, provided that in any such adjustment the Board shall not increase or decrease the principal amount maturing in any year more than 10% of the amount for such year set forth above, except that the par amount will not exceed \$65,000,000.

In the event of any such adjustment of the Maturity Schedule for the Bonds as described herein, no rebidding or recalculation of the bids submitted will be required or permitted. Nevertheless, the award of the Bonds will be made to the bidder whose proposal produces the lowest true interest cost solely on the basis of the Bonds offered, without taking into account any adjustment in the amount of the Bonds pursuant to this paragraph. Any such adjustment made will hold constant the bidder's spread on a per bond basis.

Redemption: The Bonds maturing December 1, 2025 and thereafter shall be subject to redemption at the option of the City, acting through the Board, prior to their stated maturities, on and after December 1,

2024, in whole or in part at any time and if less than a full maturity then by lot within such maturity at a redemption price equal to the principal net amount of the Bonds to be redeemed plus accrued interest to the redemption date. Any Bonds made the subject of such call or calls shall be redeemed at the principal amount thereof plus accrued interest to the date fixed for redemption. Bonds are not required to be redeemed in inverse order of maturity.

In the event a Bond to be redeemed is of a denomination larger than \$5,000, a portion of such Bond (\$5,000 or any multiple thereof) may be redeemed. In the event of redemption of less than all of the outstanding Bonds of like maturity, such Bonds shall be redeemed by lot or in such other manner as shall be deemed fair and equitable by the Paying Agent for random selection.

Notice of any such redemption shall be given by the Board to the Paying Agent at least thirty-five (35) days prior to the date fixed for redemption. Notice of redemption shall be given by the Paying Agent by mailing a copy of the redemption notice by first class mail (postage prepaid), or delivering notice via other accepted means of electronic communication, not less than thirty (30) days prior to the date fixed for redemption to the Registered Owner of each Bond to be redeemed in whole or in part at the address shown on the Bond Register.

If a Bidder shall elect to specify Term Bonds as provided in "Special Bidders' Option" below, the Bonds subject to mandatory sinking fund redemption shall also be subject to the terms and conditions described in the Official Statement.

Security: The Bonds will be general obligations of the City and are authorized by Part XIV, Chapter 4, Title 39 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 39:1031 to 1043, inclusive), and other constitutional and statutory authority, and proceedings of the Council of the City of New Orleans and of the Board. The Bonds were specifically authorized by special election held in the City on November 2, 2004, the results of which election have been duly promulgated in accordance with law. The full faith and credit of the City of New Orleans (the "City") is pledged for the payment of the principal of and interest on the Bonds, and the City is obligated under the aforesaid provisions of law to impose and collect annually in excess of all other taxes, a tax on all the property subject to such taxation in the City, in the manner prescribed by such provisions, in an amount sufficient to pay such principal and interest.

Bond Insurance: If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor, the purchase of any such insurance policy or the issuance of any such commitment therefor shall be at the sole option and expense of such bidder and any increased costs of issuance of the Bonds resulting by reason of the same, shall be paid by such bidder. Any failure of the Bonds to be so insured or of any such policy of insurance to be issued, shall not constitute cause for a failure or refusal by the purchaser of the Bonds to accept delivery of and pay for said Bonds in accordance with terms of the purchase contract.

Electronic Bids: Electronic bids will be received via PARITY®, in the manner described below, until 11:00 o'clock a.m., New Orleans, Louisiana time, on Wednesday, March 25, 2015.

Bids may be submitted electronically via PARITY® pursuant to this Official Notice of Bond Sale until 11:00 o'clock a.m., local New Orleans, Louisiana time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY® conflict with this Official Notice of Bond Sale, the terms of this Official Notice of Bond Sale shall control. For further information about PARITY®, potential bidders may contact PARITY® at i-Deal (212) 849-5021.

Disclaimer: Each prospective electronic bidder shall be solely responsible to register to bid via PARITY® as described above. Each qualified prospective electronic bidder shall be solely responsible to make necessary arrangements to access PARITY® for the purposes of submitting its bid in a timely manner and in compliance with the requirements of the Notice of Sale. Neither the Board nor PARITY®, shall have any duty or obligation to provide or assure access to PARITY® to any prospective bidder, and neither the Board nor PARITY® shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, PARITY®. The Board is using PARITY® as a communication mechanism, and not as the Board's agent, to conduct the electronic bidding for the Bonds. No other form of electronic bid or provider of electronic bidding services will be accepted. The Board is not bound by any advice and determination of PARITY® to the effect that any particular bid complies with the terms of this Official Notice of Bond Sale and in particular the "Bid Requirements" hereinafter set forth. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via PARITY® are the sole responsibility of the bidders; and the Board is not responsible, directly or indirectly, for any of such costs or expenses. If a prospective bidder encounters any difficulty in submitting, modifying or withdrawing a bid for the Bonds, he should telephone PARITY® at i-Deal or (212) 849-5021 and notify the Board's Financial Advisors, Public Financial Management (901) 682-8356, 530 Oak Court Drive, Suite 160, Memphis, Tennessee 38117, and CLB Porter, L.L.C. (504) 299-3433, 650 Poydras Street, Suite 1400, New Orleans, Louisiana 70130.

Electronic Bidding Procedures: Electronic bids must be submitted for the purchase of the Bonds (all or none) via PARITY®. Bids will be communicated electronically to the Board at 11:00 o'clock a.m., local New Orleans, Louisiana time, on Wednesday, March 25, 2015. Prior to that time, a prospective bidder may (1) submit the proposed terms of its bid via PARITY®, (2) modify the proposed terms of its bid, in which event the proposed terms as last modified will (unless the bid is withdrawn as described herein) constitute its bid for the Bonds, or (3) withdraw its proposed bid. Once the bids are communicated electronically via PARITY® to the Board, each bid will constitute an irrevocable offer to purchase the Bonds on the terms therein provided. For purposes of the electronic bidding process, the time as maintained on PARITY® shall constitute the official time.

Bid Requirements: Each bid (i) shall be for the full amount of \$65,000,000 in aggregate principal amount of the Bonds, (ii) shall name the rate or rates of interest to be borne by the Bonds, (iii) shall prescribe one rate of interest, not to exceed eight per centum (8%) per annum, for the Bonds of any one maturity, (iv) shall limit the interest due on each Bond for each interest period to a single rate and (v) shall be unconditional. No bid for less than 99% of the principal amount of the Bonds will be accepted.

Special Bidders' Option: Bidders may specify that all the principal amount of Bonds on any two or more consecutive annual payment dates on or after December 1, 2025, may, *in lieu* of maturing on each of such dates, be combined to comprise one or more maturities of Bonds scheduled to mature on the latest of such annual payment dates and be subject to redemption through mandatory sinking fund installments at the principal amount thereof in the manner described in the Official Statement, on each of the annual payment dates, except for that principal amount of Bonds scheduled to mature on the latest such annual payment date, which Bonds shall mature on such annual payment date ("Term Bonds"). Bidders may specify one or more of such Term Bonds.

Award of Bid: The Bonds will be awarded to the bidder whose bid offers the lowest "true interest cost" to the City, to be determined by doubling the semiannual interest rate (compounded semiannually) necessary to discount the debt service payments on the Bonds from the payment dates to the date of delivery of the Bonds, such that the sum of such present values is equal to the price bid, including any premium bid or less any discount (the preceding calculation is sometimes referred to as the "Canadian Interest Cost

Method" or "Present Value Method"). In the case of a tie bid, the winning bid will be awarded by lot.

Reoffering Prices: As soon as practical after award of the Bonds to the successful bidder or bidders (the "Purchaser"), but in any case no later than 2:00 p.m. Louisiana time on the third business day after the date of sale, the Purchaser shall furnish to the Board a certificate acceptable to Co-Bond Counsel to the Board stating (i) either, (A) in the case of Bonds that the Purchaser intends to reoffer, the reoffering prices, expressed as a percentage of par, to the public of each maturity of the Bonds (the "Reoffering Prices") or (B) the specific Bonds that the Purchaser intends to retain; (ii) that, in the case of Bonds described in (i)(A), the Purchaser has made a *bona fide* public offering of the Bonds at the Reoffering Prices; (iii) that a substantial amount of the Bonds have been sold or were reasonably expected to be sold to the public (excluding bond houses, brokers and other intermediaries) at such Reoffering Prices; and (iv) that, at the time that the Purchaser submitted its bid, based upon prevailing market conditions, the Purchaser had no reason to believe that any of the Bonds would be initially sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at initial offering prices greater than the Reoffering Prices represented in (i)(A). Co-Bond Counsel to the Board advise that (i) such certificate must be made on the best knowledge, information and belief of the Purchaser; (ii) the sale to the public of 10% or more in par amount of the Bonds of each maturity at (or below) the Reoffering Prices would be sufficient to certify as to the sale of a substantial amount of the Bonds; and (iii) reliance on other facts as a basis for such certification would require evaluation by Co-Bond Counsel to the Board to assure compliance with the statutory requirement to avoid the establishment of an artificial price for the Bonds.

Costs Paid by Board: The costs of preparing, selling and delivering the Bonds shall be paid by the Board.

Rejection of Bids: The Board reserves the right to reject any and all bids.

Waiver of Informalities: The Board reserves the right to waive any informalities or irregularities in any bid.

Good Faith Deposit: In the event a bid for the Bonds is accepted, the acceptance of such bid shall be subject to the receipt of a good faith deposit (the "Deposit") by such successful bidder (the "Purchaser"). The Deposit shall be made via wire transfer to the Board in the amount of one percent (1%) of the principal amount of the Bonds (\$650,000) by 3:30 o'clock p.m., New Orleans, Louisiana (Central) Time, on the day of the sale. The Deposit of the Purchaser will be deposited and the proceeds credited against the purchase price of the Bonds. In the case of neglect or refusal to comply with such bid, the deposit will be forfeited to the Board as and for liquidated damages. No interest will be allowed on the amount of the Deposit.

Wiring instructions for the account to which the Purchaser should send the Deposit are:

Bank: Whitney Bank
ABA# 065400153

Credit to: Board of Liquidation, City Debt
Fiscal Agent Account
Account #024 65 506
Contact: Philip Gordillo (504.586.3458)

Delivery of the Bonds: The Bonds will be delivered to DTC on or as soon as practicable after April 29, 2015, in "book-entry only" form. The Purchaser shall pay in Federal Funds on the date of delivery the balance of the purchase price of the Bonds, plus accrued interest, if any. The Bonds will be delivered in New Orleans, Louisiana, or in New York, New York, at the option of the Purchaser, unless another place shall be mutually agreed upon.

Legal Opinion of Co-Bond Counsel and Closing Documents: The approving legal opinion of Foley & Judell, L.L.P., Bond Counsel, and Haley Law Firm, L.L.C. and McKee Law Firm, L.L.C., Co-Bond Counsel, who have supervised the proceedings, the Bonds and the transcript of record as passed upon will be furnished without cost to the Purchaser. Said transcript will contain the usual closing proofs, including (i) a certificate that up to the time of delivery no litigation has been filed questioning the validity of the Bonds or the taxes necessary to pay the same, and (ii) a Continuing Disclosure Certificate as hereinafter described.

CUSIP Numbers: It is anticipated that the American Bankers' Association Committee on Uniform Security Identification Procedures (CUSIP) identification numbers will be printed on the Bonds, but the failure to print such numbers shall not constitute cause for refusal by the Purchaser to accept delivery of and to pay for the Bonds. No CUSIP identification number shall be deemed to be part of any Bond or a part of the contract evidenced thereby, and no liability shall hereafter attach to the City or the Board or any of the officers or agents thereof because of or on account of such numbers. All expenses in relation to the printing of the CUSIP identification numbers on the Bonds shall be paid by the Board. However, the CUSIP Service Bureau charge for the assignment of such numbers shall be the responsibility of and shall be paid by the Purchaser.

Continuing Disclosure: In order to assist bidders in complying with S.E.C. Rule 15c2-12(b)(5), the City and the Board will undertake, pursuant to the resolution providing for the issuance of the Bonds and a Continuing Disclosure Certificate, to provide annual reports and notices of certain material events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Final Official Statement. The Annual Reports are due on or before August 31 of each year, and the Annual Reports for Fiscal Year 2008, 2009, 2010, 2011, 2012 and 2013 were filed on August 24, 2009, August 30, 2010, September 29, 2011, September 4, 2012, August 16, 2013 and August 15, 2014, respectively.

Additional Information and Official Statements: Further information and particulars, including the required bid form and an Official Statement relating to the Bonds, will be furnished upon application to the undersigned. The purchaser will be furnished a reasonable number of final official statements on or before the seventh business day following the sale of the Bonds.

The Official Statement and Notice of Sale will be available in electronic format on the following websites: <http://www.i-dealprospectus.com> and www.bolcd.com.

Participation by Minority-Owned and Women-Owned Firms: The City and the Board strongly encourage the participation of minority-owned and women-owned firms as bidders or as members of syndicates submitting bids for the purchase of the Bonds. Each bidder is strongly encouraged to make a good faith effort to include minority-owned and women-owned business enterprises in their bidding syndicates.

DAVID W. GERNHAUSER, Secretary
Board of Liquidation, City Debt
Room 8E17, City Hall
1300 Perdido Street
New Orleans, Louisiana 70112-2197
Telephone: (504) 658-1410

APPENDIX "B"

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

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

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

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

Population

The actual population of the City, from time to time, may be larger than its basic resident population as a result of an influx of commuters, tourists, visitors and convention attendees. The New Orleans Metropolitan Statistical Area (the “MSA”), as now defined by the U.S. Office of Management and Budget, includes Jefferson, Orleans, Plaquemines, St. Bernard, St. Charles, St. John the Baptist and St. Tammany Parishes. A history of the population of the City and the MSA is provided below. The decline in population between the 2000 Census and the 2013 estimate is largely a result of Hurricane Katrina.

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

	<u>1950</u>	<u>1960</u>	<u>1970</u>	<u>1980</u>	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2013</u>
New Orleans	570,445	627,525	593,471	557,927	496,938	484,674	343,829	378,715
MSA*	754,856	969,326	1,125,058	1,282,717	1,264,391	1,316,510	1,167,764	1,240,977

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

Sources: Bureau of the Census, U.S. Department of Commerce.

Assessed Valuations

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

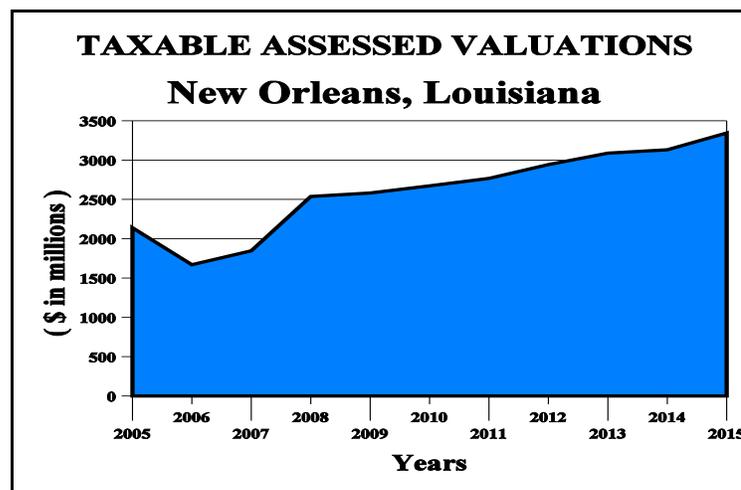
Assessed Value of Property in the City

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

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

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

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



Tax Rates

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

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

* Tax securing the proposed bonds.

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

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

Property Taxpayers

The following list includes the names and the 2015 assessed valuations of the ten largest property taxpayers in the City:

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

Source: Department of Finance, City of New Orleans.

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

Property Tax Collections

The following table shows the total property tax levied by the City and all other tax recipient entities in the Parish in each year from 2005 through 2015, along with the amounts collected and the percentage of such levy that has been collected since the date the taxes were imposed (through December 31, 2014), as reported by the City Finance Department, which collects and disburses all *ad valorem* taxes in the Parish:

Property Tax Levies and Collections (Amounts in Thousands)

<u>Tax Year</u>	<u>Total Levied</u>	<u>Collected through December 31, 2014</u> (includes cleared receivables)		<u>Balance Due at December 31, 2014</u>		<u>Cleared 1/1-12/31/14</u> <u>Amount</u>
		<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	
<u>Real Estate Taxes</u>						
2005	\$267,327	\$264,101	98.79%	\$ 3,226	1.21%	\$ 110
2006*	219,991	218,023	99.11	1,968	0.89	190
2007	250,462	247,418	98.78	3,044	1.22	134
2008	269,746	266,642	98.85	3,104	1.15	136
2009	275,869	272,438	98.76	3,431	1.24	277
2010	309,800	305,676	98.67	4,124	1.33	336
2011	339,370	334,154	98.46	5,216	1.54	470
2012	362,262	355,776	98.21	6,486	1.79	1,464
2013	382,902	374,260	97.74	8,642	2.26	11,234
2014	393,304	375,815	95.55	17,489	4.45	362,359
2015	422,306	11,168	2.64	411,138	97.36	11,168

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

<u>Tax Year</u>	<u>Total Levied</u>	<u>Collected through December 31, 2014 (includes cleared receivables)</u>		<u>Balance Due at December 31, 2014</u>		<u>Cleared 1/1-12/31/14</u>
		<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>
<i><u>Personal Property Taxes</u></i>						
2005	\$106,354	\$100,809	94.79%	\$ 5,545	5.21%	\$ 0
2006*	99,477	95,157	95.66	4,320	4.34	0
2007	82,046	77,967	95.03	4,079	4.97	0
2008	67,548	64,074	94.86	3,474	5.14	0
2009	69,935	66,562	95.18	3,373	4.82	0
2010	74,530	70,750	94.93	3,780	5.07	45
2011	78,996	75,857	96.03	3,139	3.97	210
2012	81,685	79,825	97.72	1,860	2.28	727
2013	87,058	84,775	97.38	2,283	2.62	365
2014	84,620	81,926	96.82	2,694	3.18	81,569
2015	86,961	1,002	1.15	85,959	98.85	1,002

2010 and prior personal property receivables are considered prescribed and no longer legally enforceable during 2014.

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

Source: Department of Finance, City of New Orleans (unaudited).

Sales and Other Taxes

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

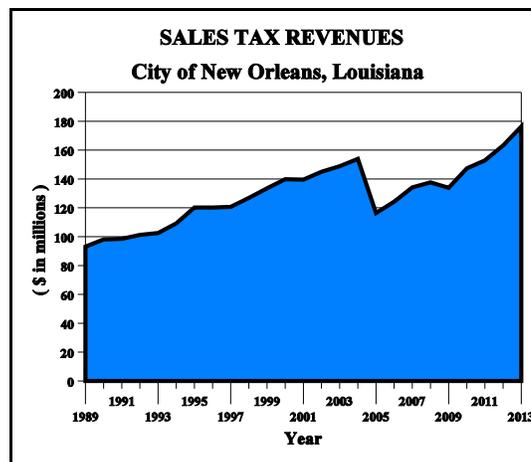
Six public agencies share in the taxation of hotel/motel rooms in the Parish. The rate of taxation of each of the respective agencies is as follows: (a) the State - 2%, (b) the Louisiana Stadium and Exposition District (the “LSED”) - 4%, (c) the City - 1½%, (d) the School Board - 1½%, (e) the Regional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

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

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

Hurricane Katrina had an impact on the collections of the sales and use taxes of the City; however, annual collections since 2012 have exceeded pre-Katrina levels. The following table shows annual revenues of the City’s general purpose sales and use tax deposited in the City’s General Fund:

<u>Calendar Year</u>	<u>Sales Tax Revenues</u> (in thousands)	<u>Calendar Year</u>	<u>Sales Tax Revenues</u> (in thousands)
1989	\$ 93,063	2002	145,009
1990	98,077	2003	148,855
1991	98,483	2004	153,851
1992	101,221	2005	116,339
1993	102,530	2006	124,229
1994	109,167	2007	134,114
1995	120,229	2008	137,581
1996	120,240	2009	133,868
1997	120,652	2010	147,300
1998	126,899	2011	152,840
1999	133,490	2012	163,128
2000	139,770	2013	176,326
2001	139,511	2014	187,600*



* Figure as projected by 2014 Revenue Estimating Conference.

Sources: Annual Financial Reports, City of New Orleans.

Default Record

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

Audit Report

Included in Appendix “C” hereto is a copy of the comprehensive annual financial report of the City for the fiscal year ended December 31, 2013, audited by of Postlethwaite & Netterville, A Professional Accounting Corporation, and their report, dated as of June 27, 2014, is included therein. The audited financial statements pertaining to the City which are included in this Official Statement have been included in reliance upon said report; however, such Auditors have not consented to inclusion of the financial statements herein and have not performed any additional review procedures related thereto. The Auditors did not perform any procedures relating to any of the information in this Official Statement.

Budget

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

Balances

The City reported the following balances in its various funds and accounts as of October 31, 2014:

<u>Name of Fund</u>	<u>Balances</u>		
	<u>Cash</u>	<u>Investments</u>	<u>Total</u>
General Fund	\$37,452,977	\$ 381,227	\$37,834,203
Neighborhood Housing Impr.	(52,593)	1,899,934	1,847,341
NO Economic Development	2,266,976	1,068,728	3,335,704
Environmental Disaster Litigation	319,519	--	319,519
Environmental Impr. Revlvng Fund	(56,715)	158,975	102,260
Miscellaneous Donations	227,844	--	227,844
Housing & Environment Improvmt	2,011,559	--	2,011,559
Sidewalk Pavement Rev. Fund	--	2,066	2,066
NO Special Events Fd	227	--	227
Adopt-A-Pothole/Streets	283	--	283
Sanitation Recycling Exp.	460	--	460
NO Film Comm. Trust	38,227	157,783	196,010
National League of Cities	5,851	--	5,851
Music & Entertainment Comm.	50,296	115,959	166,255
Mayor's Off. of Tourism & Arts	333,198	--	333,198
Parking Management Fund	(162,285)	617,573	455,289
Library Special Revenue Fund	<u>7,064,140</u>	--	<u>7,064,140</u>
Totals	<u>\$49,499,964</u>	<u>\$4,402,245</u>	<u>\$53,902,209</u>

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

ECONOMIC INDICATORS

Per Capita Personal Income

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

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

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

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

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

<u>Year</u>	<u>Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Parish Rate</u>	<u>State Rate</u>
2008	131,880	124,713	7,167	5.4	4.4
2009	144,892	133,754	11,138	7.7	6.6
2010	146,175	133,333	12,842	8.8	7.4
2011	149,833	136,998	12,835	8.6	7.2
2012	153,973	142,033	11,940	7.8	6.5
2013	156,213	144,753	11,460	7.3	6.2

The preliminary figures for January 2015 for the City were reported as follows:
(Information updated from Preliminary Official Statement)

<u>Month</u>	<u>Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Parish Rate</u>	<u>State Rate</u>
01/15	179,300	165,893	13,407	7.5	7.0*

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

<u>Month</u>	<u>Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Parish Rate</u>	<u>State Rate</u>
01/15	601,843	560,192	41,651	6.9	7.0*

* Seasonally adjusted rate was 7.0.

Source: Louisiana Workforce Commission. March 17, 2015.

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

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

	<u>Preliminary Jan 2015</u>	<u>Revised Dec 2014</u>	<u>Preliminary Jan 2014</u>
Mining & Logging	7.9	8.0	7.9
Construction	28.6	29.7	30.8
Manufacturing	29.8	30.0	31.5
Trade, Transportation, & Utilities	116.7	119.0	112.6
Information	8.1	8.3	7.4
Financial Activities	27.7	28.0	27.6
Professional and Business Services	73.0	74.4	72.9
Education and Health Services	91.2	91.0	87.7
Leisure and Hospitality	81.5	83.5	80.4
Other Services	23.3	23.3	23.0
Government	72.5	74.3	73.6
Total	<u>560.3</u>	<u>569.5</u>	<u>555.4</u>

Source: Louisiana Workforce Commission.

Largest Employers

The names of several of the largest private employers located in the City and their approximate number of local employees were reported as follows:

<u>Employer</u>	<u>Type of Business</u>	<u>Approximate Number of Employees</u>
Ochsner Health System	Health Care	14,500
Tulane University	Higher Education	4,675
Children's Hospital	Health Care	4,538
Acme Truck Line	Transportation	3,150
Al Copeland Investments, Inc	Restaurants/Hotels/Manufacturing	1,725
Pan-American Life Insurance Group	Life Insurance	1,420
HRI Properties	Real Estate	1,395
Boh Bros. Construction Co.	Construction	1,300
Georges Enterprises	Food, Investments, Real Estate	1,150
Laitram	Manufacturing	1,106

Source: New Orleans CityBusiness 2014-2015 Book of Lists.

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

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

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

ANNUAL AVERAGE ORLEANS PARISH CONCURRENT ECONOMIC INDICATORS, 2010, 2011, 2012, 2013 AND THIRD QUARTER 2014 *(All data not seasonally adjusted.) (Information updated from the Preliminary Official Statement.)*

ORLEANS PARISH					
EMPLOYMENT	2010	2011	2012	2013	2014:3
Total	170,413	173,986	177,038	180,299	186,489
Agriculture, Forestry, Fishing, and Hunting	22	32	39	66	86
Mining	3,253	2,867	2,391	2,431	2,589
Utilities	918	906	921	920	933
Construction	5,388	5,419	5,357	5,653	6,031
Manufacturing	4,959	4,536	4,031	4,048	4,187
Wholesale Trade	3,881	3,896	3,750	3,547	3,845
Retail Trade	12,057	12,428	12,926	13,595	14,965
Transportation and Warehousing	7,827	8,259	8,448	8,625	9,049
Information	3,644	3,724	4,700	4,449	3,442
Finance and Insurance	5,475	5,468	5,409	5,100	5,570
Real Estate and Rental and Leasing	2,241	2,460	2,587	2,695	2,963
Professional and Technical Services	14,410	14,709	14,671	16,004	15,990
Management of Companies and Enterprises	3,335	3,396	3,348	3,015	2,609
Administrative and Waste Services	9,338	9,439	9,864	10,026	10,846
Educational Services	20,829	20,997	21,303	22,357	21,950
Health Care and Social Assistance	20,796	21,171	21,239	20,759	22,867
Arts, Entertainment, and Recreation	4,955	4,975	5,056	5,608	5,722
Accommodation and Food Services	28,949	31,410	33,162	33,725	35,214
Other Services, except Public Administration	5,082	5,277	5,509	5,497	5,495
Public Administration	12,796	12,308	12,154	12,053	11,965
EARNINGS (\$ in Thousands)	Annual	Annual	Annual	Annual	Quarterly
Total	\$8,495,490	\$8,695,793	\$8,681,404	\$8,802,627	\$2,256,954
Agriculture, Forestry, Fishing, and Hunting	582	832	925	1,713	477
Mining	457,342	468,700	378,313	379,989	122,479
Utilities	62,992	59,338	60,962	60,529	13,350
Construction	277,992	303,632	280,623	284,275	80,063
Manufacturing	347,694	312,078	246,665	254,395	63,012
Wholesale Trade	256,367	261,481	257,833	255,224	65,587
Retail Trade	329,070	337,523	358,194	375,097	98,799
Transportation and Warehousing	432,784	442,060	460,806	451,095	118,463
Information	219,928	212,131	252,275	208,487	45,647
Finance and Insurance	421,229	447,832	460,077	460,063	109,226
Real Estate and Rental and Leasing	90,643	99,529	105,506	113,603	30,746
Professional and Technical Services	1,097,435	1,134,831	1,138,698	1,256,395	294,619
Management of Companies and Enterprises	253,922	302,939	284,757	277,879	46,694
Administrative and Waste Services	373,362	388,368	374,450	357,693	98,292
Educational Services	1,090,133	1,110,765	1,134,340	1,148,921	286,489
Health Care and Social Assistance	944,806	957,888	969,161	960,783	277,590
Arts, Entertainment, and Recreation	210,190	193,151	202,420	221,361	58,147
Accommodation and Food Services	694,634	750,433	809,174	830,527	208,482
Other Services, except Public Administration	168,093	174,815	180,855	188,731	46,677
Public Administration	758,141	725,732	719,794	712,284	190,558

Source: Louisiana Workforce Commission as of January 30, 2015.

Construction [AWAITING UPDATE]

The New Orleans CityBusiness Top Construction Projects 2014, published on February 21, 2014, lists the top construction projects taking place within the MSA. The following construction projects are partially or wholly within the city limits of New Orleans:

PROJECTS	TOTAL COSTS
Orleans Parish Public School Rebuild	\$1.8 Billion
University Medical Center	\$1.06 Billion
New Orleans Street Repairs	\$1.0+ Billion
Veterans Affairs Hospital	\$995 Million
Dyno Nobel Ammonia Plant	\$850 Million
Nine Mile Point Power Plant	\$721 Million
Permanent Closure and Pump Stations	\$614 Million
Iberville Redevelopment	\$600 Million
Orleans Parish Prison	\$224 Million
South Market District	\$200 Million

Housing

The Real Estate Market Data Center for the Institute for Economic Development & Real Estate of the University of New Orleans periodically publishes its *Real Estate Market Analysis New Orleans and Northshore Regions*, a recent edition being dated April 2014 (the “Analysis”). According to the Analysis, average prices in this sector of the market continue to rise. Average prices rose across all three major submarket sectors for the second year running.

Single family home prices in the Parish between 2012 and 2013 rose at an average of just over 9.4% from \$255,446 to \$279,369. This was driven largely due to strong price appreciation for homes located in traditionally high demand Central Orleans neighborhoods such as Uptown, Lakeview/Lakefront, City Park, French Quarter/Faubourgs and Mid-City. Unit sales in the Parish rose 9.7% from 2,302 in 2012 to 2,525, in 2013, while at the same time aggregate dollar volume of sales increased 20%, from \$588.0 million to \$705.4 million

Average prices rose in fifteen of seventeen MLS neighborhoods comprising Central Orleans at appreciation rates ranging from 3.59% in the Garden District (from \$410,000 to \$425,041) to 44.8% in the Ninth Ward/ Bywater area (\$55,386 to \$77,299). Double digit price appreciation for broker assisted sales also occurred in the Carrollton area (34.21%), Marigny/Bywater (29.27%) and Uptown/Fountainbleau (18.72%). Some neighborhoods experienced fairly significant price compression through 2013. This included neighborhoods such as the Peoples-St. Bernard area (-0.43%) and the Lakefront area (-1.88%).

In Eastern New Orleans, between 2012 and 2013 unit sales rose from 376 to 414 (10.1%) and aggregate dollar volume rose from \$39.6 million to \$44.3 million (11.9%). At the same time average prices rose by just over 1.7% (from \$105,472 to \$107,232) and average marketing time dropped from 129 days in 2012 to 123 days in 2013 or by just over 6%. Average prices increased in five of the six MLS neighborhoods that encompass Eastern New Orleans ranging from 0.09% (from \$57,737 to \$57,787) in West Chef Menteur Highway neighborhood to 26.99% (from \$95,102 to \$120,772) in East New Orleans. In the East Chef Menteur Highway neighborhood average prices among 94 broker assisted sales recorded approximately 10.07% increase (from \$94,455 to \$103,965), while in Morrison Road, average prices among 92 units sold decreased by 2.5% from \$76,079 in 2012 to \$74,180 in 2013. The Lake Forest Neighborhood accounted for the largest volume of unit and dollar volume of sales. In this MLS average home prices rose 2.21% (from \$149,622 to 152,924). This MLS area encompasses one of the largest geographic sectors of the New Orleans region south of Lake Pontchartrain and includes a fairly large inventory of housing which was destroyed or received significant storm damage. As such, price movements in this area can be expected to be somewhat erratic depending upon the type and number of units which reenter inventory from one year to the next.

Sale volumes on the Westbank of Orleans Parish between 2012 and 2013 rose by 12.0% and 31.2% in units and aggregate dollar volume, respectively. At the same time, the average price of a single family home edged up 17.1% from \$136,832 to \$160,240 as average marketing time shortened from 107 to 101 days. Average prices in the Algiers and Lakewood MLS neighborhoods rose by 18.01% and 3.6%, respectively, while in the English Turn area average prices among 32 broker assisted sales fell by approximately 0.11% (from \$514,594 to \$514,016). The Algiers and Lakewood areas of Algiers offer a rather wide variety and mix of affordable workforce housing in the region. The development of the Federal City project should help to fuel demand for some of this inventory and bring some stability to this market sector's single family housing prices which have been in steady decline since 2007.

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Education

Elementary and secondary education in the Parish is provided by public, charter, parochial and private schools. The trend in the membership at end of session, average daily membership, and average daily attendance of the public schools located in the Parish follows:

<u>Year</u>	<u>Membership End of Session</u>	<u>Average Daily Membership</u>	<u>Average Daily Attendance</u>
1996-97	80,218	82,304.5	74,211.5
1997-98	80,509	81,712.4	73,822.8
1998-99	80,237	80,969.5	73,531.2
1999-00	78,128	79,245.5	74,826.5
2000-01	74,880	75,575.9	70,535.5
2001-02	71,294	71,897.2	66,397.0
2002-03	68,077	68,778.4	63,041.4
2003-04	66,041	66,682.3	61,961.3
2004-05	63,702	63,969.9	59,721.4
2005-06*	10,930	51,305.1	50,634.7
2006-07	25,454	24,705.2	23,929.7
2007-08	31,222	31,476.8	28,551.0
2008-09	35,743	36,279.5	33,288.6
2009-10	39,966	40,308.7	37,126.5
2010-11	41,630	41,771.3	38,820.7

* Average student counts reflect abnormalities resulting from the disruption of schools from Hurricane Katrina.

Source: *Annual Financial and Statistical Reports*, Louisiana Department of Education.

In addition to the children attending public schools in the City, there are approximately 18,556 students attending private and parochial schools in the City.

According to the state-run New Orleans Recovery School District, an intermediate educational unit created in 2003 by the State legislature for the purpose of governing public schools in failing school districts, primarily Orleans Parish, there are 43,630 public school students in the City.

Institutions of higher education located in the City include:

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

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

These seven institutions educate students in fields such as engineering, health care, public administration, urban studies, law, business, psychology, social sciences, communications, nursing, music, computer information systems, criminal justice, pharmacy, education, and theology. In addition, Delgado Community College, with a 2014 Fall enrollment of 17,960, the LSU Health Sciences Center-New Orleans, with a 2014 Fall enrollment of 2,828, and other similar facilities educate persons in various trades. Also, the acute care hospitals previously listed under the “Largest Employers” have research and teaching facilities and staff to educate, train and employ physicians and medical personnel who come from numerous foreign and domestic locations.

Tourism

The City is a major convention and tourist center. In 2004, the City attracted approximately 10.1 million visitors and in 2013, 9.3 million visitors, reaching 92% of the Pre-Katrina figure. Visitor’s spent over \$6.5 billion in 2013, the highest spending in the City’s history. The City’s distinctive music and festivals, including Mardi Gras, all contribute to its attractiveness to tourists.

The City is Number 2 on the list of 2014 top ten cities in the United States and Canada, according to the Travel+Leisure magazine and their annual World’s Best Awards. This is the fifth consecutive year that the City has been named to the list. In addition, The City ranked within the top five of America’s Favorite Cities for festivals, historical sites, antiques shopping, nightlife, restaurants and weekend escapes to name a few. In The City has also made the domestic (5th) list of TripAdvisor’s 2014 Travelers’ Choice Destination List.

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

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

The **Audubon Insectarium** (the “Insectarium”) is located at the historic U.S. Custom House on Canal Street in downtown New Orleans. At over 23,000 square feet of space, the Insectarium is North America’s largest free-standing museum celebrating 1 million known species of insects and their relatives. Visitors can experience unique and creative experiences at the Insectarium in one-of-a-kind, highly-interactive exhibits. There are approximately 100 live arthropod species throughout the Insectarium, as well as alligators and a variety of fish. The Insectarium consists of 13 gallery rooms containing more than 70 live animal enclosures, 30 mounted specimen cases and a multisensory immersive theater experience.

The **Audubon Zoo** (the “Zoo”) encompasses 58 developed acres housing hundreds of species of animals in naturalistic habitats. Visitors can experience a mix of exotic animals from all around the world, as well as hands-on animal encounters, engaging educational programs, lush

gardens, and animal-themed amenities. The Zoo is located on the 6500 block of Magazine Street in historic uptown New Orleans. The Zoo is committed to wildlife conservation and dedicated to highlighting the importance of protecting endangered species and supporting the many conservation efforts under way at Audubon Nature Institute. Over 2,000 of the world's rarest animals are on display, ranging from amphibians to terrestrial invertebrates to mammals to reptiles.

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

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

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

The **Smoothie King Center**, a \$110 million sports and entertainment facility on a 13 acre site south of the Louisiana Superdome, opened on October 30, 1999. The center has a floor area of approximately 24,650 square feet of column-free space, and approximately 18,500 padded armchair seats which are adaptable for specific events, including basketball, hockey and concerts. The permanent ice facility measures approximately 85 feet by 200 feet. **The Pelicans**, a National Basketball Association professional basketball team, and other basketball games are played in the Arena, along with the **New Orleans Voodoo**, an Arena Football League professional football team, concerts, family shows and other entertainment. As part of a recent lease extension with the Pelicans, \$50 million in improvements are planned for the Center to be complete in two phases. The completion of phase one was completed in October 2013, and includes 16 new loge boxes in the lower level, upgraded concession stands, new 12,000 square foot Chairmans club, expanded Capital One club, 56 suites upgraded and new locker rooms. Phase two was completed in October 2014 and included an expanded ticket box office, 2,000 square foot sports lounge, new exterior paint and a glass enclosed front entrance lobby which was expanded by 20,000 square feet.

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

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

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

Conventions

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

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

Airport

The **Louis Armstrong New Orleans International Airport** (the “Airport”) is the principal source of transportation of the millions of visitors who come to the City annually. The number of domestic passengers (enplaned and deplaned) rose from approximately 6.6 million in 1985 to approximately 9.6 million in 2004. Since then, the number of domestic passengers has declined to approximately 8.9 million as of November 30, 2014. In 2004, approximately 4.9 million

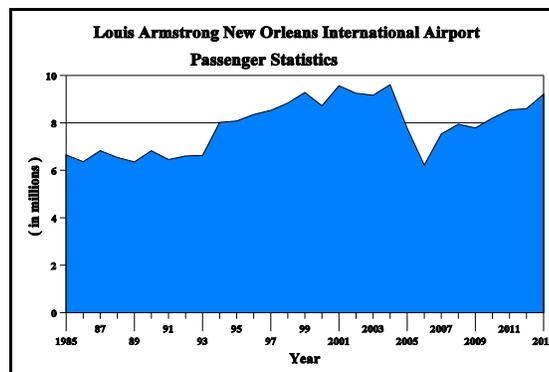
passengers were enplaned at the Airport. Enplanements drastically decreased in the final four months of calendar year 2005 following Hurricane Katrina, and only reached 3.9 million. Katrina disrupted normal operations at the Airport until September 13, 2005, when it reopened to commercial flights. In the days after the storm, approximately 5,000 military and civilian personnel were based at the Airport. During this period, activity was restricted to humanitarian flights and rescue missions, and one Airport concourse was used as a makeshift medical center to treat sick and injured evacuees. In 2005, the total number of passengers equaled approximately 6,218,419, compared to approximately 7,967,997 in 2008, or an increase of approximately 27.8%. The number of passengers has continued to increase since 2008; the number of passengers as of November 30, 2014 was 8,972,054.

The Airport is currently served by the following domestic carriers: American Airlines; Air Tran Airways; Delta Air Lines; Frontier; JetBlue; Spirit; Southwest; United Airlines; and US Airways. Of these, Southwest accounts for approximately 38% of the Airport’s passenger market and is classified as the largest carrier at the Airport. Prior to Hurricane Katrina, the Airport averaged 166 flights daily to 42 cities with approximately 21,000 seats. In December 2005, the Airport had 56 flights daily to 21 cities. In 2012, the Airport offered 137 daily departures to 36 cities across the United States, with an average daily seat capacity of 16,948.

The Airport is also currently served by the following international carriers: Air Canada; and WestJet.

Domestic freight and mail is handled at the Airport by American, Delta, Frontier, Southwest, United, US Airways, Federal Express, and UPS. Air Cargo for 2004 totaled approximately 80,938.35 metric tons, compared to approximately 436,455.59 metric tons handled as of November 30, 2014.

The Airport recently embarked on a major capital improvement project to construct a new passenger terminal, known as the North Terminal Project. The North Terminal Project, is anticipated to be in service by May 2018.



Port

The Board of Commissioners of the Port of New Orleans (the “Dock Board”) is authorized and empowered under the Constitution and laws of the State of Louisiana, to administer the public wharves, docks, sheds, and landings of the port of New Orleans which are owned and operated, or which may be purchased, acquired, or operated by the Dock Board; to construct new wharves and other structures when necessary; to erect sheds and other structures on such wharves

and landings; to place and keep these wharves and landings, sheds, and other structures in good condition; to provide mechanical facilities for the use of such wharves, landings, sheds, and other structures; to finance, erect, and operate all basins, locks, canals, and warehouse elevators, and to charge for the use of all facilities administered by it, and for all services rendered by it, such fees, rates, tariffs, or other charges as it may establish. The Dock Board may issue revenue bonds for any authorized purpose payable out of the income, revenues, and receipts derived or to be derived from the properties and facilities owned, leased, mortgaged, or pledged to, maintained or operated by the Dock Board or received by the Dock Board from these properties and facilities, or from contracts or agreements relating to these properties and facilities, including but not limited to lease or sublease agreements, sale agreements, loan agreements, pledge agreements, or other financing agreements.

In 2011, the Port added Royal Caribbean Cruise Line to its two distinct cruise terminals, Carnival Cruises and Norwegian Cruise Line. Once a year, the American Canadian Caribbean Line provides two 14 days cruises from the Port, traveling to and from Mid-America and the Gulf. In November 2014, the Norwegian Dawn debuted in New Orleans. The 2,340 - passenger ship will offer cruises starting on November 23, 2014. Beginning April 20, 2014 New Orleans largest cruise ship, the 3,646 passenger Carnival Dream, will offer year-round seven day services to three different itineraries. Not only has the City reached Pre-Katrina numbers, but it also set a new passenger record with 1,014,325 passengers in 2014.

In addition to the large cruise lines, inland cruising has returned to the City, with options to cruise various segments of the Mississippi River from New Orleans to St. Paul, Minnesota.

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

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

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Recent National Recognition of the City and Region

The City and the Greater New Orleans Region have recently been recognized by multiple publications for various achievements and accomplishments, including the following:

General

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

Talent / Workforce

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

Entrepreneurship

- New Orleans was ranked the #6 Best City for Young Entrepreneurs [*Under30CEO.Com*]
- New Orleans Leads the USA by 56% in number of startups-per-capita [*GNO Community Data Center*]
- Louisiana was rated the #2 State in the USA to Start a Company [*Tax Foundation + KPMG*]

Quality of Life

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

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

**ANNUAL FINANCIAL REPORT
OF THE
CITY OF NEW ORLEANS
FOR THE YEAR ENDED DECEMBER 31, 2013**

The 2013 Annual Financial Report (and prior years) of the City of New Orleans is available in PDF format at the City of New Orleans website:

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

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**BUDGET SUMMARY
FOR FISCAL YEAR 2015**

Note: The comprehensive operating budget will be posted, when available,
on the City's website <http://www.nola.gov/mayor/budget/>.

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ANNUAL FINANCIAL REPORT

OF THE

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

FOR THE YEAR ENDED DECEMBER 31, 2014

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

www.bolcd.com

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

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

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

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

OFFICERS OF THE BOARD

Mary K. Zervigon, President
Richard P. Wolfe, Vice President
David W. Gernhauser, Secretary
Tracy David Madison, Assistant Secretary

COUNSEL

Beirne, Maynard & Parsons, LLP

MEMBERS OF THE BOARD

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Richard P. Wolfe

Alan C. Arnold
Mark M. Moody

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

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

Ex-Officio
Ex-Officio
Ex-Officio

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PRESIDENT

RICHARD P. WOLFE
VICE PRESIDENT

DAVID W. GERNHAUSER
SECRETARY

TRACY DAVID MADISON
ASST. SECRETARY

MEMBERS OF BOARD

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

Board of Liquidation, City Debt

1300 PERDIDO STREET - ROOM 8E17

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

January 2, 2015

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

Ladies and Gentlemen:

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

These transactions are reported for the twelve month period ending December 31, 2014, for the Bonded Debt administered by the Board of Liquidation, City Debt, for the accounts of the Sewerage and Water Board of New Orleans, the Audubon Park Commission of New Orleans, the Downtown Development District of New Orleans, the Garden District Security Tax District, Huntington Park Subdivision Improvement District, the Kingswood Subdivision Improvement District, the Lake Barrington Subdivision Improvement District, the Lake Bullard Neighborhood Improvement District, the Lake Carmel Subdivision Improvement District, the Lake Forest Estates Improvement District, the Lake Oaks Subdivision Improvement District, the McKendall Estates Neighborhood Improvement District, the Spring Lake Improvement District, the Touro-Bouligny Security District, the Twinbrook Security District, and the Upper Hurstville Security District.

Sincerely,



Mary K. Zervigon



David W. Gernhauser

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

Introduction

Within this section of the Board of Liquidation, City Debt's (the "Board") annual financial report, management provides narrative discussion and analysis of the financial activities of the Board for the year ended December 31, 2014. The Board's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section. Additional information is available in the transmittal letter which precedes the *Management's Discussion and Analysis*. The discussion focuses on the Board's primary government, and unless otherwise noted, there are no component units to be reported separately from the primary government.

Fund Accounting

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

Overview of Financial Statements

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

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

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

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

Basic Financial Statements

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

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

Notes to Financial Statements

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

Other Information

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

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

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

Financial Analysis of the Board's Funds

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

Fiduciary Funds

The restricted net position Debt service and Reserve funds in the Debt Administration section of the Combining Statement of Assets, Liabilities and Net Position - Modified Cash Basis financial statement have a balance of \$74,150,545. The Tax Credit Bond loan payable balance of \$90,726,440 is a result of the Board and the custodial agencies entering into Cooperative Endeavor Agreements with the State of Louisiana to secure proceeds from the Gulf Opportunity Tax Credit Bond Loan Program in July of 2006. Escrow accounts were created at Hancock Bank to make debt service payments on outstanding bonds for governmental agencies affected by Hurricanes Katrina and Rita. The General Obligation Debt Service Funds are designated for future debt service payments and were included in calculating the millage necessary to service the General Obligation Debt for 2014. The 2014 millage levy is 25.5 mills, remaining the same as 2013.

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

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

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

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

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

Key Changes in Assets and Liabilities include:

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

Key changes in Receipts include:

Debt Administration

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

Custodial Accounts

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

Key changes in Disbursements include:

Debt Administration

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

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

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

Custodial Accounts

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

Bond Ratings

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

- Standard and Poor's Rating BBB+,
- Fitch Ratings A-, and
- Moody's Rating Service A3.

Long-term Debt Administration

At the end of the year, the Board administers total bonded debt outstanding of \$507,081,267 in General Obligation Bonds and \$17,510,000 in Limited Tax Bonds. The General Obligation Bonds are backed and fully funded with an unlimited ad valorem tax levy through the Board's statutory authority. The Limited Tax Bonds are supported by a voter approved tax millage of 2.5 mills, currently 1.82 mills, collected by the City of New Orleans and remitted to the Board daily. Other custodial long-term debt is supported by voter approved special tax millages and revenues generated through the custodial agencies. Debt service is collected from these custodial special taxes to pay debt service on special tax bonds. Debt service on the Revenue Bonds

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

is supported by revenues remitted to the Board on a monthly basis by the Sewerage & Water Board of New Orleans.

Outstanding bonds administered by the Board at December 31, 2014 and 2013 are as follows:

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

Contacting the Board's Financial Management

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

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INDEPENDENT AUDITOR'S REPORT

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

Report on Financial Statements

We have audited the accompanying financial statements of the Board of Liquidation, City Debt, a component unit of the City of New Orleans, as of and for the year ended December 31, 2014, and the related notes to the financial statements which collectively comprise the Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Board of Liquidation, City Debt, as of December 31, 2014, and cash receipts, disbursements and changes in liabilities, custodial, debt service and reserve fund balances thereof for the year then ended in accordance with the basis of accounting described in Note B.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2015, on our consideration of the Board of Liquidation, City Debt's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board of Liquidation, City Debt's internal control over financial reporting and compliance.



March 10, 2015

FINANCIAL STATEMENTS

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

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

See accompanying notes to financial statements.

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

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

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

See accompanying notes to financial statements.

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

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

A. General Information

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

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

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

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

General Information (Continued)

The Board requires as a condition of such approval that:

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

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

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

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

General Information (Continued)

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

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

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

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

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

B. Summary of Significant Accounting Policies

Fund Accounting

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

Method of Accounting

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

Net Position

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

Estimates

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

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

Summary of Significant Accounting Policies (Continued)

Subsequent Events

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

C. Bank Balances

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

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

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

Insured	\$ 750,000
Collateralized	<u>185,755,305</u>
Total Bank Balances	\$ <u>186,505,305</u>

D. Annual and Sick Leave

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

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

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

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

E. Pension Plan

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

The plan issues a publicly available financial report that includes financial statements and required supplementary information for the plan. This report may be obtained by writing or calling the plan at:

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

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

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

Employees contribute 6% of their salary in 2014. Employer contributions to the plan are based upon the amount necessary to fund normal cost and amortization of past service costs over a period of thirty years, using the level percentage of payroll method. The Board's contributions to the Plan during the year totaled \$57,662 and are included in 'Personal Services'.

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

F. Gulf Opportunity Tax Credit Bond Loan Program

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

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

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

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

In July 2006 \$24,713,549 was borrowed to make fiscal year 2006 debt service payments for general obligation bonds. The balance payable as of December 31, 2014 is \$21,017,225.

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

Gulf Opportunity Tax Credit Bond Loan Program (Continued)

In July 2006 \$2,903,660 was borrowed to make the debt service payment that was due September 1, 2006 and March 1, 2007 debt service payment for the City of New Orleans Limited Tax bonds. The balance payable as of December 31, 2014 is \$2,469,369.

In July 2006 the Downtown Development District borrowed \$1,600,153 to make the debt service payments due on December 1, 2006, June 1, 2007, December 1, 2007, June 1, 2008, December 1, 2008 and June 1, 2009. The balance payable as of December 31, 2014 is \$1,360,823.

In July 2006, the Sewerage & Water Board of New Orleans borrowed \$77,465,247. \$45,965,247 was used to make debt service payments on the Drainage System Special Tax Bonds, Sewerage Service Revenue and Water Revenue Bonds that were due on December 1, 2006, June 1, 2007, December 1, 2007, June 1, 2008, and \$31,500,000 was used to make a partial payment on the maturing Sewerage Service Revenue Bond Anticipation Notes that matured on July 26, 2006. As of December 31, 2014 the balance payable is \$65,879,023.

Following is a schedule of principal maturities of these loans:

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

G. Bond Sales

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

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

Bond Sales (Continued)

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

On June 18, 2014, the Sewerage and Water Board of New Orleans, through the Board of Liquidation, City Debt, issued \$158,990,000 Sewerage Service Revenue and Refunding Bonds, Series 2014, for the purpose of refunding outstanding Sewerage Service Revenue Bonds and issuing new money bonds. Net proceeds from the issuance of the refunding bonds were placed in an irrevocable escrow account and invested in U.S. Treasury obligations that, together with interest earned thereon, will provide amounts sufficient for payment of all principal and interest on the refunded bonds. Accordingly, the escrow account and the refunded bonds are not included in these financial statements. At December 31, 2014, the outstanding balance of the refunded Sewerage Service Revenue Bonds totaled \$19,695,000.

Also, on June 18, 2014, the Sewerage and Water Board of New Orleans, through the Board of Liquidation, City Debt, issued \$103,525,000 Water Revenue and Refunding Bonds, Series 2014, for the purpose of refunding outstanding Water Revenue Bonds and issuing new money bonds. Net proceeds from the issuance of the refunding bonds were placed in an irrevocable escrow account and held in a cash account that provide amounts sufficient for payment of all principal and interest on the refunded bonds. Accordingly, the escrow account and the refunded bonds are not included in these financial statements. At December 31, 2014, the outstanding balance of the refunded Water Revenue Bonds totaled \$0.

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

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

Bond Sales (Continued)

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

H. Total (Memorandum Only) Columns

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

I. Subsequent event - Proposed Bond Sale

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

SUPPLEMENTAL INFORMATION

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

	General Obligation Bonds	Capital Improvement Limited Tax	Drainage System Bonds 6 mill	Drainage System Bonds 9 mill
<u>ASSETS</u>				
Cash	\$ 325,809	\$ 0	\$ 80	\$ 86,850
Money market accounts	60,936,082	5,052,119	0	94,109
<i>Total Assets</i>	<u>\$ 61,261,891</u>	<u>\$ 5,052,119</u>	<u>\$ 80</u>	<u>\$ 180,959</u>
<u>LIABILITES AND NET POSITION</u>				
Liabilities:				
Interest payable	\$ 37,389	\$ 0	\$ 80	\$ 5,755
Principal payable	58,300	0	0	18,150
Tax Credit Bond loan payable	21,017,225	2,469,369	0	0
<i>Total Liabilites</i>	<u>21,112,914</u>	<u>2,469,369</u>	<u>80</u>	<u>23,905</u>
Net Position:				
Reserve funds	34,795,008	0	0	0
Debt service funds	5,353,969	2,582,750	0	157,054
<i>Total Net Position</i>	<u>40,148,977</u>	<u>2,582,750</u>	<u>0</u>	<u>157,054</u>
<i>Total Liabilities and Net Position</i>	<u>\$ 61,261,891</u>	<u>\$ 5,052,119</u>	<u>\$ 80</u>	<u>\$ 180,959</u>

Water Revenue Bonds	Sewerage Service Revenue Bonds	Sewerage & Water Board Matured Bonds	Audubon Park Commission Bonds	Downtown Develop- ment District Tax Bonds	Defeased Bonds	Total
\$ 19,201	\$ 14,257	\$ 37,142	\$ 710	\$ 2,124	\$ 57,946	\$ 544,119
10,210,405	20,459,359	0	307,127	262,607	0	97,321,808
<u>\$ 10,229,606</u>	<u>\$ 20,473,616</u>	<u>\$ 37,142</u>	<u>\$ 307,837</u>	<u>\$ 264,731</u>	<u>\$ 57,946</u>	<u>\$ 97,865,927</u>
\$ 2,506	\$ 810	\$ 12,142	\$ 710	\$ 0	\$ 27,221	\$ 86,613
5,000	5,000	25,000	0	0	30,725	142,175
0	0	0	0	0	0	23,486,594
<u>7,506</u>	<u>5,810</u>	<u>37,142</u>	<u>710</u>	<u>0</u>	<u>57,946</u>	<u>23,715,382</u>
7,700,000	10,707,782	0	307,088	231,030	0	53,740,908
2,522,100	9,760,024	0	39	33,701	0	20,409,637
<u>10,222,100</u>	<u>20,467,806</u>	<u>0</u>	<u>307,127</u>	<u>264,731</u>	<u>0</u>	<u>74,150,545</u>
<u>\$ 10,229,606</u>	<u>\$ 20,473,616</u>	<u>\$ 37,142</u>	<u>\$ 307,837</u>	<u>\$ 264,731</u>	<u>\$ 57,946</u>	<u>\$ 97,865,927</u>

BOARD OF LIQUIDATION, CITY DEBT
ACCOUNT OF SEWERAGE & WATER BOARD OF NEW ORLEANS
COMBINING SCHEDULE OF ASSETS, LIABILITIES AND
NET POSITION - MODIFIED CASH BASIS
DECEMBER 31, 2014

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

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

BOARD OF LIQUIDATION, CITY DEBT
ACCOUNT OF DOWNTOWN DEVELOPMENT DISTRICT OF NEW ORLEANS
COMBINING SCHEDULE OF ASSETS, LIABILITIES AND
NET POSITION - MODIFIED CASH BASIS
DECEMBER 31, 2014

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

BOARD OF LIQUIDATION, CITY DEBT
ACCOUNT OF AUDUBON PARK COMMISSION OF NEW ORLEANS
COMBINING SCHEDULE OF ASSETS AND
NET POSITION - MODIFIED CASH BASIS
DECEMBER 31, 2014

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

BOARD OF LIQUIDATION, CITY DEBT
 ACCOUNTS OF SPECIAL TAXING DISTRICTS OF NEW ORLEANS
 COMBINING SCHEDULE OF ASSETS AND
 NET POSITION - MODIFIED CASH BASIS
 DECEMBER 31, 2014

	Garden District Security Tax District	Huntington Park Subdivision Improvement District	Kingswood Subdivision Improvement District	Lake Barrington Subdivision Improvement District	Lake Bullard Neighborhood Improvement District	Lake Carmel Subdivision Improvement District
<u>ASSETS</u>						
Money market accounts	\$ 862,416	\$ 19,301	\$ 105,669	\$ 42,238	\$ 39,939	\$ 59,322
<u>NET POSITION</u>	<u>\$ 862,416</u>	<u>\$ 19,301</u>	<u>\$ 105,669</u>	<u>\$ 42,238</u>	<u>\$ 39,939</u>	<u>\$ 59,322</u>

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

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

	General Obligation Bonds	Capital Improvement Limited Tax	LADHH Loan Revenue Bonds	Drainage System Bonds 9 mill
<u>RECEIPTS</u>				
Ad valorem taxes - Current year	\$ 71,585,856	\$ 3,020,500	\$ 0	\$ 0
Ad valorem taxes - Prior years	2,163,536	0	0	0
Bond proceeds	39,193,437	0	0	14,710,397
Bond proceeds - Premium	0	0	0	573,649
Bond proceeds - cost of issuance	0	0	0	189,603
Bond proceeds - reserve funds	0	0	0	0
Debt service funds	0	0	69,434	2,622,345
Debt service - reserve funds	0	0	0	0
Debt service funds - Federal subsidy - Taxable Build America Bonds	1,003,760	0	0	0
Interest on investments	261,109	0	0	0
Excess reserve and debt service funds	0	0	68	0
<i>Total Receipts</i>	<u>114,207,698</u>	<u>3,020,500</u>	<u>69,502</u>	<u>18,095,994</u>
<u>DISBURSEMENTS</u>				
Interest on bonds	46,743,976	926,500	241	377,547
Interest on bonds - Tax Credit Bond Loan	1,156,583	0	0	181,551
Principal on bonds	22,397,926	2,040,000	164,418	535,000
Principal on bonds - Tax Credit Bond Loan	1,288,394	151,377	0	226,003
Purchase of escrow securities	0	0	0	16,582,956
Administrative Expenses	0	0	41	0
Personal services	370,629	0	0	0
Contractual services	84,998	0	0	0
Office expenses	32,481	0	0	0
Funds returned to City of New Orleans, Sewerage & Water Board, and Audubon Park Commission	39,593,549	0	447	0
Cost of issuance	176,411	0	0	126,658
<i>Total Disbursements</i>	<u>111,844,947</u>	<u>3,117,877</u>	<u>165,147</u>	<u>18,029,715</u>
Excess of Receipts Over (Under) Disbursements	<u>2,362,751</u>	<u>(97,377)</u>	<u>(95,645)</u>	<u>66,279</u>
<u>OTHER SOURCES (USES)</u>				
Change in accrued liabilities:				
Principal on bonds	16,000	0	0	0
Tax Credit Bond Loan payments	1,288,394	151,377	0	0
Interest payable	1,165	0	0	0
<i>Total Other Sources</i>	<u>1,305,559</u>	<u>151,377</u>	<u>0</u>	<u>0</u>
Change in Net Position	3,668,310	54,000	(95,645)	66,279
Net Position at:				
Beginning of Year	36,480,667	2,528,750	95,645	90,775
End of Year	<u>\$ 40,148,977</u>	<u>\$ 2,582,750</u>	<u>\$ 0</u>	<u>\$ 157,054</u>

Water Revenue Bonds	Sewerage Service Revenue Bonds	Audubon Park Commission Bonds	Audubon Park Commission Aquarium Bonds	Downtown Development District Tax Bonds	Defeased Bonds	Total
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 74,606,356
0	0	0	0	0	0	2,163,536
102,484,051	160,959,903	0	0	0	0	317,347,788
0	0	0	0	0	0	573,649
527,933	710,448	0	0	0	0	1,427,984
7,700,000	10,365,396	0	0	0	0	18,065,396
4,854,768	26,845,492	378,820	3,804,860	594,819	175,396,110	214,566,648
0	52,120	0	0	0	0	52,120
0	0	0	0	0	0	1,003,760
0	0	0	0	0	0	261,109
40,076	79,029	461	0	88	0	119,722
<u>115,606,828</u>	<u>199,012,388</u>	<u>379,281</u>	<u>3,804,860</u>	<u>594,907</u>	<u>175,396,110</u>	<u>630,188,068</u>
2,829,414	6,560,493	53,820	1,099,860	131,320	3,386,110	62,109,281
285,073	2,777,550	0	0	67,013	0	4,467,770
0	14,110,000	325,000	2,705,000	315,000	172,010,000	214,602,344
354,872	3,457,630	0	0	83,421	0	5,561,697
27,884,012	126,567,179	0	0	0	0	171,034,147
0	42,605	0	0	0	0	42,646
0	0	0	0	0	0	370,629
0	0	0	0	0	0	84,998
0	0	0	0	0	0	32,481
78,711,016	52,349,707	461	0	94	0	170,655,274
516,292	702,318	0	0	0	0	1,521,679
<u>110,580,679</u>	<u>206,567,482</u>	<u>379,281</u>	<u>3,804,860</u>	<u>596,848</u>	<u>175,396,110</u>	<u>630,482,946</u>
<u>5,026,149</u>	<u>(7,555,094)</u>	<u>0</u>	<u>0</u>	<u>(1,941)</u>	<u>0</u>	<u>(294,878)</u>
0	0	0	0	0	0	16,000
0	0	0	0	0	0	1,439,771
0	0	0	0	0	0	1,165
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,456,936</u>
5,026,149	(7,555,094)	0	0	(1,941)	0	1,162,058
5,195,951	28,022,900	307,127	0	266,672	0	72,988,487
<u>\$ 10,222,100</u>	<u>\$ 20,467,806</u>	<u>\$ 307,127</u>	<u>\$ 0</u>	<u>\$ 264,731</u>	<u>\$ 0</u>	<u>\$ 74,150,545</u>

BOARD OF LIQUIDATION, CITY DEBT
ACCOUNT OF SEWERAGE & WATER BOARD OF NEW ORLEANS
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS AND
CHANGES IN NET POSITION - MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2014

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

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

BOARD OF LIQUIDATION, CITY DEBT
ACCOUNT OF DOWNTOWN DEVELOPMENT DISTRICT OF NEW ORLEANS
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS AND
CHANGES IN NET POSITION - MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2014

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

BOARD OF LIQUIDATION, CITY DEBT
ACCOUNT OF AUDUBON PARK COMMISSION OF NEW ORLEANS
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS AND
CHANGES IN NET POSITION - MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2014

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

BOARD OF LIQUIDATION, CITY DEBT
ACCOUNTS OF SPECIAL TAXING DISTRICTS OF NEW ORLEANS
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS AND
CHANGES IN NET POSITION - MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2014

	Garden District Security Tax District	Huntington Park Subdivision Improvement District	Kingswood Neighborhood Improvement District	Lake Barrington Subdivision Improvement District	Lake Bullard Neighborhood Improvement District	Lake Carmel Subdivision Improvement District
<u>RECEIPTS</u>						
Ad valorem taxes - Current year	\$ 722,262	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Ad valorem taxes - Prior years	9,175	0	0	0	0	0
Fee - Current year	0	26,285	69,417	62,069	66,578	78,550
Fee - Prior year	0	1,336	10,690	6,395	5,197	9,997
Interest on investments	2,754	53	345	116	187	222
<i>Total Receipts</i>	<u>734,191</u>	<u>27,674</u>	<u>80,452</u>	<u>68,580</u>	<u>71,962</u>	<u>88,769</u>
<u>DISBURSEMENTS</u>						
Warrants	745,000	25,000	75,000	50,000	80,000	100,000
Office expenses	0	0	0	0	0	0
<i>Total Disbursements</i>	<u>745,000</u>	<u>25,000</u>	<u>75,000</u>	<u>50,000</u>	<u>80,000</u>	<u>100,000</u>
Change in Net Position	(10,809)	2,674	5,452	18,580	(8,038)	(11,231)
Net Position at:						
Beginning of Year	873,225	16,627	100,217	23,658	47,977	70,553
End of Year	<u>\$ 862,416</u>	<u>\$ 19,301</u>	<u>\$ 105,669</u>	<u>\$ 42,238</u>	<u>\$ 39,939</u>	<u>\$ 59,322</u>

Lake Forest Estates Improvement District	Lake Oaks Subdivision Improvement District	McKendall Estates Neighborhood Improvement District	Spring Lake Improvement District	Touro Bouligny Security District	Twinbrook Security District	Upper Hurstville Security District	Total
\$ 0	\$ 0	\$ 0	\$ 0	\$ 302,460	\$ 0	\$ 0	\$ 1,024,722
0	0	0	0	1,126	0	0	10,301
86,427	109,692	32,175	36,828	0	246,881	151,826	966,728
5,362	842	3,217	2,569	0	940	653	47,198
325	236	143	134	1,053	575	497	6,640
<u>92,114</u>	<u>110,770</u>	<u>35,535</u>	<u>39,531</u>	<u>304,639</u>	<u>248,396</u>	<u>152,976</u>	<u>2,055,589</u>
85,236	106,500	40,000	30,000	240,000	240,000	165,000	1,981,736
0	0	0	0	0	0	0	0
<u>85,236</u>	<u>106,500</u>	<u>40,000</u>	<u>30,000</u>	<u>240,000</u>	<u>240,000</u>	<u>165,000</u>	<u>1,981,736</u>
6,878	4,270	(4,465)	9,531	64,639	8,396	(12,024)	73,853
113,525	64,307	45,589	39,210	308,297	146,372	144,124	1,993,681
<u>\$ 120,403</u>	<u>\$ 68,577</u>	<u>\$ 41,124</u>	<u>\$ 48,741</u>	<u>\$ 372,936</u>	<u>\$ 154,768</u>	<u>\$ 132,100</u>	<u>\$ 2,067,534</u>

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

Taxable Public Improvement Bonds, Issue of 2014A

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

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

Average life of issue: 19.131 years

Net Interest Cost: 5.924%

True Interest Cost: 5.901%

Sold to: Raymond James & Associates, Inc.

Sources:

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

Uses:

Proceeds transferred to City of New Orleans	\$ 39,593,549
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Bonds Proceeds transferred to City of New Orleans Treasury Department on January 21, 2014.

Sewerage Service Revenue and Refunding Bonds, Series 2014

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

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

Average life of issue: 11.505 years

Net Interest Cost: 4.156%

True Interest Cost: 3.858%

Sold to: Bank of America Merrill Lynch

Sources:

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

Uses:

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

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

Water Revenue and Refunding Bonds, Series 2014

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

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

Average life of issue: 19.154 years

Net Interest Cost: 4.638%

True Interest Cost: 4.429%

Sold to: Goldman Sachs

Sources:

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

Uses:

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

Drainage System Refunding Bonds, Series 2014

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

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

Sold to: Morgan Stanley & Co., LLC

Sources:

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

Uses:

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

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

	Date of Bonds	Final Serial Maturity	Average Annual Interest Cost
<u>GENERAL OBLIGATION BONDS (Note B.)</u>			
General Obligation Refunding			
Bonds, Series 1991 (Notes C. and D.)	Sep. 1, 1991	Sep. 1, 2018	7.071%
General Obligation Refunding			
Bonds, Series 1998 (Note D.)	Dec. 1, 1998	Dec. 1, 2021	4.948%
Public Improvement Bonds,			
Issue of 2004 (Note D.)	July 13, 2004	Dec. 1, 2015	5.096%
Public Improvement Bonds,			
Issue of 2005A	May 24, 2005	Dec. 1, 2034	4.347%
General Obligation Refunding			
Bonds, Series 2005	July 6, 2005	Dec. 1, 2029	5.180%
Public Improvement Bonds,			
Issue of 2007A	Dec. 14, 2007	Dec. 1, 2036	5.086%
Public Improvement Bonds,			
Issue of 2010A Taxable Build America Bonds	Jan. 19, 2010	Dec. 1, 2039	8.405%
Taxable Public Improvement			
Bonds, Issue of 2013A	March 1, 2013	Dec. 1, 2042	4.680%
Taxable Public Improvement			
Bonds, Issue of 2014A	Jan. 21, 2014	Dec. 1, 2043	5.901%
General Obligation Refunding			
Bonds, Series 2012	Aug. 28, 2012	Dec. 1, 2033	3.231%
<u>LIMITED TAX BONDS (Note E.)</u>			
Series 2005	July 6, 2005	Mar. 1, 2021	4.045%
<u>DRAINAGE SYSTEM SPECIAL TAX BONDS</u> (Note F.)			
Drainage System Bonds,			
Series 2014 (9 mill)	Nov. 20, 2014	Dec. 1, 2022	1.888%
<u>SEWERAGE SERVICE REVENUE BONDS</u> (Note G.)			
Bond Series 2014	July 2, 2014	June 1, 2044	3.858%
<u>SEWERAGE SERVICE REVENUE</u> <u>SUBORDINATE BONDS (Note G.)</u>			
LA Department of Environmental Quality Revolving Loan			
Series 2011	Nov. 22, 2011	Nov. 1, 2032	0.950%

See accompanying notes.

Principal due 2015	Interest due 2015	Debt Service due 2015	Amount Outstanding (Note A.)
\$ 4,795,365	\$ 20,649,635	\$ 25,445,000	\$ 17,171,267
3,060,000	2,783,825	5,843,825	50,615,000
875,000	37,188	912,188	875,000
410,000	573,950	983,950	13,240,000
6,450,000	4,263,150	10,713,150	81,840,000
1,790,000	3,346,075	5,136,075	65,705,000
810,000	3,043,390	3,853,390	37,005,000
790,000	1,743,767	2,533,767	39,230,000
640,000	2,198,675	2,838,675	39,255,000
3,355,000	7,958,950	11,313,950	162,145,000
<u>\$ 22,975,365</u>	<u>\$ 46,598,605</u>	<u>\$ 69,573,970</u>	<u>\$ 507,081,267</u>
<u>\$ 2,145,000</u>	<u>\$ 821,875</u>	<u>\$ 2,966,875</u>	<u>\$ 17,510,000</u>
1,615,000	399,350	2,014,350	14,365,000
<u>\$ 1,615,000</u>	<u>\$ 399,350</u>	<u>\$ 2,014,350</u>	<u>\$ 14,365,000</u>
11,225,000	7,273,525	18,498,525	158,990,000
<u>\$ 11,225,000</u>	<u>\$ 7,273,525</u>	<u>\$ 18,498,525</u>	<u>\$ 158,990,000</u>
<u>\$ 419,000</u>	<u>\$ 115,486</u>	<u>\$ 534,486</u>	<u>\$ 8,174,000</u>

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

	Date of Bonds	Final Serial Maturity	Average Annual Interest Cost
<u>WATER REVENUE BONDS (Note H.)</u> Series 2014	Jul. 2, 2014	Dec. 1, 2044	4.429%
<u>AUDUBON PARK COMMISSION BONDS</u> <u>.4 MILL (Note I.)</u> Refunding & Improvement Bonds, Series 1997	Jan. 1, 1997	Dec. 1, 2016	5.422%
<u>AUDUBON PARK COMMISSION AQUARIUM</u> <u>BONDS 3.8 MILL (Note J.)</u> Bond Series 2011A-1	Sept. 22, 2011	Oct. 1, 2021	3.085%
<u>DOWNTOWN DEVELOPMENT DISTRICT TAX</u> <u>BONDS 22.97 MILL (Note K.)</u> Limited Tax Bonds Series 2012	June 13, 2012	Dec. 1, 2026	2.680%

See accompanying notes.

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

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

	Date of Bonds	Date of Defeasance	Date of Calls or Final Maturity
<u>DEFEASED BONDS - DEBT SERVICE</u>			
<u>GUARANTEED BY ESCROW AGREEMENTS</u>			
SEWERAGE & WATER BOARD OF NEW ORLEANS - DEFEASED (Note L.)			
Sewerage Service Revenue Bonds, Series 2009	July 14, 2009	July 2, 2014	Jun. 1, 2019

See accompanying notes.

Principal due 2015	Interest due 2015	Debt Service due 2015	Amount Outstanding (Note A.)
<u>\$ 845,000</u>	<u>\$ 1,164,281</u>	<u>\$ 2,009,281</u>	<u>\$ 19,695,000</u>

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

- A. Amount Outstanding - The amounts in this column exclude the balances recorded as liabilities in the Combining Statement of Assets, Liabilities and Net Position - Modified Cash Basis.
- B. General Obligation Bonds -
- 1) Legal debt limit is \$1,326,595,630
 - 2) Debt service coverage is an unlimited ad valorem tax levy
 - 3) Reserve fund is sufficient to cover 1/2 of the high year's principal and interest due
- C. General Obligation Bonds, Series 1991 - Portions of this series were refunded in 1998 and 2002. The debt service is guaranteed by escrow agreements.
- D. General Obligation Refunding Bonds, Series 1998 and Public Improvement Bonds, Series 2004 - A portion of these issues were refunded in 2012. The debt service is guaranteed by escrow agreements.
- E. Limited Tax Bonds - The debt service coverage is a tax yield of 100% of the debt service due.
- F. Drainage System Bonds (9 mill) - The debt service coverage is a tax yield of 984% of the debt service due.
- G. Sewerage Service Revenue Bonds -

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

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

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

Sewerage Service Revenue Bonds - (Continued)

The LADEQ Sewerage Service Subordinate Revenue Bonds, Series 2011 payable May and November, initially were drawn as loan proceeds and could not exceed \$9,000,000. These funds were from the Louisiana State Revolving Loan Program. Effective November 1, 2014, as a result of loan proceeds being drawn in full, the repayment of the LADEQ Bonds, Series 2011, will follow a fixed debt service schedule. On December 31, 2014, the outstanding bonds totaled \$8,174,000.

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

- 1) The LADEQ Sewerage Service Subordinate Revenue Bonds, Series 2011, were elevated to parity status.
- 2) The rate covenant net revenues shall be sufficient in each fiscal year to be at least equal to each of the following:
 - (A) 125% of the annual debt service with respect to senior debt for such fiscal year and
 - (B) 110% of the aggregate annual debt service with respect to senior debt and subordinate debt for such fiscal year.

In all cases, annual debt service related to the Cooperative Endeavor Agreement GO Zone Indebtedness and all Department of Public Works payments shall be excluded from the foregoing calculations.

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

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

Sewerage Service Revenue Bonds - (Continued)

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

H. Water Revenue Bonds -

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

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

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

- 1) The rate covenant net revenues shall be sufficient in each fiscal year to be at least equal to each of the following:
 - (A) 125% of the annual debt service with respect to senior debt for such fiscal year and
 - (B) 110% of the aggregate annual debt service with respect to senior debt and subordinate debt for such fiscal year.
- 2) The rate covenant net revenues excluding transfers from the Rate Stabilization Fund to the Revenue Fund and the proceeds of grants in each fiscal year shall at least equal 100% of annual debt service on senior debt and subordinate debt for such fiscal year.

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

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

Water Revenue Bonds - (Continued)

- 3) The common debt service reserve requirement shall mean, for all common debt service reserve secured bonds, the least of:
- (A) 10% of the aggregate original stated principal amount of all common debt service reserve secured bonds,
 - (B) the maximum amount of aggregate annual debt service on all common debt service reserve secured bonds in any fiscal year, or
 - (C) 125% of average aggregate annual debt service on all common debt service reserve secured bonds.
- I. Audubon Park Commission .4 Mill Bonds - The debt service coverage was a tax yield of 235% of debt service due. The reserve fund is established to be sufficient to cover 1/2 of high year's principal and interest due.
- J. Audubon Park Commission 3.8 Mill Bonds - The debt service coverage was a tax yield of 219% of debt service due. There is no required reserve fund.
- K. Downtown Development District Bonds - The debt service coverage was a tax yield of 1,308% of the debt service due. The reserve fund is an amount sufficient to cover 1/2 of the high year's Principal and Interest due. This issue was used to refund the outstanding portion of Downtown Development District Bonds, Series 2001.
- L. Sewerage Service Revenue Bonds: Only a portion of this issue was refunded in 2014 the other portion was defeased. The defeased bonds are not obligations of the City of New Orleans.

BOARD OF LIQUIDATION, CITY DEBT
 SCHEDULE OF DEDICATED AD VALOREM TAX MILLAGE
 AVAILABLE FOR SERVICING BONDED DEBT
 DECEMBER 31, 2014

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

See accompanying notes.

Millage (Note A.)

2003 through <u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	2010 through <u>2015</u>
28.40	38.20	31.70	23.80	23.80	25.50
2.50	2.50	2.50	1.82	1.82	1.82
N/A	N/A	N/A	N/A	N/A	N/A
6.40	6.40	6.40	4.66	4.54	4.66
6.48	6.48	6.48	4.71	4.60	4.71
9.71	9.71	9.71	7.06	6.89	7.06
0.44	0.44	0.44	0.32	0.32	0.32
4.11	4.11	4.11	2.99	2.99	2.99
15.90	15.90	15.90	14.76	14.76	14.76

BOARD OF LIQUIDATION, CITY DEBT
NOTES TO SCHEDULE OF DEDICATED AD VALOREM TAX MILLAGE
AVAILABLE FOR SERVICING OF BONDED DEBT
DECEMBER 31, 2014

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

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

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

* Tax expired December 31, 1991.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Board of Liquidation, City Debt as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Board of Liquidation, City Debt's basic financial statements, and have issued our report thereon dated March 10, 2015.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



March 10, 2015

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APPENDIX “F”

DEBT STATEMENT

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

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

Notes	Name of Issuer & Issue	Interest Rates (%)	Dated Date	Final Maturity Date	Principal Outstanding	Principal Amount Due Within One Year
(2)	<u>Direct Debt of the City of New Orleans, Louisiana*</u>					
(3)	General Obligation Refunding Bonds, Series 1991	0.0	9/15/91	9/01/18	\$ 17,171,267**	\$ 4,795,365
(3)	General Obligation Refunding Bonds, Series 1998	5.5	12/01/98	12/01/21	50,615,000	3,060,000
(3)	Public Improvement Bonds, Series 2004	4.25	7/13/04	12/01/15	875,000	875,000
(3)	Public Improvement Bonds, Issue of 2005A	4.0-4.5	5/24/05	12/01/34	13,240,000	410,000
(3)	General Obligation Refunding Bonds, Series 2005	5.0-5.25	7/06/05	12/01/29	81,840,000	6,450,000
(3)	Public Improvement Bonds, Issue of 2007A	5.0-5.25	12/14/07	12/01/36	65,705,000	1,790,000
(3)	Taxable Public Improvement Bonds, Issue of 2010A (Build America Bonds - Federally Taxable - Direct Payment to Issuer)	6.4-8.8	1/19/10	12/01/39	37,005,000	810,000
(3)	General Obligation Refunding Bonds, Series 2012	4.0-5.0	8/28/12	12/01/33	162,145,000	3,355,000
(3)	Taxable Public Improvement Bonds, Issue of 2013A	3.0-5.0	3/01/13	12/01/42	39,230,000	790,000
(3)	Taxable Public Improvement Bonds, Issue of 2014A	3.0-6.10	1/21/14	12/1/43	39,255,000	640,000
(4)	Taxable Limited Tax Refunding Bonds, Series 2012	1.399-4.961	10/23/12	9/01/30	195,885,000	0
(5)	Sales Tax Increment Revenue Bonds (St. Thomas Economic Development District), Series 2003	8.125	11/03/03	4/01/50	19,360,000	100,000
(6)	Variable Rate Revenue Bonds (Canal Street Improvements Project), Series 2004	variable	9/29/04	8/01/24	7,070,000	570,000
(7)	Limited Tax Refunding Bonds, Series 2015A	1.8455	2/26/15	9/01/21	15,527,933	205,416
(7)	Limited Tax Bonds, Series 2015B	2.31	2/26/15	9/01/21	6,489,111	0(8)
(8)	Revenue Bond, Series 2010A	3.45	2/12/10	2/01/31	681,000	33,000
(8)	Revenue Bond, Series 2010B	3.45	2/12/10	2/01/31	1,360,000	65,000
(A)	Cooperative Endeavor Agreement with the State of Louisiana (Certificates of Indebtedness, Capital leases, LCDA Bonds)	4.64	7/19/06	7/15/26	44,450,951	2,851,361
(A)	Cooperative Endeavor Agreement with the State of Louisiana (General Obligation Bonds)	4.64	7/19/06	7/15/26	21,017,225	1,348,176
(A)	Cooperative Endeavor Agreement with the State of Louisiana (Capital Improvement Bonds)	4.64	7/19/06	7/15/26	2,469,369	158,401
(9)	<u>Underlying Debt of the Orleans Parish School Board of the Parish of Orleans, State of Louisiana</u>					
(10)	Revenue Bonds (Taxable QSCB), Series 2011B	4.4	12/20/11	2/01/21	79,055,000	(a)
(11)	<u>Underlying Debt of Parishwide School District of the Parish of Orleans, State of Louisiana</u>					
(3)	General Obligation School Refunding Bonds, Series 2010	2.5-5.0	9/01/10	9/01/20	61,520,000	9,905,000
(12)	<u>Underlying Debt of the Audubon Commission</u>					
(13)	Audubon Commission Improvement and Refunding Bonds, Series 1997	5.2	1/01/97	12/01/16	710,000	345,000
(14)	Audubon Commission Aquarium Tax Bonds, Series 2011A-1	3.0-5.0	9/22/11	10/01/21	22,295,000	2,800,000
(A)	Cooperative Endeavor Agreement with the State of Louisiana (Revenue Bonds)	4.64	7/19/06	7/15/26	4,173,501	267,714
(A)	Cooperative Endeavor Agreement with the State of Louisiana (4.11 Mill Tax Bonds)	4.64	7/19/06	7/15/26	9,150,472	586,968
(A)	Cooperative Endeavor Agreement with the State of Louisiana (.44 Mill Tax Bonds)	4.64	7/19/06	7/15/26	928,018	59,529

* Excludes Section 108 HUD loans.

** Original principal amount of compound interest bonds.

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

(b) Subject to prepayment, extension and/or cancellation.

<u>Notes</u>	<u>Name of Issuer & Issue</u>	<u>Interest Rates (%)</u>	<u>Dated Date</u>	<u>Final Maturity Date</u>	<u>Principal Outstanding</u>	<u>Principal Amount Due Within One Year</u>
(15)	<u>Underlying Debt of the Sewerage and Water Board</u>					
(16)	Drainage System Refunding Bonds, Series 2014	2.0-4.0	11/20/14	12/01/22	\$ 14,365,000	\$ 1,615,000
(17)	Water Revenue and Refunding Bonds, Series 2014	5.0	7/02/14	12/01/44	103,525,000	0
(18)	Sewerage Service Subordinate Revenue Bonds, Series 2011	0.95	11/22/11	11/01/32	8,174,000	419,000
(18)	Sewerage Service Revenue and Refunding Bonds, Series 2014	2.0-5.0	7/02/14	6/01/44	158,990,000	11,225,000
(A)	Cooperative Endeavor Agreement with the State of Louisiana	4.64	7/19/06	7/15/26	65,879,024	4,225,892
(19)	<u>Underlying Debt of the Regional Transit Authority</u>					
(20)	Sales Tax Revenue Bonds, Series 1991	0.0	12/01/91	12/01/21	5,014,459*	883,014
(20)	Sales Tax Revenue Bonds, Series 2010	4.0-5.0	10/14/10	12/01/30	66,025,000	2,850,000
(21)	LCDA Revenue Bonds (Canal Streetcar Project), Series 2000	variable	9/12/00	2/28/25	19,097,800	1,455,400
(21)	LCDA Revenue Bonds (Desire Streetcar Project), Series 2000A	variable	9/12/00	11/28/29	22,270,256	1,027,600
(A)	Cooperative Endeavor Agreement with the State of Louisiana	4.64	10/02/06	7/15/26	30,503,118	1,956,660
(22)	<u>Underlying Debt of Law Enforcement District of the Parish of Orleans, State of Louisiana</u>					
(3)	General Obligation Bonds, Series 2008	3.85-4.05	12/01/08	9/01/18	4,000,000	1,000,000
(3)	General Obligation Bonds, Series 2009	3.60-3.8	3/01/09	9/01/18	4,935,000	1,155,000
(3)	General Obligation Bonds, Series 2010	4.0	3/01/10	9/01/24	11,520,000	895,000
(3)	General Obligation Bonds, Series 2011	2.97	12/02/11	9/01/26	4,140,000	290,000
(3)	General Obligation Bonds, Series 2012	2.85	4/27/12	9/01/26	4,185,000	295,000
(3)	General Obligation Bonds, Series 2013	1.95	6/14/13	9/01/22	8,545,000	980,000
(23)	Taxable Certificates of Indebtedness, Series 2014	2.75	6/30/14	6/30/15	4,500,000	4,500,000
(A)	Cooperative Endeavor Agreement with the State of Louisiana	4.64	7/19/06	7/15/26	14,675,179	941,358
(24)	<u>Underlying Debt of the New Orleans Aviation Board</u>					
(25)	Revenue Bonds (Passenger Facility Charge Projects), Series 2007A	5.0-5.5	11/20/07	1/01/38	58,065,000	1,350,000
(25)	Revenue Refunding Bonds (Passenger Facility Charge Projects), Series 2007B-1	5.25	11/20/07	1/01/20	4,295,000	0
(25)	Revenue Refunding Bonds (Passenger Facility Charge Projects), Series 2007B-2	5.0-5.25	11/20/07	1/01/19	6,980,000	2,010,000
(25)	Gulf Opportunity Zone Revenue Bonds (Passenger Facility Charge Projects), Series 2010A	4.25-5.25	5/26/10	1/01/41	52,355,000	0
(25)	Gulf Opportunity Zone Revenue Bonds (Passenger Facility Charge Projects), Series 2010B	5.125	5/26/10	1/01/38	1,285,000	0
(26)	Revenue Refunding Bonds (Restructuring GARBs), Series 2009A-1	4.5-6.0	2/03/09	1/01/23	71,275,000	7,465,000
(26)	Revenue Refunding Bonds (Restructuring GARBs), Series 2009A-2	4.5-6.0	2/03/09	1/01/23	22,215,000	2,325,000
(27)	Gulf Opportunity Zone CFC Revenue Bonds (Consolidated Rental Car Project), Series 2009A	5.0-6.5	12/09/09	1/01/40	94,845,000	1,745,000
(A)	Cooperative Endeavor Agreement with the State of Louisiana	4.64	7/19/06	7/15/26	30,081,517	1,929,616

* Includes \$7,990,733 original principal amount of Capital Appreciation Bonds.

(b) Subject to prepayment, extension and/or cancellation.

<u>Notes</u>	<u>Name of Issuer & Issue</u>	<u>Interest Rates (%)</u>	<u>Dated Date</u>	<u>Final Maturity Date</u>	<u>Principal Outstanding</u>	<u>Principal Amount Due Within One Year</u>
(28)	<u>Underlying Debt of the Orleans Levee District</u>					
(29)	Public Improvement Bonds, Series 1986	5.95	8/29/86	11/01/15	\$ 3,065,000	\$3,065,000
(A)	Cooperative Endeavor Agreement with the State of Louisiana	4.64	7/19/06	7/15/26	22,218,140	1,425,210
(30)	<u>Underlying Debt of the Orleans Parish Communications District, State of Louisiana</u>					
(31)	Revenue Bonds, Series 2004	4.1-4.35	9/24/04	9/01/19	4,125,000	750,000
(32)	<u>Underlying Debt of the French Market District</u>					
(33)	Taxable Revenue Bonds, Series 2005A	6.15	8/03/06	5/01/25	3,859,018	203,551
(34)	<u>Underlying Debt of the Downtown Development District of the City of New Orleans</u>					
(35)	Downtown Development District Limited Tax Refunding Bonds, Series 2012	2.68	6/13/12	12/01/26	4,585,000	320,000
(A)	Cooperative Endeavor Agreement with the State of Louisiana	4.64	7/19/06	7/15/26	1,360,823	87,292
(36)	<u>Underlying Debt of the Public Belt Commission for the City of New Orleans</u>					
(37)	Taxable Indebtedness, Series 2012	2.955	4/20/12	6/01/17	930,000	300,000
(b)	<i>Subject to prepayment, extension and/or cancellation.</i>					

NOTES

- (A) On July 19, 2006, the State of Louisiana issued \$200,000,000 General Obligation Gulf Tax Credit Bonds, Series 2006-A; \$194,475,000 General Obligation Match Bonds, Series 2006-B; and \$200,000,000 General Obligation Refunding Bonds, Series 2008. In conjunction therewith, certain debt issuing entities in the City and the State entered Cooperative Endeavor Agreements in which the State agreed to make loans to the entities from the proceeds of any combination of the said bonds of the State pursuant to Act 41 of the First Extraordinary Session of the Louisiana Legislature of 2006 (“Act 41”) for the following purposes:
- Paying debt service of the City on outstanding debt for general obligation and special limited tax bonds.
 - Paying outstanding debt for special tax bonds of the Downtown Development District, Audubon Commission, and Sewerage and Water Board.
 - Paying outstanding sewerage revenue and water revenue bonds of the Sewerage and Water Board.
 - Paying outstanding bonds of the Orleans Parishwide School District; the Orleans Parish School Board; the Orleans Law Enforcement District; the New Orleans Aviation Board; the Orleans Levee District; the New Orleans Exhibition Hall Authority, and the Board of Commissioners of the Port of New Orleans.
- (2) The 2015 taxable assessed valuation for the City purposes is approximately \$3,331,331,958. Certain City taxes are levied on the total assessed value of the City, which is approximately \$3,790,273,230 for 2015.
- (3) Secured by and payable from unlimited *ad valorem* taxation.
- (4) Secured by and payable from an irrevocable pledge and dedication of the funds to be derived by the issuer from the levy and collection of an *ad valorem* tax of 13.91 mills (subject to adjustment from time to time due to reassessment), which the issuer is authorized to impose and collect in each year the bonds are outstanding, to be levied on all property subject to taxation within the corporate boundaries of the issuer.
- (5) Secured by and payable solely from an irrevocable pledge and dedication of the City’s 2 ½% tax collected each year on the sale at retail, use, the lease or rental, the consumption and storage for use and consumption of tangible personal property, and the sales of services, all as defined in R. S. 47:301 *et seq.* and as specified in Ordinance 24,072 MCS derived by the City solely from Wal-Mart or any replacement or successor national retailer occupying the improvements which are expected to be occupied by a Wal-Mart to be located within the St. Thomas Economic Development District.
- (6) Payable from (i) money received from a draw on a Letter of Credit issued by Hibernia Bank, (ii) payments made by Canal Street Development Corporation and Downtown Development District pursuant to a Cooperative Endeavor Agreement, and (ii) payments made by the City from the General Fund.

- (7) Secured by and payable from a pledge and dedication of the funds to be derived from the levy and collection of a special *ad valorem* tax of 1.82 mills (subject to adjustment from time to time due to reassessment), which the City is authorized to collect for a period of 26 years, approved in an election held in the City on July 15, 1995.
- (8) Secured solely by a pledge of monies on deposit in the Board of Liquidation's Debt Administration Account Construction and Extension Fund in the name of the Sewerage and Water Board of New Orleans.
- (9) The total 2015 assessed valuation of the Orleans Parish School Board is approximately \$3,790,273,230, of which approximately \$3,331,331,958 is taxable.
- (10) Secured by and payable as to both principal and interest solely from the revenues from (i) a constitutional millage of 27.65 mills and (ii) a ½% sales and use tax authorized in an election held in the parish on November 4, 1980, subject only to the payment of the reasonable costs and expenses of collecting and administering said sales and use tax.
- (11) The total 2015 assessed valuation of Parishwide School District of the Parish of Orleans is approximately \$3,790,273,230, of which approximately \$3,331,331,958 is taxable.
- (12) The Audubon Commission is a related entity of the City established by state act and the City Charter.
- (13) Secured by and payable solely from the tax revenues derived from the levy and collection of a 0.44 mill tax upon all taxable property in the City.
- (14) Secured by and payable solely from an irrevocable pledge and dedication of the funds to be derived from the levy and collection of a 2.99 mills special *ad valorem* tax subject to taxation within the City authorized to be collected for a period of 35 years, beginning in 1987, in an election held on November 4, 1986.
- (15) The Sewerage and Water Board is the agency responsible for the sewerage, water and drainage systems of the City.
- (16) Secured by and payable from a pledge and dedication of the funds to be derived by the City from the levy and collection of a special tax of 7.06 mills (such rate being subject to adjustment from time to time due to reassessment), which has been authorized to be levied in each of the years 1982 through 2031, inclusive, which tax was originally authorized at 9 mills pursuant to an election held in the City on May 16, 1981.
- (17) Secured by and payable solely from net revenues derived from the imposition of water rates.
- (18) Secured by and payable solely from revenues of the system, including revenues received from the imposition of sewerage rates.
- (19) The Regional Transit Authority ("RTA") is primarily located in the City of New Orleans (Orleans Parish) and is parishwide.
- (20) Secured by and payable from the Pledged Tax Revenues, i.e. primarily the net revenues derived from the levy and collection of ½% sales and use tax levied by the Authority upon the items and services subject to the sales and use tax, and a pledge upon moneys held in the funds and accounts held under the General Indenture dated September 1, 1997.
- (21) Under agreements with the Louisiana Local Government Environmental Facilities and Community Development Authority ("LCDA"), RTA may borrow not exceeding \$65,820,000 in funds to finance the local match portion of the costs expected to be incurred in the construction of the Canal Street Corridor and Desire Street Corridor Projects. The funds are provided from a portion of the proceeds of a Master Indenture Agreement and the sale of revenue bonds by LCDA. The principal amounts shown in this debt statement represent the amounts drawn down currently, and will be amortized over the remaining life of the agreement.
- (22) The Law Enforcement District of the Parish of Orleans is parishwide and has a 2015 taxable assessed valuation of approximately \$3,331,331,958.
- (23) Secured by and payable from a pledge of all revenues accruing to the Sheriff's General Fund, all as provided in the Resolution.
- (24) The New Orleans Aviation Board is responsible for the management and operation of the New Orleans International Airport, owned by the City and located in Kenner, Louisiana.
- (25) These bonds are special, limited obligations of the Aviation Board, payable from and secured by (i) Net PFC Revenues generated from passenger facility charges approved by the Federal Aviation Administration (the "Approved PFC") and imposed and collected by the Aviation Board for the use of the New Orleans International Airport, subject to the Aviation Board's obligation to make payments into the Arbitrage Rebate Fund of the first Supplemental Indenture, (ii) the proceeds of any reserve asset and of any additional securities, and (iii) amounts on deposit in certain funds and accounts, included within the stand alone PFC Trust Estate. The Series 2010A and Series 2010B Bonds are subject to the Aviation Board's obligation to make payments into the Arbitrage Rebate Fund of the third Supplemental Indenture.
- (26) These bonds are special, limited obligations of the Aviation Board, payable from and secured by (i) general airport revenues subject to the Aviation Board's obligation to pay the operation and maintenance expenses of the Airport and make payments into the Arbitrage Rebate Fund of the first Supplemental Indenture, (ii) the proceeds of any reserve asset and of any additional securities as further described in the official statement, and (iii) amounts on deposit in certain funds and accounts.

- (27) These bonds are special, limited obligations of the Aviation Board, payable from and secured by (i) revenues primarily to be derived from a customer facility charge imposed by the Aviation Board and secondarily from contingent rent derived from the initial facilities leases executed by the companies and other supplemental facility charges, if established pursuant to the CFC Master Indenture, (ii) the proceeds of any reserve asset, and (iii) amounts on deposit in the pledged funds.
- (28) The Orleans Levee District is parishwide and has a 2015 taxable assessed valuation of approximately \$3,331,331,958.
- (29) Payable from the Orleans Levee District's 6.55 mills constitutional *ad valorem* tax (subject to adjustment from time to time due to reassessment).
- (30) The Orleans Parish Communications District is parishwide.
- (31) Payable solely from and secured by a pledge and dedication of (i) the proceeds of the emergency telephone tax imposed pursuant to law, and (ii) the excess of annual revenues of the District above statutory, necessary and usual charges in each of the fiscal years during which the Bonds are outstanding.
- (32) The French Market Corporation is a non-profit corporation owned by the City of New Orleans.
- (33) Payable from the revenues of the French Market.
- (34) The 2015 taxable assessed valuation of the Downtown Development District is \$522,978,460.
- (35) Secured by and payable from an irrevocable pledge and dedication of the funds to be derived from the levy and collection of a special *ad valorem* tax not exceeding 22.97 mills upon all the taxable real property located in The Downtown Development District of the City of New Orleans, authorized in elections held on December 8, 1979 and April 7, 2001. The Tax is currently being levied at a rate of 14.76 mills.
- (36) The Public Belt Commission for the City of New Orleans is parishwide.
- (37) Secured by and payable solely from moneys that are available after the payment of contractual and statutory obligations and other required expenses, in each of the fiscal years during which the obligations are outstanding, including specifically amounts payable under a Cooperative Endeavor Agreement dated December 15, 2011, the Promissory Note dated January 25, 2012, and a Limited Guaranty Agreement.

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

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APPENDIX "G"

ANNUAL DEBT SERVICE REQUIREMENTS

**ANNUAL DEBT SERVICE REQUIREMENTS ON OUTSTANDING DEBT
AND TAXABLE PUBLIC IMPROVEMENT BONDS, ISSUE OF 2015A, OF
THE CITY OF NEW ORLEANS, LOUISIANA**

CALENDAR YEAR	OUTSTANDING BONDS (a)			TAXABLE ISSUE OF 2015A BONDS			TOTAL REQUIREMENTS		
	PRINCIPAL	INTEREST	TOTAL	(12/1) PRINCIPAL	(6/1; 12/1) INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
2015	22,975,364.70	46,598,605.34	69,573,970.04		1,579,969.02	1,579,969.02	22,975,364.70	48,178,574.36	71,153,939.06
2016	23,493,778.70	46,096,238.84	69,590,017.54	1,205,000.00	2,682,966.26	3,887,966.26	24,698,778.70	48,779,205.10	73,477,983.80
2017	24,093,227.20	45,469,380.34	69,562,607.54	1,255,000.00	2,634,766.26	3,889,766.26	25,348,227.20	48,104,146.60	73,452,373.80
2018	24,333,896.00	44,780,011.54	69,113,907.54	1,305,000.00	2,584,566.26	3,889,566.26	25,638,896.00	47,364,577.80	73,003,473.80
2019	43,905,000.00	22,118,882.54	66,023,882.54	1,355,000.00	2,532,366.26	3,887,366.26	45,260,000.00	24,651,248.80	69,911,248.80
2020	45,900,000.00	19,838,195.04	65,738,195.04	1,410,000.00	2,478,166.26	3,888,166.26	47,310,000.00	22,316,361.30	69,626,361.30
2021	48,230,000.00	17,451,322.54	65,681,322.54	1,465,000.00	2,421,766.26	3,886,766.26	49,695,000.00	19,873,088.80	69,568,088.80
2022	18,090,000.00	14,946,981.30	33,036,981.30	1,525,000.00	2,363,166.26	3,888,166.26	19,615,000.00	17,310,147.56	36,925,147.56
2023	18,995,000.00	14,025,101.28	33,020,101.28	1,600,000.00	2,286,916.26	3,886,916.26	20,595,000.00	16,312,017.54	36,907,017.54
2024	19,850,000.00	13,068,063.78	32,918,063.78	1,680,000.00	2,206,916.26	3,886,916.26	21,530,000.00	15,274,980.04	36,804,980.04
2025	20,845,000.00	12,049,051.28	32,894,051.28	1,765,000.00	2,122,916.26	3,887,916.26	22,610,000.00	14,171,967.54	36,781,967.54
2026	20,230,000.00	10,973,907.52	31,203,907.52	1,835,000.00	2,052,316.26	3,887,316.26	22,065,000.00	13,026,223.78	35,091,223.78
2027	18,055,000.00	9,935,617.52	27,990,617.52	1,900,000.00	1,988,091.26	3,888,091.26	19,955,000.00	11,923,708.78	31,878,708.78
2028	16,215,000.00	8,996,042.52	25,211,042.52	1,970,000.00	1,919,216.26	3,889,216.26	18,185,000.00	10,915,258.78	29,100,258.78
2029	17,015,000.00	8,139,180.02	25,154,180.02	2,040,000.00	1,845,341.26	3,885,341.26	19,055,000.00	9,984,521.28	29,039,521.28
2030	15,525,000.00	7,237,427.52	22,762,427.52	2,125,000.00	1,763,741.26	3,888,741.26	17,650,000.00	9,001,168.78	26,651,168.78
2031	14,830,000.00	6,402,011.28	21,232,011.28	2,210,000.00	1,678,741.26	3,888,741.26	17,040,000.00	8,080,752.54	25,120,752.54
2032	13,595,000.00	5,594,062.50	19,189,062.50	2,295,000.00	1,590,341.26	3,885,341.26	15,890,000.00	7,184,403.76	23,074,403.76
2033	14,245,000.00	4,844,452.50	19,089,452.50	2,390,000.00	1,498,541.26	3,888,541.26	16,635,000.00	6,342,993.76	22,977,993.76
2034	10,475,000.00	4,068,760.00	14,543,760.00	2,485,000.00	1,402,941.26	3,887,941.26	12,960,000.00	5,471,701.26	18,431,701.26
2035	9,935,000.00	3,457,810.00	13,392,810.00	2,585,000.00	1,303,541.26	3,888,541.26	12,520,000.00	4,761,351.26	17,281,351.26
2036	10,450,000.00	2,858,712.50	13,308,712.50	2,685,000.00	1,200,141.26	3,885,141.26	13,135,000.00	4,058,853.76	17,193,853.76
2037	6,035,000.00	2,228,475.00	8,263,475.00	2,795,000.00	1,092,741.26	3,887,741.26	8,830,000.00	3,321,216.26	12,151,216.26
2038	6,355,000.00	1,825,705.00	8,180,705.00	2,910,000.00	977,447.50	3,887,447.50	9,265,000.00	2,803,152.50	12,068,152.50
2039	6,695,000.00	1,396,620.00	8,091,620.00	3,030,000.00	857,410.00	3,887,410.00	9,725,000.00	2,254,030.00	11,979,030.00
2040	4,430,000.00	943,660.00	5,373,660.00	3,155,000.00	730,150.00	3,885,150.00	7,585,000.00	1,673,810.00	9,258,810.00
2041	4,675,000.00	697,520.00	5,372,520.00	3,290,000.00	596,062.50	3,886,062.50	7,965,000.00	1,293,582.50	9,258,582.50
2042	4,935,000.00	437,645.00	5,372,645.00	3,430,000.00	456,237.50	3,886,237.50	8,365,000.00	893,882.50	9,258,882.50
2043	2,675,000.00	163,175.00	2,838,175.00	3,575,000.00	310,462.50	3,885,462.50	6,250,000.00	473,637.50	6,723,637.50
2044				3,730,000.00	158,525.00	3,888,525.00	3,730,000.00	158,525.00	3,888,525.00
TOTALS	507,081,266.60	376,642,617.70	883,723,884.30	65,000,000.00	49,316,471.74	114,316,471.74	572,081,266.60	425,959,089.44	998,040,356.04

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

For more information on the Outstanding Bonds see Appendix F - Debt Statement herein.

FORM OF LEGAL OPINION

OF

FOLEY & JUDELL, L.L.P.

AND

McKEE LAW FIRM, L.L.C.

AND

HALEY LAW FIRM, L.L.C.

CO-BOND COUNSEL

[FORM OF LEGAL OPINION]

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

\$65,000,000
CITY OF NEW ORLEANS, LOUISIANA
TAXABLE PUBLIC IMPROVEMENT BONDS, ISSUE OF 2015A

We have acted as co-bond counsel to the City of New Orleans, Louisiana (the "City"), in connection with the issuance of the captioned bonds (the "Bonds"). The Bonds are issued in fully registered form, are dated, bear interest at the rates, are subject to redemption, are payable, and mature on the dates and in the principal amounts as set forth in the Bond Resolution (hereinafter defined).

The Bonds have been issued by the City pursuant to a resolution adopted by the Board of Liquidation, City Debt (the "Board of Liquidation"), on March 25, 2015 (the "Bond Resolution"), under the authority conferred by Part XIV, Chapter 4, Title 39 of the Louisiana Revised Statutes of 1950, as amended (the "Act"), and other constitutional and statutory authority, and are the fifth and final emission of \$260,000,000 of bonds that were specially authorized at an election held on November 2, 2004, the results of which election have been duly promulgated in accordance with law.

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

As to questions of fact material to our opinion, we have relied upon the representations contained in the Bond Resolution and in the certified proceedings and other certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation. On the basis of the foregoing examinations, we are of the opinion, as of the date hereof and under existing law, that:

1. The Bonds are valid and binding general obligations of the City.
2. All taxable property within the territory of the City is subject to the levy of *ad valorem* taxes for the payment of the principal of and interest on the Bonds without limit as to rate or amount.
3. Interest on the Bonds is *not* excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended.

4. Under the Act, the Bonds are exempt from all taxation for state, parish, municipal, or other purposes in the State of Louisiana.

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

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

Respectfully submitted,

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APPENDIX "I"

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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[FORM OF CONTINUING DISCLOSURE CERTIFICATE]

\$65,000,000

CITY OF NEW ORLEANS, LOUISIANA

TAXABLE PUBLIC IMPROVEMENT BONDS, ISSUE OF 2015A

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of New Orleans, Louisiana (the "Issuer"), acting through its duly elected Mayor, and the Board of Liquidation, City Debt (the "Board"), the entity created and charged by Act No. 133 of the 1880 Regular Session, as amended by Act 628 of the 1995 Regular Session of the Louisiana Legislature, with the issuance and administration of the general obligation debt of the Issuer, acting through its duly authorized President, in connection with the issuance of the above-captioned bonds of the City of New Orleans, Louisiana (the "Bonds"). The Bonds are being issued pursuant to a Resolution adopted by the Board on March 25, 2015 (the "Resolution"), and are described in that certain Official Statement dated March 25, 2015 (the "Official Statement") which contains certain information concerning the Issuer, the *ad valorem* taxes securing the Bonds and certain financial and other information relating thereto. The Issuer and the Board covenant and agree as follows:

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

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

"Dissemination Agent" shall mean the duly appointed Secretary of the Board, or any successor Dissemination Agent designated by the City acting through the Board.

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

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

Municipal Securities Rulemaking Board
Electronic Municipal Market Access Center
www.emma.msrb.org

"Official Statement" shall mean the Official Statement with respect to the Bonds, the City and the Board dated March 25, 2015.

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

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

"Bond Resolution" or **"Resolution"** shall mean the Bond Resolution as adopted by the Board on March 25, 2015, authorizing the issuance of the Bonds.

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

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

SECTION 2. *Purpose of the Disclosure Certificate.* This Disclosure Certificate is being executed and delivered by the City and the Board for the benefit of the Owners of the Bonds, including owners of beneficial interests in the Bonds, and the Participating Underwriter, and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b) (5).

SECTION 3. *Provision of Annual Reports.*

- a. The City acting through the Board shall, or shall cause the Dissemination Agent to, in each year no later than eight (8) months from the end of the Issuer's fiscal year, with the first such report to be due not later than August 31, 2015, provide to the Repositories an Annual Report which is consistent with the requirements set forth below. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as set forth below; *provided* that the audited financial statements of the City and the Board may be submitted separately from the balance of the Annual Report.
- b. If the Dissemination Agent is unable to provide to the Repositories an Annual Report by the date required in (a) above, the City acting through the Board shall send a Notice of Failure to File Annual Report to each of the Repositories, in substantially the form attached as Exhibit A.
- c. The Dissemination Agent shall determine each year prior to the date for providing the Annual Report the name and address of each of the Repositories.

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

- a. Audited financial statements of both the City and the Board for the preceding fiscal year. If the City's or the Board's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial

statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

- b. Basis of accounting used by the City and the Board in reporting their financial statements. The City and the Board follow GAAP principles and mandated Louisiana statutory accounting requirements as in effect from time to time. In the event of any material change in such requirements the impact of such changes will be described in the Annual Report of the year such change occurs.
- c. The total amount of general obligation debt of the City issued, as well as any general obligation debt which has been authorized but not yet issued.
- d. Any material changes in the assessment procedures and the homestead exemption as authorized by law.
- e. The assessed value of taxable property in the City and homestead exemptions for the most recent tax year available from the Louisiana Tax Commission.
- f. The assessed value of property by classifications for the City for the most recent tax year available from the Louisiana Tax Commission.
- g. The assessed valuations of taxable property in the City including motor vehicles for the prior tax year.
- h. The millage rates for the prior tax year.
- i. The *ad valorem* tax levies and collections of the City and the Board for the prior tax year.
- j. A listing of the ten largest *ad valorem* taxpayers within the City for the prior tax year.
- k. Updated information reflecting the trend of indebtedness of the Issuer.

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

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

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;

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

(b) Whenever the City or the Board obtains knowledge of the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with each of the Repositories in a timely manner but in any event within ten (10) days of the date the City or the Board obtains knowledge of the occurrence of the Listed Event. Notwithstanding the foregoing, notice of Listed Events described above in (viii) and (ix) need not be given under this paragraph (b) any earlier than the notice (if any) of the underlying event is given to owners of affected Bonds pursuant to the Bond Resolution.

(c) In connection with providing a notice of the occurrence of a Listed Event described in subsection (a)(ix), the City shall include in the notice explicit disclosure as to whether the Bonds have been escrowed to maturity or escrowed to call, as well as appropriate disclosure of the timing of maturity or call.

(d) In connection with providing a notice of the occurrence of a Listed Event, the Dissemination Agent (if other than the Issuer or the Board), solely in its capacity as such, is not obligated or responsible under this Disclosure Certificate to determine the sufficiency of the content of the notice for purposes of the Rule or any other state or federal securities law, rule, regulation, or administrative order.

(e) The Issuer and the Board acknowledge that they are not required to provide a notice of a Listed Event with respect to credit enhancement when the credit enhancement is added after the primary offering of the Bonds, the Issuer and the City do not apply for or participate in obtaining such credit enhancement, and such credit enhancement is not described in the Official Statement.

SECTION 6. *Management Discussion of Items Disclosed.* If an item required to be disclosed as part of the Annual Report or the Listed Events would be misleading without discussion, the Issuer

shall additionally provide a statement clarifying the disclosure in order that the statement made will not be misleading in light of the circumstances in which it is made.

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

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

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

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

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

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

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

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

SECTION 13. *Mandatory Electronic Filing with MSRB and Other Stipulations.* All filings with the MSRB under this Disclosure Certificate shall be made by electronically transmitting such filings through the EMMA Dataport at <http://www.emma.msrb.org>, as provided by the Rule. Any document submitted to the MSRB pursuant to this Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB, and shall be submitted in word-searchable PDF format (without regard to diagrams, images and other non-textual elements).

IN FAITH WHEREOF, the undersigned have executed this Continuing Disclosure Certificate on this, the _____ day of April, 2015.

CITY OF NEW ORLEANS, LOUISIANA

By: _____
Mayor

BOARD OF LIQUIDATION, CITY DEBT

ATTEST:

By: _____
President

By: _____
Secretary

EXHIBIT A
to Continuing Disclosure Certificate

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of New Orleans, Louisiana
Name of Bond Issue: \$65,000,000 Taxable Public Improvement Bonds, Issue of 2015A
Date of Issuance: April 29, 2015

NOTICE IS HEREBY GIVEN that neither the City of New Orleans, Louisiana, nor the Board of Liquidation City Debt (the "Board"), has provided an Annual Report as required by Section 21 of the Bond Resolution of the Board dated March 25, 2015, providing for the issuance of the above bonds. The Issuer anticipates that its Annual Report will be filed by _____.

Date: _____

BOARD OF LIQUIDATION, CITY DEBT

By: _____
Secretary

APPENDIX “J”

BOOK-ENTRY ONLY SYSTEM

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BOOK-ENTRY ONLY SYSTEM

The Bonds initially will be issued solely in book-entry only form (unless the successful bidder elects at the time of the sale to require bonds in other than book-entry form) to be held in the system maintained by DTC. So long as such book-entry only system is used, only DTC will receive or have the right to receive physical delivery of the Bonds and Beneficial Owners will not be or be considered to be, and will not have any rights as, owners or holders of the Bonds under the Bond Resolution.

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

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

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

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

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

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

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

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

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

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

proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

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

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

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APPENDIX "K"

SPECIMEN MUNICIPAL BOND INSURANCE POLICY



MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No: -N

BONDS: \$ in aggregate principal amount of

Effective Date:

Premium: \$

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By _____
Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Inc.
31 West 52nd Street, New York, N.Y. 10019
(212) 974-0100

