
CITY OF NEW ORLEANS, LOUISIANA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
DECEMBER 31, 2015
(WITH INDEPENDENT AUDITORS' REPORT THEREON)

Prepared by the
Finance Department of the
City of New Orleans



A Professional Accounting Corporation

www.pncpa.com

CITY OF NEW ORLEANS, LOUISIANA

Comprehensive Annual Financial Report

December 31, 2015

(With Independent Auditors' Report Thereon)

CITY OF NEW ORLEANS, LOUISIANA

Comprehensive Annual Financial Report

Table of Contents

		Page
Introduction Section (unaudited)		
Letter of Transmittal		iv
Government Officials – Elected and Appointed		xiii
New Orleans City Government Organizational Chart		xiv
Financial Section	Exhibit	Page
Independent Auditors’ Report		1
Management’s Discussion and Analysis		4
Basic Financial Statements:		
Statement of Net Position	A-1	16
Statement of Activities	A-2	17
Balance Sheet – Governmental Funds	A-3	18
Reconciliation of Balance Sheet – Governmental Funds to the Statement of Net Position	A-4	19
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	A-5	20
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	A-6	21
Statement of Fiduciary Net Position	A-7	22
Statement of Changes in Fiduciary Net Position	A-8	23
Component Units – Combining Statement of Net Position	A-9	24
Component Units – Combining Statement of Activities	A-10	26
Notes to Basic Financial Statements		27

CITY OF NEW ORLEANS, LOUISIANA

Comprehensive Annual Financial Report

Table of Contents

Financial Section (continued)	Exhibit	Page
Required Supplementary Information		
Notes to Required Supplementary Information		81
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – General Fund	B-1	82
Budget to GAAP Reconciliation	B-2	83
Required Supplementary Information Under GASB Statement Nos. 67 and 68	B-3	84
Combining Financial Statements		
<i>Non-major Governmental Funds</i>		87
Combining Balance Sheet	C-1	91
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	C-2	96
Grant Recipient Funds:		
Combining Balance Sheet	C-3	101
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	C-4	104
<i>Fiduciary Funds</i>		107
Pension Trust Funds		
Combining Statement of Plan Net Position	C-5	108
Combining Statement of Changes in Plan Net Position	C-6	109
Agency Funds		
Combining Statement of Changes in Assets and Liabilities	C-7	110
<i>Non-major Component Units</i>		
Combining Statement of Net Position	D-1	112
Combining Statement of Changes in Plan Net Position	D-2	114
Affidavit of the City of New Orleans as Tax Collector		115
Schedule of Compensation Paid to City Council		116
Schedule of Compensation, Benefits, and Other Payments to the Mayor		117

CITY OF NEW ORLEANS, LOUISIANA

Comprehensive Annual Financial Report

Table of Contents

Statistical Section (unaudited)	Exhibit	Page
Statistical Section		118
Financial Trends		
Net Position by Component	E-1	119
Changes in Net Position	E-2	120
Fund Balances – Governmental Funds	E-3	121
Changes in Fund Balances – Governmental Funds	E-4	122
Revenue Capacity		
Assessed Value and Estimated Actual Value of Taxable Property	E-5	123
Property Tax Rates – Direct and Overlapping Governments	E-6	124
Principal Property Taxpayers	E-7	126
Property Tax Levies and Collections	E-8	127
Debt Capacity		
Ratio of General Obligation Bonded Debt to Assessed Value and Bonded Debt Per Capita	E-9	128
Computation of Direct and Overlapping Debt	E-10	129
Computation of Legal Debt Margin	E-11	130
Demographic and Economic Information		
Demographic and Economic Statistics	E-12	131
Employees by Industry	E-13	132
Operating Information		
Full Time City Employees by Department	E-14	133
Capital Assets Statistics by Function	E-15	134
Operating Indicators by Function	E-16	135

INTRODUCTORY SECTION

DEPARTMENT OF FINANCE
BUREAU OF ACCOUNTING
CITY OF NEW ORLEANS

MITCHELL J. LANDRIEU
MAYOR

NORMAN S. FOSTER
DIRECTOR OF FINANCE/CFO

The Honorable Mayor and City Council
City of New Orleans, Louisiana

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the City of New Orleans, Louisiana for the fiscal year ended December 31, 2015. The CAFR is provided to give detailed information about the financial position and activities of the City to citizens, City Council, City staff and other readers. City management is responsible for both the accuracy of the presented data and the completeness and fairness of the presentations, including all disclosures. We believe the data, as presented, is accurate in all material respects and are presented in a manner which fairly sets forth the financial position and results of operations of the City. These financial statements have been prepared by the City's Department of Finance, in accordance with generally accepted accounting principles (GAAP) for local governments.

The City's financial statements and related notes have been audited by Postlethwaite & Netterville, an independent firm of Certified Public Accountants. This audit satisfies Section 6-108 of the City Charter, which requires an audit of all accounts of the City by an independent Certified Public Accountant. The City is required to undergo an annual single audit in conformance with the provisions of the Single Audit Act of 1996 and the U.S. Office of Management and Budget Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations. Information related to this single audit, including the Schedule of Expenditures of Federal Awards, findings and recommendations, and the auditors' reports on the internal control structure and compliance with applicable laws and regulations is issued in a separate report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report. It provides a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is intended to complement the MD&A and should be read in conjunction with it.

THE REPORTING ENTITY AND ITS SERVICES

New Orleans, the largest city in Louisiana, was founded in 1718 and incorporated in 1805. The City's system of government is established by its Home Rule Charter which became effective in 1954. The Louisiana Constitution prohibits the state legislature from enacting any law affecting the structure, organization, or distribution of the powers and functions of any local subdivision which operates under a Home Rule Charter. The City's Home Rule Charter may be amended only by a vote of a majority of qualified voters in the City, voting at an election called by the City Council on its own initiative, or upon receipt of a petition of not less than ten thousand registered voters.

The City has a Mayor-Council form of government. The Mayor is elected for a four-year term and is limited to two consecutive terms. The Mayor appoints the Chief Administrative Officer, who is his principal assistant and budget officer for the City. The City has executive departments and numerous affiliated boards and commissions, and provides a full range of services including police and fire protection, sanitation services, the construction and maintenance of streets and infrastructure, and recreational activities and cultural events. The Council is the legislative body of the City government, and is comprised of five Council members elected from five geographic districts and two members elected at large. All Council members are limited to four-year terms. Laws are enacted through Council ordinance. The Council adopts the City's annual capital and operating budgets. Ordinances of the Council may be vetoed by the Mayor. Vetoes may be overridden by a two-thirds vote of the Council.

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The financial statements of the reporting entity include those of the City (the primary government) and its component units in conformity with Governmental Accounting Standards Board Statement No. 34. Component units are legally separate organizations for which the elected officials of the City are financially accountable, or the relationship to the City is such that exclusion would cause the City's financial statements to be misleading or incomplete. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

Component Units - In conformity with GAAP, the financial statements of component units have been included in the financial reporting entity either as blended component units or discretely presented component units. Each blended and discretely presented component unit has a December 31 year end. Complete financial statements for each of the individual component units may be obtained at the entity's administrative offices or websites.

Blended Component Units - For financial reporting purposes, the Board of Liquidation, City Debt is included (blended) in the operations and activities of the City because it handles all matters relating to the bonded debt of the City. Complete financial statements for this blended component unit may be obtained at the entity's administrative offices or website.

Discretely Presented Component Units - The financial statements of the City include all government activities, organization, and functions for which the City is financially accountable, or the relationship to the City is such that exclusion would cause the City's financial statements to be misleading or incomplete. Based upon the foregoing criteria, the financial statements of the following associated organizations are included in the basic financial statements:

Audubon Commission
Canal Street Development Corporation
Downtown Development District
French Market Corporation
Louis Armstrong New Orleans International Airport
Municipal Yacht Harbor Management Corporation
New Orleans Building Corporation
New Orleans Tourism Marketing Corporation
Orleans Parish Communication District
Orleans Parish Hospital Service District A
Sewerage and Water Board of New Orleans

Current Louisiana law provides for the creation of several districts and independently elected public officials for the provision of certain services at the parish level. Examples would include the Orleans Parish School Board, the New Orleans Assessor, the Orleans Parish Sheriff's Office, and the Clerk of Court. These officials prepare their own budgets and operate independently of the City. The results of operations of those offices are not included in this report because there is a lack of financial accountability of these offices on the part of the City's elected officials.

YEAR IN REVIEW AND MAJOR INITIATIVES

The City of New Orleans made significant progress in 2015. After taking office in 2010, Mayor Mitch Landrieu committed to enhance quality of life across the City while creating lasting reforms that will endure for generations. After years of decline, New Orleans is now one of the fastest growing cities in America, creating new jobs and becoming a hub of entrepreneurship. School performance continues to improve with 90 percent of our students attending charter schools and graduation rates up by nearly 20 percent. The City is continuing to aggressively attack blight and billions of dollars are being invested in housing, schools, hospitals, parks and

playgrounds, roads, infrastructure, and vital hurricane protection. New Orleans has turned a corner in its recovery from Hurricane Katrina and is building back stronger and more resilient for the future.

KEY INFRASTRUCTURE IMPROVEMENTS

The Mayor's Committed Projects, prioritized to redevelop public facilities and infrastructure destroyed during Hurricane Katrina, serve as anchors for the community, stimulate private investment, enhance economic development, and elevate quality of life and safety for residents.

NEW ORLEANS AIRPORT

In 2015, the City and the New Orleans Aviation Board continued construction of the new world-class terminal of the Louis Armstrong New Orleans International Airport. The 650,000-square-foot terminal complex will feature two concourses with 30 gates, a consolidated checkpoint, seamless connections between concourses, and 2,000 parking garage spaces. The new North Terminal will be constructed on the north side of the existing Louis Armstrong New Orleans International Airport (MSY) property, creating over 13,000 new construction jobs and significant opportunities for local businesses and disadvantaged business enterprises (DBEs) in the region. The \$826 Million development includes plans for a \$72 million power plant project, \$87 million for a flyover addition from I-10 to improve access to the airport, and \$17 million for an on-site hotel. The new airport terminal will begin service in 2018.

CAPITAL PROJECTS

In 2015, the City completed nineteen priority facilities with a total investment of over \$89.3 million. Since May 2010, the Administration completed 161 capital improvement projects across New Orleans totaling \$312.6 million. Highlights include new fire and police stations, community centers, and parks and recreation facilities in underserved neighborhoods. New Orleans has invested over \$450 million in HUD disaster recovery funds, leveraged with FEMA Public Assistance funds, to create much greater benefits.

PUBLIC WORKS

The Department of Public Works completed a total of 55 roadway projects in 2015, with a total funding investment of over \$81 million. Included in these projects were 2 Paths to Progress projects, 4 other roadway projects, 3 streetscape projects, 6 bikeway projects, and 5 FEMA-funded Recovery Roads projects. Highlights included: Venetian Isles, Holy Cross Part 1, Holy Cross Part 2, Touro, St. Claude Phase II Group 1. This work resulted in over 13 miles of newly paved streets and an additional 5.65 miles of bikeways.

During 2015 the Department of Public Works deployed several new pieces of equipment, including a Pothole Killer, which resulted in the maintenance division filling more potholes and cleaning more catch basins than any year since Hurricane Katrina. The new equipment resulted in a 68% increase in repairs compared to 2014. With the vast majority of streetlights in the city now converted to more efficient LED bulbs, the proportion of operational streetlights remained above 95% for the first time since Hurricane Katrina. In partnership with the Sewerage & Water Board, as well as the Department of Information Technology and Innovation, DPW launched roadwork.nola.gov, a webpage that provides residents with easy to understand maps on current and planned roadwork.

ECONOMY

~~In 2015, New Orleans was ranked as the number one best city for cultural workers by Smartasset Tools. Offering a lower cost of living than many coastal cities, and having a large population of creatives, New Orleans is a~~

popular destination for those who make their living through culture and continues to produce a vibrant and unique cultural economy.

In 2015, New Orleans had 36,478 cultural industry jobs. The cultural sector has become one of the largest industry sectors in the city. What's more, the cultural sector has continued to increase relative to other jobs in New Orleans. In 2002, the creative industries were 9% of all local employment; by 2015, this had risen to 14%.

The City enjoyed another prosperous year in terms of retail sales growth with retail sales taxes collections growth at nearly 10 percent through mid-year, general sales tax collections were up 5.9 percent from the same period in 2014. In the first half of 2015, several new retail and corporate developments opened: The Magnolia Marketplace on South Claiborne Avenue between Washington and Louisiana opened in March, creating 300 jobs. Stores in the marketplace include TJ Maxx, Ulta, Michael's, and PetSmart, and Ross Dress for Less. Aloft Apartments, a \$100 million project at 225 Baronne, opened in March. The project created 76 permanent jobs and offers 180 hotel rooms and over 190 apartments. In April the Historic St. Roch Market on St. Claude Avenue re-opened, creating 96 permanent jobs. Nest New Orleans, a business incubator, and Torsh, a digital media company, both opened offices in New Orleans in 2015.

Year after year, New Orleans has seen tourism numbers increase. Although the specific data for 2015 has not been released the tourism officials expect numbers for 2015 to be strong. In 2014, the tourism industry boasted nearly 9.52 million visitors with an estimated \$6.81 billion in visitor spending. Spending in 2014 was a record-breaking 5.3 percent higher than 2013, according to data from the University of New Orleans (UNO) Hospitality Research Center.

In 2015, New Orleans hosted over 400 festivals, events, parades and markets including the New Orleans Jazz and Heritage Festival, USA Volleyball Girls Junior National, ESSENCE Festival, and French Quarter Festival.

Louisiana is a top producer of feature films in the country and New Orleans is the state's flagship location. 2015 year-end projections show an estimated \$583 million in direct spending for 41 tax credit projects in New Orleans—an increase of over \$70 million from last year. There were also 108 non-tax credit projects that contributed in over \$3 million in spending. Notable film projects produced in the city this year include *The Long Night*, *Jack Reacher: Never Go Back*, *The Big Short*, *Daddy's Home*, and *Scream Queens*.

Louis Armstrong New Orleans International Airport has set an all-time record high in total passenger numbers with a barrage of new airlines, non-stop destinations that includes four international cities. Based on year-end 2015 airport passenger data, the Airport served a total of 10,673,301 passengers, an increase of 9.1% as compared to last year. Prior to 2015, the Airport's best year on record was in 2000 with 9,874,257 total passengers. Building on six consecutive years of growth, the 2015 passenger numbers mark a significant milestone for the Airport.

The Port of New Orleans cruise terminals handled more than one million passengers in 2015, totaling 1,023,700, up 1 percent compared to 2014. The total marks the fifth consecutive record year of growth. The Port of New Orleans ranks the sixth-largest cruise port in the United States, with direct industry expenditures in Louisiana totaling \$406 million, supporting 8,120 jobs and providing \$324 million in personal income, according to research conducted by Cruise Lines International Association. Port studies determined 80 percent of cruise passengers are from out of state and 60 percent spend an average of two nights in New Orleans either before or after their cruise.

WORKFORCE DEVELOPMENT AND TRAINING

In 2015, the Mayor appointed the new Workforce Development Board for the City of New Orleans. The New Orleans Workforce Development Board has been certified by the Louisiana Workforce Commission, and held its first meeting in November 2015.

In an effort to expand economic opportunity to disadvantaged job seekers and businesses a collaborative of eight local anchor institutions met quarterly. These anchor institutions include Ochsner, Louisiana Charity Medical Center (LCMC), Tulane, the Louis Armstrong International Airport, the Sewerage & Water Board of New Orleans, and representatives of the information technology (IT) sector. Ochsner and LCMC hospitals committed to interviewing 100% of job seekers in the Network for Economic Opportunity's healthcare pipeline.

The Network for Economic Opportunity developed a shared model with five workforce agencies called Opportunity Centers. These Centers include: STRIVE New Orleans, JOB1, Total Community Action, Urban League, and Goodwill Industries. The Opportunity Centers prepare disadvantaged job seekers for entrance into the workforce pipeline for the North Terminal Project at the Louis Armstrong Airport. Eleven community based organizations serve as Outreach Partners for this initiative.

DBE FOCUS

Through the City's Office of Supplier Diversity, certified DBE firms were awarded approximately 35 percent of the total value of eligible contracts awarded this year. The office also worked to increase the number of certified firms. It certified a total of 88 new firms in 2015.

City vendors pledged over \$152 million to Disadvantaged Business Enterprise (DBE) firms in 2015, which is a 233% change from 2013, and a 450% change from 2014.

The Office of Supplier Diversity (OSD) implemented a new compliance tracking system, B2G Now, which enables OSD to track DBE utilization on both City projects, as well as private projects that receive public support. In 2015, the Office of Supplier Diversity launched BuildNOLA. The program consists of six-weeks of training sessions offering technical assistance and capacity building to small businesses and/or disadvantaged businesses to help strengthen their organizational and financial capacity.

The Office of Supplier Diversity continued to partner with a number of community resource partners to host outreach sessions providing information and education to small business owners about DBE certification, accessing opportunities, and accessing business education resources.

BLIGHT

After Mayor Landrieu took office in 2010, New Orleans faced the worst blight problem in the country with an estimated 40,000 blighted properties and no strategy to address it. To address this challenge, the City launched an aggressive blight reduction strategy based on extensive public input, national best practices, and advice from national experts, that prioritizes data-driven decision-making, innovative new enforcement policies, and opportunities for reinvestment to grow and strengthen neighborhoods. In 2013, the Landrieu administration reached its four year goal of reducing the number of blighted units by 10,000. With this momentum, the City continued its enforcement efforts in 2015 by developing and implementing a recommendation tool that has dramatically streamlined the process of deciding on appropriate dispositions for properties adjudged guilty of blight. Code Enforcement initiated a new program to try to "nudge" property owners to bring their property into compliance before costly and resource-intensive work begins. The program sends property owners a letter and informs them that fees and fines may occur if they don't bring their property up to code. During 2015, 887 blighted properties were brought into compliance by property owners.

COMMITMENT TO PUBLIC SAFETY

In October 2014, Michael Harrison was named the new Superintendent of the New Orleans Police Department. Chief Harrison has committed to growing the NOPD by increasing manpower through an active recruitment campaign, continuing efforts to reduce violent crime and murder, increasing community policing and engagement with the public, continuing to comply with the U.S. Department of Justice's NOPD consent decree, and focusing on career development for officers to train the next generation of leaders within NOPD.

Since assuming office, Superintendent Harrison has transferred dozens of officers from administrative positions and targeted new civilian positions for hire in 2015 as part of an initiative to free up commissioned manpower to focus on policing.

NOPD partnered with Civil Service in late 2015 to offer initial testing for recruit applicants Monday-Friday. Additionally, NOPD doubled the number of staff assigned to background investigations, enabling the department to reduce the amount of time that applicants spend in background investigation by three weeks in 2015. Altogether, these reforms allowed NOPD to begin training 66 new officers in the final quarter of 2015.

In 2015, the NOPD worked with the City Council in 2015 to pass a new ordinance that will reduce the number of false burglar alarms to which NOPD officers respond. Beginning in November 2015, NOPD Districts instituted 'power watches' to improve response times during shift changes. This resulted in a net decrease of more than 40% in response times during these periods.

NOPD has partnered with the Louisiana State Police (LSP) to enhance its traffic enforcement presence. In June 2015, NOPD launched a new program that allows the department to reimburse LSP for the cost of officers patrolling highways in Orleans Parish during peak traffic times. In the first seven months of the program's operation, LSP troopers patrolled nearly 2,000 hours on Orleans Parish highways to increase motorist safety.

NOLA FOR LIFE

Launched in May 2012, NOLA FOR LIFE implements 35 initiatives to strategically reduce the number of murders in New Orleans. From prevention to intervention, to enforcement and rehabilitation, these initiatives are grouped in five main categories: Stop the Shooting, Invest in Prevention, Promote Jobs and Opportunity, Strengthen the NOPD and Get Involved and Rebuild Neighborhoods.

As a component of NOLA FOR LIFE's Invest in prevention pillar, in October 2015 Mayor Mitch Landrieu called on New Orleans residents to participate in the NOLA FOR LIFE mentoring initiative. The effort provides guidance and support to 15 to 18 year old males in New Orleans who are most at risk of becoming involved in violence. The City has partnered with local and national mentoring leaders to design this new mentoring model, which improves each organization's capacity to recruit, train and pair adult mentors with young men across the City.

In 2015 The U.S. Department of Justice's (DOJ) Bureau of Justice awarded the City of New Orleans \$824,665 to strengthen community-based re-entry efforts in Orleans Parish in order to reduce recidivism and the incarceration rate. The City will utilize the funds to expand and augment its NOLA FOR LIFE re-entry initiative – an intensive and coordinated strategy aimed at reducing recidivism and revitalizing communities by providing opportunities for underserved residents to better find stable economic opportunities and relevant wraparound services.

NOLA FOR LIFE Midnight Basketball, a part of Mayor Landrieu's comprehensive NOLA FOR LIFE strategy to reduce murders aims to reach young men who are most at risk for being victims of or contributors to violent crime in the city. Midnight Basketball's inaugural season started in January 2012. In 2015, the season ended with a total of more than 650 participants and 340 spectators. Mentorship and educational support are also key

components of this initiative. Since the program's inception, it has reached over 6,000 participants and 2,500 spectators.

RECREATION DEVELOPMENT

New Orleans saw a number of major achievements in recreation in 2015 including the openings of three recreation centers. The 64,352 sq. ft. Andrew P. Sanchez & Copelin-Byrd Multi-Service Center (Sanchez Center) opened in the Lower Ninth Ward in May. The 17,368 sq. ft. Stallings St. Claude Recreation Center and Pool opened in the Bywater neighborhood in July 2015. The 15,580 Rosenwald Center opened in the B.W. Cooper neighborhood in October.

During 2015, NORDC in conjunction with Fit NOLA Parks, NORDC hosted the Hollygrove, Stallings, Gentilly, and the Algiers Community Family Fests in June. Each event was free to the public and included field games and Fit NOLA Parks fitness activities.

In 2015, NORDC saw over 307,000 visits to its recreation centers, and averaged 4,100 daily youth and teen participants in summer camps. The City operated 15 pools, and the summer pool schedule extended an extra three weeks NORDC summer camp aquatics program had 4,773 registrants in 2015. The total youth participation for NORDC in 2015 was 79,877 participants and total senior participation was 13,139 participants.

This year, NORDC offered 39 youth camps (ages 4-12) across the city through partnerships with schools, non-profits and faith-based organizations. The programming offered an array of academic, cultural and recreational activities, including free field trips to the Audubon Zoo, the Aquarium of the Americas and NORDC pools for swimming lessons.

In addition, NORDC offered 10 teen camps (ages 13-15) across the city. In partnership with JOB 1, the City's office of workforce development, teen camps offered local teenagers career exploration seminars to allow for exposure to a variety of job fields. Additionally, teens earned a stipend of \$75 per week.

LOOKING FORWARD TO 2016

The New Orleans City Council unanimously approved the passage of the City's 2016 Capital and General Fund budgets, totaling \$484.3 million and \$601.7 million respectively.

Public safety will be one of the main priorities in 2016 with NOPD, EMS, and the Coroner's Office all seeing increases over their 2015 budgets.

The NOPD will receive increased funding again in 2016 in order to hire another 150 police officers, and implement a 15% police officer pay increase to attract and retain the best and the brightest. The City is also investing more than \$100 million in new police stations, cars and equipment, as well as license plate readers to help in investigations. The City is aggressively recruiting new, qualified candidates with our Get behind the Badge campaign – which has led to double the new police recruit applications

In 2016, about \$7.5 million from the general fund will be allocated to fund the consent decree between the City and the U.S. Department of Justice to completely transform the New Orleans Police Department. Funding in this third calendar year for the consent decree will be spent on a Federal Monitor, cameras in police cars, an Early Warning System now called "Insight", to help weed out bad cops, Tasers, and body cameras for officers.

In 2016, EMS's budget will increase by nearly one million dollars from its 2015 allocation to maintain expanded service to meet citizen needs.

To combat blight, the 2016 budget will continue to support an aggressive blight reduction strategy.

In 2016, the City is scheduled to begin construction on over 40 roadway projects, with a total funding investment of over \$200 million. Included in these projects are 12 Recovery Roads projects, 3 Paths to Progress projects, 6 other roadway projects, and 2 streetscape projects. Highlights include Recovery Roads projects in the following neighborhoods: Lakeview, Filmore, Mid City, St. Bernard, Lower Ninth Ward, and West End.

FINANCIAL CONTROLS

The City's administration is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

BUDGETARY PROCEDURES

The City's Charter requires the annual preparation of a balanced operating budget. It prohibits the Department of Finance from approving any expenditure under any portion of the annual operating budget unless sufficient revenues have been appropriated by the City Council to finance the proposed expenditure. The City Council is required to appropriate the necessary tax and other revenue measures to produce a balanced budget. In addition, no budgeted expenditures may be made unless authorized by the Mayor or the Chief Administrative Officer through an allotment system.

The City monitors revenues and expenditures closely during the year. Transfers within the budget are adopted by the City Council when necessary to increase or curtail budgeted expenditures to ensure a balanced budget.

The City maintains budgetary controls at the departmental level by cost object classification and allocates appropriations on a quarterly basis. The City's Home Rule Charter specifies three cost object classifications; personal services, other operating expenses, and debt service. Although all expenditures are recorded at the individual line item level, they are summarized for reporting purposes in these three expenditure classifications.

Encumbrances are recorded via an online processing system. If sufficient funds are not available to cover a purchase, the requisition is rejected and returned to the originating department for appropriation or allotment changes, transfer of funds or cancellations. Appropriations may be amended through council action during the year and all unencumbered appropriations lapse at year end. Neither the City Charter nor state law, allow deficit spending. The Department of Finance is able to control all of the above through a computerized financial management system and the use of a departmental budget.

The Mayor's 2015 Budget was prepared using a process called Budgeting for Outcomes (BFO). BFO is designed to improve services and get a better return on investment of public dollars. BFO starts with a set of results that matter to citizens and encourage creative ways of achieving them within the resources available. In line with the Mayor's budgeting principles, BFO emphasizes accountability, innovation, and teamwork. Like performance budgeting, BFO focuses on what the public receives, how much it costs and how outcomes will be measured.

BFO starts with the results citizens want from their City government and works to align those priorities with the budget decision-making process.

CAPITAL BUDGET

The Mayor, on an annual basis, recommends to the City Council a capital improvement program for the next five years and a capital budget, by project, for the first year of the program. The City Council is obligated to approve a capital budget program and adopt a capital budget before it adopts the annual operating budget. The capital program and budget must show the amounts and sources of money for each project. The amounts budgeted constitute appropriations from the funds indicated when they become available. Expenditures for capital projects are made through the capital projects fund.

BUDGETARY AND FINANCIAL REPORTING

The fund structure by which the financial transactions of the City of New Orleans are recorded is defined on Article VI Chapter 1 and 2 of the Home Rule Charter. All general governmental functions other than debt service and capital improvements are accounted for in the general fund. Encumbrances of the current year are recorded as obligations against budgetary appropriations. Appropriations neither encumbered nor expended lapse at the end of the fiscal year.

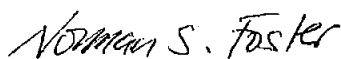
RISK MANAGEMENT

The City is self-insured for its hospitalization benefit program, workers compensation, motor vehicle fleet, general liability, and police department excessive force losses. Premiums are charged to the City's various funds for the unemployment and worker's compensation programs and to employees and the City's various funds for the hospitalization program. In addition, the City's Risk Management Division works toward reducing the number of claims and lawsuits, shorten length of time in which a claim is processed or resolved, and provides investigations and support services and employs various risk control techniques.

ACKNOWLEDGMENTS

The preparation of this report could not have been accomplished without the patience and dedication of the entire staff of the Finance Department; however, a special word of appreciation is due to the Bureau of Accounting staff who prepared this financial report while coping with the hectic day-to-day work which must be done. I would also like to express my appreciation to all members of the Finance Department and the staff of other departments, boards, and agencies of the City who assisted and contributed to the preparation of this report. Finally, I would like to acknowledge the helpful suggestions and support received from the Mayor, CAO, and staff members of the City Council and Council Audit Committee. Their support is greatly appreciated.

Respectfully submitted,



Norman Foster
Director of Finance

CITY OF NEW ORLEANS, LOUISIANA

Government Officials – Elected and Appointed

December 31, 2015

City Council

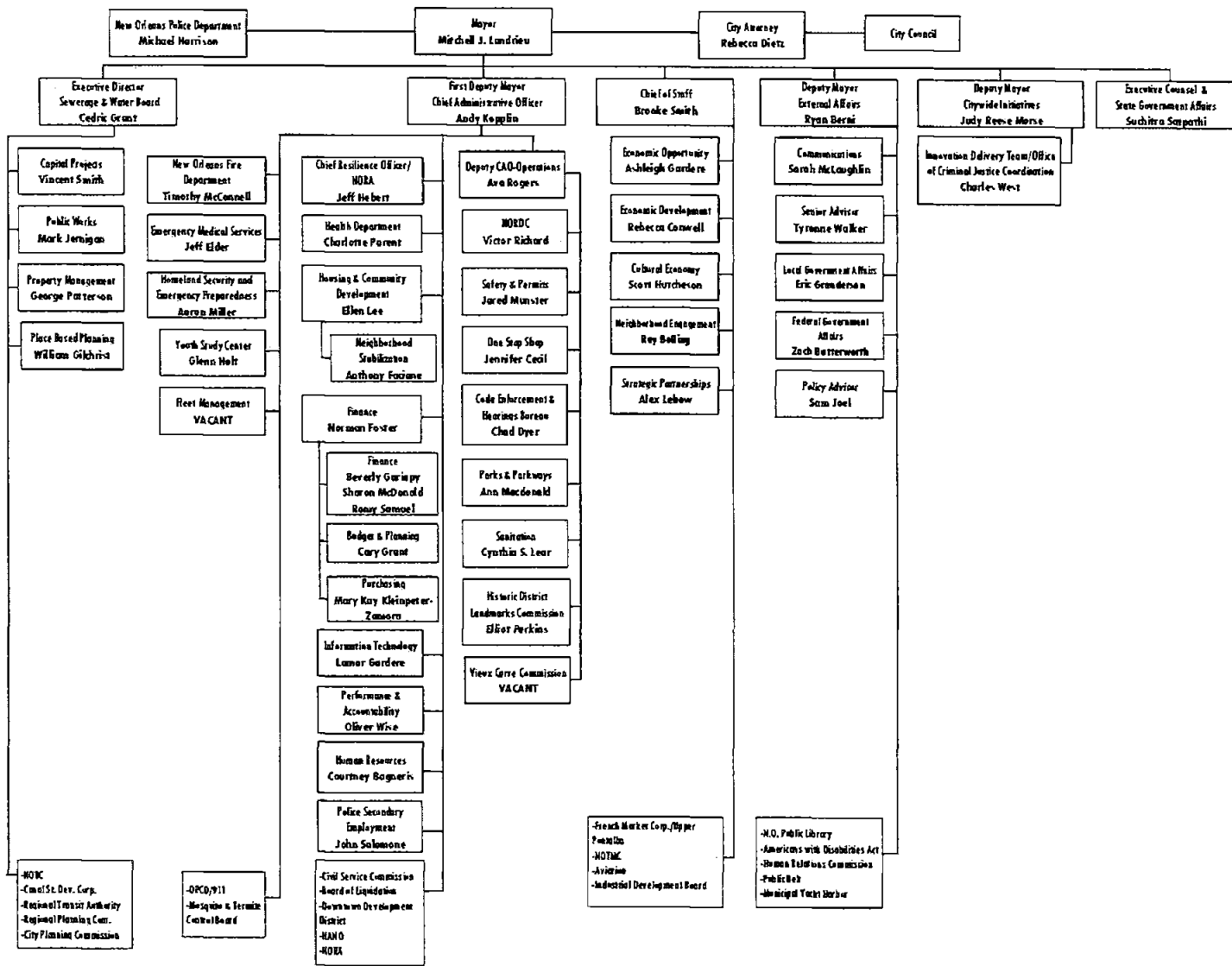
Councilmember-at-Large	Ms. Stacey Head
Councilmember-at-Large	Mr. Jason Rogers Williams
Councilmember – District A	Ms. Susan G. Guidry
Councilmember – District B	Ms. LaToya Cantrell
Councilmember – District C	Ms. Nadine M. Ramsey
Councilmember – District D	Mr. Jared C. Brossett
Councilmember – District E	Mr. James Austin Gray II

Executive Staff

Mayor	Mr. Mitchell J. Landrieu
First Deputy Mayor and Chief Administrative Officer	Mr. Andrew Kopplin
Deputy Mayor	Ms. Judy Reese Morse
Chief of Staff	Ms. Brooke Smith
Deputy Mayor of External Affairs	Mr. Ryan Berni
Executive Director of Sewerage and Water Board	Mr. Cedric S. Grant
Deputy Mayor of Public Safety	Lt. Col. Jerry Sneed
City Attorney	Ms. Sharonda Williams
Deputy Chief Administrative Officer	Ms. Ava L. Rogers
Acting Health Director	Ms. Charlotte Parent
Superintendent - Fire	Chief Timothy McConnell
Superintendent - Police	Chief Michael Harrison
Director of Finance	Mr. Norman S.J. Foster

CITY OF NEW ORLEANS, LOUISIANA

New Orleans City Government Organizational Chart



FINANCIAL SECTION

Independent Auditors' Report

The Honorable Mayor and Members
City Council of the City of New Orleans, Louisiana:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of New Orleans, Louisiana (the City), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City'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 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the New Orleans Tourism Marketing Corporation, the Orleans Parish Communication District, the Audubon Commission, the French Market Corporation, the Orleans Parish Hospital Service District A, New Orleans Municipal Yacht Harbor Management Corporation, and the Downtown Development District, which represent 8% and 23% respectively, of the assets and revenues of the aggregate discretely presented component units; the Employees' Retirement System of the City of New Orleans, which represent 64% of the assets and 15% of the additions and revenues of the aggregate remaining fund information; and the Board of Liquidation, City Debt, which is included in a major fund which represent 14% and 9% of assets and revenues of the governmental fund financial statements, respectively. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the New Orleans Tourism Marketing Corporation, the Orleans Parish Communication District, the Audubon Commission, the French Market Corporation, the Orleans Parish Hospital Service District A, the Downtown Development District, the Firefighters' Pension and Relief Fund of the City of New Orleans (old and new systems), the Police Pension Fund of the City of New Orleans, the Employees' Retirement System of the City of New Orleans, and the Board of Liquidation, City Debt, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of December 31, 2015, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 7 to the financial statements, the City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* for the year ended December 31, 2015. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*. The City also implemented GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 15, and the budgetary comparison information, schedules of funding progress, and schedules required in accordance with GASB Statement Nos. 67 and 68 on pages 84 through 86 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 and other auditors 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 City's basic financial statements. The introductory section, combining financial statements, affidavit of the City of New Orleans as tax collector, schedule of compensation paid to the City Council, schedule of compensation, benefits, and other payments to the Mayor, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining financial statements, affidavit of the City of New Orleans as tax collector, schedule of compensation paid to the City Council, and schedule of compensation, benefits, and other payments to the Mayor are the responsibility of management and were 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 auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 12, 2016, on our consideration of the City'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 City's internal control over financial reporting and compliance.

Postlethwaite & Netterville

New Orleans, Louisiana
July 12, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF NEW ORLEANS, LOUISIANA

Management's Discussion and Analysis

December 31, 2015

The following Management's Discussion and Analysis (MD&A) of the City of New Orleans, Louisiana's (the City), financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2015. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in the City's basic financial statements and the notes to the basic financial statements.

Financial Highlights

- The City's deficit on the government-wide basis was approximately \$294.2 million at December 31, 2015.
- The government-wide statement of activities reported an increase in net position of \$5.9 million.
- 2015 general fund tax revenues increased by \$17.6 million, or 5.2%, compared to 2014.
- The general fund reported an excess of revenues and other financing sources over expenses and other financing uses of \$32.6 million for a total ending fund balance surplus at December 31, 2015 of \$75.6 million. The general fund's unassigned fund balance at December 31, 2015 is a surplus of \$35.0 million.
- Total governmental funds reported an excess of revenues and other financing sources over expenses and other financing uses of \$65.4 million.
- Total cash and investments of governmental funds amounted to \$358.6 million at December 31, 2015, an increase of \$77.5 million compared to December 31, 2014.
- Total bonded debt amounted to \$750.7 million, an increase of \$23.2 million over the beginning of the year total.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains required supplementary information to provide greater detail of data presented in the basic financial statements.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private sector business.

The statement of net position presents financial information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

CITY OF NEW ORLEANS, LOUISIANA

Management's Discussion and Analysis

December 31, 2015

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows in future fiscal periods (e.g., earned but unused vacation leave).

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, health and human services, culture and recreation, urban development, and housing and economic development. All of the business-type activities of the City are undertaken through component units, which are presented separately.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund activities focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the statement of revenues, expenditures, and changes in fund balance provide a reconciliation between governmental funds and governmental activities.

The City maintains 66 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for its seven major funds: the General Fund, the Department of Housing and Urban Development (HUD) grant fund, the Federal UDAG grant fund, the Federal Emergency Management Agency (FEMA) fund, the Debt Service Fund, the Capital Projects Fund, and the Louisiana Office of Community Development (LCD) grant fund. Data from the other governmental funds are combined under the heading "Nonmajor Governmental Funds."

Proprietary Funds. The City does not directly maintain proprietary funds. Proprietary activities are included within component units of the City.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

CITY OF NEW ORLEANS, LOUISIANA

Management's Discussion and Analysis

December 31, 2015

Notes to the Basic Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information to demonstrate legal budgetary compliance for each major fund for which an annual budget is adopted and to provide information concerning the City's progress in funding its obligation to provide pension benefits to its employees.

Government-wide Financial Analysis

As noted previously, net position over time may serve over time as a useful indicator of a government's financial position. The City's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by approximately \$294.2 million at December 31, 2015.

Net Position

December 31, 2015 and 2014

(Amounts in thousands)

	Governmental Activities	
	2015	2014 restated
Current and other assets	\$ 454,342	\$ 400,360
Capital assets	1,611,132	1,589,053
Total assets	<u>2,065,474</u>	<u>1,989,413</u>
Deferred amounts related to net position liability	214,249	58,790
Deferred loss on bond refunding	4,679	6,435
Total deferred outflows of resources	<u>218,928</u>	<u>65,225</u>
Long-term liabilities	2,414,480	2,182,607
Other liabilities	118,255	115,592
Total liabilities	<u>2,532,735</u>	<u>2,298,199</u>
Deferred amounts related to net pension liability	34,976	49,838
Deferred gain on bond refunding	1,581	-
Unavailable revenue	9,295	6,687
Total deferred inflows of resources	<u>45,852</u>	<u>56,525</u>
Net position:		
Net investment in capital assets	933,606	929,620
Restricted	113,437	124,597
Unrestricted (deficit)	<u>(1,341,228)</u>	<u>(1,354,303)</u>
Total net position (deficit)	<u>\$ (294,185)</u>	<u>\$ (300,086)</u>

CITY OF NEW ORLEANS, LOUISIANA

Management's Discussion and Analysis

December 31, 2015

The City's statement of net position reflects its net investment in capital assets in the amount of \$933.6 million at December 31, 2015. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided for by other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Debt service funds have accumulated \$38.2 million at December 31, 2015 to provide for the servicing of annual interest and principal payments on bonds and are classified in restricted net position. The unrestricted net position (deficit) in the amount of \$1.3 billion is due to the City's recording of long-term obligations including net pension liability, claims and judgments, liabilities, accrued annual and sick leave. The unrestricted deficit decreased by \$13.1 million, which is primarily due to the change in net position described below.

Governmental Activities

Total revenue increased by \$30.2 million or 3.4% from \$878.8 million in 2014 to \$909.1 million in 2015. This increase is primarily attributable to an increase in legal settlements of \$36.0 million and an increase in charges for services of \$21.4 million. Capital grants and contributions decreased by \$65.9 million as a result of a decrease in the amount of federal grants received in 2015. Sales tax revenues increased by \$11.1 million, or 5.8%, due to an increase in overall economic activity driven by the current strategy to increase the City's retail footprint.

Total expenses were \$903.2 million in 2015, an increase of \$135.1 million, or 17.6%, compared to \$768.0 million in 2014. General government expense increased \$47.9 million, or 18.2%, from \$262.5 million in 2014 to \$310.4 million in 2015. Public safety expense increased \$65.7 million, or 28.6%, from \$230.0 million in 2014 to \$295.7 million in 2015. The increase is due primarily to pension expense attributed to public safety of \$52.9 million.

CITY OF NEW ORLEANS, LOUISIANA

Management's Discussion and Analysis

December 31, 2015

A comparison of 2015 to 2014 is as follows (amounts are reported in thousands):

	<u>2015</u>	<u>2014</u>
Revenues:		
Program revenues:		
Charges for services	\$ 160,501	\$ 139,122
Operating grants and contributions	125,122	119,512
Capital grants and contributions	54,091	119,963
General revenues:		
Property taxes	212,507	209,059
Sales taxes	204,293	193,183
Other taxes	53,616	55,875
Investment earnings	19,724	16,851
Forgiveness of debt	-	2,600
Legal settlement	35,991	-
Miscellaneous	43,218	22,649
Total revenues	<u>909,063</u>	<u>878,814</u>
Expenses:		
General government	310,380	262,525
Public safety	295,707	229,968
Public works	139,371	123,826
Health and human services	31,806	29,587
Culture and recreation	27,500	26,021
Urban development and housing	28,539	24,968
Economic development	7,933	8,488
Interest and fiscal changes	61,926	62,647
Total expenses	<u>903,162</u>	<u>768,030</u>
Change in net position	5,901	110,784
Net position (deficit), beginning as restated	(300,086)	183,412
Restatement	-	(594,282)
Net position (deficit), ending as restated	<u>\$ (294,185)</u>	<u>\$ (300,086)</u>

Financial Analysis of the Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited spending to use for a particular purpose by either an external party, the City itself, or group or individual that has been delegated authority to assign resources for use for particular purposes by the City's Council.

At December 31, 2015, the City's governmental funds reported a combined fund balances of \$312.8 million, an increase of \$65.4 million in comparison with the prior year. Included in this amount is a deficit of \$2.1 million which constitutes unassigned fund balance. The remainder of the fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is 1) not in spendable form (\$1.6 million), 2) restricted for particular purposes (\$139.5 million), 3) committed for particular purposes (\$135.3 million), or 4) assigned for particular purposes (\$38.5 million).

CITY OF NEW ORLEANS, LOUISIANA

Management's Discussion and Analysis

December 31, 2015

General Fund

The general fund is the chief operating fund of the City. At December 31, 2015, the general fund's fund balance increased by \$32.6 million from \$43.0 million in 2014 to \$75.6 million in 2015. Key factors relative to this change are as follows:

- Expenditures increased in 2015 to \$610.5 million compared to \$536.3 million in 2014, an increase of \$74.1 million, which represents a 13.8% increase in expenditures.
- General government expenditures increased by \$36.1 million, or 20.1%, due to an increase in allocations to the Orleans Parish Sheriff's Office in relation to the US Department of Justice consent decree. Higher benefit costs and recreation related expenditures also contributed to the increase.
- Public safety expenditures increased by \$23.5 million, or 10.5%, due to additional City Council appropriations for salary increases for the police department.
- Public works expenditures increased by \$11.6 million, or 17.6% due to an increase in City Council appropriations for street repairs.
- Total revenues and other financing sources (uses), net, for the general fund increased by \$80.7 million or 14.3% compared to 2014.
- Taxes increased by \$17.6 million or 5.2% as compared to 2014 as a result of an expanding tax base and improving economic conditions.
- The City received a legal settlement in the amount of \$36.0 million in 2015.

The accompanying table shows the amount (in thousands) of general fund revenues by source for 2015 and 2014.

Revenues and Other Financing Sources	2015 Actual	% of Total	Increase	2014 Actual	% of Total
			(Decrease) Over 2014		
Taxes	\$ 357,045	55.52%	\$ 17,562	\$ 339,483	60.37%
Licenses and permits	60,597	9.42	(1,831)	62,428	11.10
Intergovernmental	21,326	3.32	(530)	21,856	3.89
Charges for services	85,731	13.33	4,392	81,339	14.46
Fines and forfeits	34,637	5.39	5,658	28,979	5.15
Interest income	248	0.04	119	129	0.02
Contributions, gifts, and donations	1,858	0.29	715	1,143	0.20
Legal settlement	35,991	5.60	35,991	—	—
Miscellaneous and other	41,948	6.52	9,309	32,639	5.80
Other financing sources (uses), net	3,688	0.57	9,314	(5,626)	(1.00)
	<u>\$ 643,069</u>	<u>100.0%</u>	<u>\$ 80,699</u>	<u>\$ 562,370</u>	<u>100.0%</u>

CITY OF NEW ORLEANS, LOUISIANA

Management's Discussion and Analysis

December 31, 2015

The accompanying table shows the amount (in thousands) of general fund expenditures by source for 2015 and 2014.

Expenditures	2015	% of	Increase	2014	% of
	Actual	Total	(Decrease) Over 2014	Actual	Total
General government	\$ 215,571	35.31%	\$ 36,059	\$ 179,512	33.47%
Public safety	245,990	40.29	23,465	222,525	41.49
Public works	77,565	12.71	11,584	65,981	12.30
Health and human services	17,423	2.85	1,299	16,124	3.01
Other	21,056	3.45	(1,810)	22,866	4.26
Debt service	32,875	5.39	3,541	29,334	5.47
	<u>\$ 610,480</u>	<u>100.0%</u>	<u>\$ 74,138</u>	<u>\$ 536,342</u>	<u>100.0%</u>

HUD Fund

This special revenue fund is used to account for funding from the Department of Housing and Urban Development (HUD). Some of the major initiatives are Community Development Block Grants (CDBG), HOME Investment Partnership Act Program (HOME), Emergency Shelter Grant (ESG) Program, and Housing Opportunities for Persons with HIV/AIDS (HOPWA). Revenues increased \$23.0 million from \$14.3 million in 2014 to \$37.3 million in 2015, and expenditures increased \$5.3 million from \$22.9 million in 2014 to \$28.2 million in 2015. The increase in revenue was due to the receipt of the 2014 revenue from prior year expenditures once the HUD agreement was executed. In addition, an award for Disaster CDBG funding directly to the City for Hurricane Isaac is reflected in the increase in revenue as well as the increase in expenditures.

FEMA Fund

The FEMA Fund primarily accounts for grants received as a result of Hurricanes Katrina, Rita and Gustav from the Federal government. FEMA, as authorized by the Stafford Act, assists individuals, as well as, state and local governments with response to and recovery from disasters. The FEMA grants are reimbursement basis grants where expenditures and related revenues have been accrued. The deficit in the FEMA fund at December 31, 2015 is primarily due to revenue that has been deferred and will be collected by the City in the future, in addition to funds borrowed from the general fund to cover expenditures of the FEMA Fund. Revenue amounted to \$11.3 million in 2015 compared to \$26.5 million in 2014 while expenditures totaled \$22.5 million in 2015 compared to \$17.7 million in 2014. The decrease in revenues is due to the significant number of projects closed with GOHSEP and FEMA, thus leaving fewer open projects with funding available in the FEMA fund. As the City submits projects for closeout, the only funding that is released is typically a 10% retainage (if available) that GOHSEP holds until a project closes. The increase in expenditures is also explained by the City's closeout efforts. All GOHSEP approved and FEMA eligible expenses are reconciled to the FEMA Fund once the project is officially closed.

CITY OF NEW ORLEANS, LOUISIANA

Management's Discussion and Analysis

December 31, 2015

Federal UDAG Fund

The Federal UDAG special revenue fund accounts for grants received from HUD for the purpose of providing loans to the private sector for completion of projects that will stimulate economic development activity in the City. Expenditures decreased \$4.2 million from \$5.5 million in 2014 to \$1.2 million in 2015. Revenues were \$21 thousand in 2015 compared to \$6.2 million in 2014. The change in revenues and expenditures are due to a decrease of activity in this particular grant in 2015.

Debt Service Funds

The Debt Service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. Total fund balance for the Debt Service Fund was \$75.3 million at December 31, 2015, which was a \$1.8 million increase compared to the prior year balance of \$73.5 million. The increase is due primarily to activity related to the refunding of bonds as described in Note 6.

Capital Project Funds

The Capital Projects fund is used to account for all resources and expenditures in connection with the acquisition of capital facilities and repair and maintenance projects other than those accounted for in the component units. Expenditures for capital projects in 2015 totaled \$107.2 million, a decrease of \$27.7 million compared to 2014. The decrease in expenditures in the capital projects fund is due to the completion of several projects during 2014. There was an increase in roads construction and a significant decrease in facilities construction resulting in an overall reduction of reimbursements from GOHSEP and an overall decrease in total expenditures. Additionally, in 2015, there was also a decrease in roads construction towards the end of 2015 due to negotiations with the FEMA roads settlement.

Louisiana Office of Community Development Fund

The Louisiana Office of Community Development (LCD) fund primarily accounts for grants received from the Louisiana Office of Community Development. The primary purpose of this fund is to purchase properties for the site of the new Charity/Tulane/Veterans Administration (VA) Hospital Complex.

Revenues decreased \$8.2 million from \$32.2 million in 2014 to \$24.0 million in 2015, and expenditures decreased \$9.4 million from \$34.8 million in 2014 to \$25.3 million in 2015. The decrease in revenue and expenditures is due to a completion of projects that resulted in less activity.

CITY OF NEW ORLEANS, LOUISIANA

Management's Discussion and Analysis

December 31, 2015

General Fund Budgetary Highlights

Variances between general fund amended budget and actual expenditures are delineated in the schedule below. The 2015 amended budgeted revenues and expenditures were increased primarily to reflect the restructuring of the City's Pension Revenue Bonds.

	2015		
	Amended Budget	Actual on budgetary basis	Variance Positive (Negative)
Revenues			
Taxes	\$ 351,845	\$ 357,046	\$ 5,201
Licenses and permits	58,915	60,598	1,683
Intergovernmental	22,947	21,326	(1,621)
Charges for services	85,037	85,044	7
Fines and forfeits	34,648	34,528	(120)
Interest income	60	247	187
Contributions, gifts, and donations	501	1,867	1,366
Miscellaneous	43,019	77,939	34,920
Total Revenues	596,972	638,595	41,623
Expenditures	628,786	612,589	16,197
Other financing sources (uses), net	31,814	22,355	(9,459)
Change in fund balance	\$ -	\$ 48,361	\$ 48,361

Capital Assets

Capital assets at December 31, 2015 and 2014 are as follows (net of depreciation):

	2015	2014
Land	\$ 94,474	\$ 94,474
Construction in progress	407,409	396,705
Buildings, improvements, and equipment	386,672	314,891
Other	7,648	8,955
Infrastructure assets	714,929	774,028
	\$ 1,611,132	\$ 1,589,053

Hurricane Katrina and the related flooding caused physical damage to the City's capital assets. As a result, certain assets were destroyed and other assets, specifically buildings, require restoration efforts to restore their service utility. Some assets have been demolished and are being replaced. Buildings, improvements, equipment, other, and infrastructure assets have been reduced in value as a result of demolition, damage, or depreciation. Rebuilding efforts are ongoing and, as a result, the replacement and repair costs for these assets have led to an increase in construction in progress of \$396.7 million at December 31, 2014 to \$407.4 million at December 31, 2015. See Note 5 for detailed capital asset activity during 2015.

CITY OF NEW ORLEANS, LOUISIANA

Management's Discussion and Analysis

December 31, 2015

Debt Administration

Outstanding general obligation bonds at December 31, 2015 totaled \$536.3 million, all of which are considered to be net, direct-tax supported debt. There are no special assessment bonds outstanding.

	Outstanding Debt	
	<u>2015</u>	<u>2014</u>
General obligation bonds	\$ 536,326	\$ 507,081
Accreted GO 1991 refunding bonds	55,645	70,528
Limited tax bonds	21,812	17,510
Taxable limited tax bonds	186,110	195,885
Revenue bonds	6,450	7,070
Total bonds	<u>806,343</u>	<u>798,074</u>
Notes payable (vehicle and equipment loans)	9,288	13,907
Capital leases	7,556	10,314
Go Zone Notes	66,431	67,938
Section 108 HUD loans	6,205	8,640
Total outstanding debt	<u>\$895,823</u>	<u>\$ 898,873</u>

The following is a summary of debt transactions:

Balance at January 1, 2015	\$898,873
New issues	162,457
Defeased	(105,730)
Payments	<u>(59,777)</u>
Balance at December 31, 2015	<u>\$895,823</u>

The Louisiana Legislature, in Act 1 of 1994, increased the City's general obligation bond debt limit to an amount equal to the greater of (i) \$500,000,000 or (ii) 35% of total assessed valuation of the City. Under Act 1, based on the most recent assessed valuations, the City's debt limit is \$1.4 billion as of December 31, 2015. At December 31, 2015, the City's legal debt margin adjusted for outstanding principal of \$536.3 million and past and future accretion of \$64.0 million on the City's outstanding General Obligation Bonds, plus fund balance available in the Debt Service Fund of \$45.8 million to service this debt was \$846.1 million. As of December 31, 2015, Moody's general obligation bond rating for the City was "A3", Fitch general obligation bond rating was "A-", and Standard & Poor's general obligation bond rating was "BBB+".

See Note 6 for detailed long-term debt activity for 2015.

CITY OF NEW ORLEANS, LOUISIANA

Management's Discussion and Analysis

December 31, 2015

Economic Factors and Next Year's Budgets and Rates

The General Fund's amended budgeted revenues and other financing sources exceeded the adopted budgeted revenues and other financing sources by approximately \$48.4 million and final budgeted expenditures and other financial uses exceeded original budgeted expenditures and financial uses by approximately \$57.9 million. The 2015 budgeted revenues and expenditures were increased primarily to reflect higher sales tax collections, adjudicated property sale revenue, increase in licenses and permits, additional intergovernmental revenues as a result of the City's participation in a State program that supplements revenues resulting from emergency medical service transports for Medicaid patients and a one-time legal settlement from British Petroleum.

The City anticipates an increase in 2016 revenues from license and permits due to the World Trade Center redevelopment project, a newly levied French Quarter tax and sustained increase in motor vehicle purchases delivered to Orleans parish. The City will continue the adjudicated property sales program. In addition, parking meter rates and an increase in the number of parking control officers should result in increased revenue from fines and forfeitures. The Medicaid reimbursement program continues to expand and should result in increased miscellaneous revenue.

The following table presents an adopted budget comparison for 2016, 2015, and 2014 (amounts in thousands):

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Revenues and other financing sources	\$ 601,652	\$ 628,786	\$ 530,803
Expenditures and other financing uses	601,652	628,786	530,803

Gross Domestic Product in 2015 grew by a rate of 2.4 percent. The United States labor market did show signs of further improvement during 2015, with unemployment holding steady at 5 percent for the last quarter of 2015. Consumer price index rose 1.7 percent through the year to the December quarter 2015.

Partnerships between the City, State and Federal Government and the business community have been critical to the City's economic success. The City's economic development efforts have been effective in attracting new businesses and new jobs. Highlights include the following: The University Medical Center was completed in 2015 with the Veterans Hospital scheduled to open in 2016. In 2015, 10 million people traveled through Louis Armstrong Airport and the City is increasing capacity with the ground breaking of a new North Terminal in 2015. Since 2012, \$100 million has been invested in the Port of New Orleans. In 2015, the City received a \$2 billion lump settlement with FEMA for the repair of interior streets. As a result, employment and population growth are steady.

The real estate market is performing well with record number of housing units and hotels being developed in the Historic areas of the City. The City continues to address blight with 15,000 units eradicated or remediated in the past 6 years.

CITY OF NEW ORLEANS, LOUISIANA

Management's Discussion and Analysis

December 31, 2015

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional financial information may be addressed to the Office of the Director of Finance, City of New Orleans, 1300 Perdido Street, Room 3E06, New Orleans, Louisiana 70112.

BASIC FINANCIAL STATEMENTS

CITY OF NEW ORLEANS, LOUISIANA

Statement of Net Position

December 31, 2015

(Amounts in thousands)

Assets	Primary government Governmental activities	Component units
Cash and cash equivalents	\$ 131,482	161,433
Investments	227,108	67,663
Receivables (net of allowance for uncollectibles):		
Taxes	28,454	8,486
Accounts	15,445	33,874
Interest	—	56
Grantee loans	542	52,808
Other	—	4,651
Due from component units	11,205	—
Due from other governments	39,849	3,467
Other assets	257	46,320
Restricted cash and investments	—	1,052,497
Capital assets (net of accumulated depreciation)	<u>1,611,132</u>	<u>3,444,536</u>
Total assets	<u>2,065,474</u>	<u>4,875,791</u>
Deferred Outflows of Resources		
Deferred amounts related to net pension liability	214,249	23,880
Deferred loss on bond refunding	<u>4,679</u>	<u>19,889</u>
Total deferred outflows of resources	<u>218,928</u>	<u>43,769</u>
Liabilities		
Accounts payable	96,508	60,842
Retainages payable	3,483	8,320
Accrued expenses	793	34,075
Taxes payable	8,098	—
Accrued interest payable	7,267	26,940
Due to component units	216	—
Due to other governments	1,890	29,444
Liabilities payable from restricted assets	—	7,720
Long-term liabilities due within one year	109,620	48,456
Long-term liabilities due in more than one year	<u>2,304,860</u>	<u>1,932,028</u>
Total liabilities	<u>2,532,735</u>	<u>2,147,825</u>
Deferred Inflows of Resources		
Deferred amounts related to net pension liability	34,976	25,263
Deferred gain on bond refunding	1,581	—
Unavailable revenue	<u>9,295</u>	<u>5,575</u>
Total deferred inflows of resources	<u>45,852</u>	<u>30,838</u>
Net Position		
Net investment in capital assets	933,606	2,342,335
Restricted for debt service	38,167	131,455
Restricted for capital improvement	75,270	366,441
Restricted for operating reserve	—	15,800
Unrestricted (deficit)	<u>(1,341,228)</u>	<u>(115,134)</u>
Total net position (deficit)	<u>\$ (294,185)</u>	<u>2,740,897</u>

See accompanying notes to basic financial statements.

CITY OF NEW ORLEANS, LOUISIANA

Statement of Activities

Year ended December 31, 2015

(Amounts in thousands)

Functions/Programs	Expenses	Program revenues			Net (expense) revenue and changes in net position	
		Charges for services	Operating grants and contributions	Capital grants and contributions	Primary governmental activities	Component units
Primary government:						
Governmental activities:						
General government	\$ 310,380	71,912	44,235	3,876	(190,357)	—
Public safety	295,707	28,826	20,429	5,939	(240,513)	—
Public works	139,371	41,570	1,861	39,073	(56,867)	—
Health and human services	31,806	13,856	15,806	5,153	3,009	—
Culture and recreation	27,500	1,033	2,969	50	(23,448)	—
Urban development and housing	28,539	3,304	37,333	—	12,098	—
Economic development	7,933	—	2,489	—	(5,444)	—
Interest and fiscal charges	61,926	—	—	—	(61,926)	—
Total primary government	\$ 903,162	160,501	125,122	54,091	(563,448)	—
Component units:						
Audubon Commission	\$ 61,428	41,701	—	9,467	—	(10,260)
Louis Armstrong New Orleans International Airport	99,500	73,573	—	10,406	—	(15,521)
Sewerage and Water Board	230,729	174,256	3	131,899	—	75,429
Other nonmajor component units	102,072	62,469	16,650	2,354	—	(20,599)
Total component units	\$ 493,729	351,999	16,653	154,126	—	29,049
General revenues:						
Taxes:						
Property taxes					212,507	75,415
Sales taxes					204,293	—
Utility taxes					10,377	—
Culture and recreation taxes					1,788	—
Parking taxes					4,822	—
Franchise fees					33,349	—
Beverage taxes					3,280	—
Unrestricted investment income					19,724	2,629
Passenger facility charges					—	34,310
Legal settlement					35,991	—
Miscellaneous					43,218	25,347
Total general revenues					569,349	137,701
Change in net position					5,901	166,750
Net position – beginning of year					295,869	2,578,755
Prior period adjustments (note 14)					(595,955)	(4,608)
Net position (deficit) – beginning of year, as restated					(300,086)	2,574,147
Net position (deficit) – end of year					\$ (294,185)	2,740,897

See accompanying notes to basic financial statements.

CITY OF NEW ORLEANS, LOUISIANA

Balance Sheet — Governmental Funds

December 31, 2015

(Amounts in thousands)

Assets	General	HUD	Federal UDAG	FEMA	Debt Service	Capital Projects	Louisiana Office of Community Development	Nonmajor Governmental	Total Governmental Funds
Cash and cash equivalents	\$ 54,520	—	12,097	—	303	24,314	49	40,199	131,482
Investments	768	—	—	—	76,351	141,071	—	8,918	227,108
Receivables (net of allowance for uncollectibles):									
Sales taxes	18,319	—	—	—	—	—	—	—	18,319
Property taxes	2,195	—	—	—	1,118	—	—	160	3,473
Franchise taxes	6,662	—	—	—	—	—	—	—	6,662
Accounts	13,342	170	—	—	—	6	—	1,927	15,445
Grantec loans	—	—	542	—	—	—	—	—	542
Due from other funds	19,790	261	—	3,935	—	—	101	1	24,088
Due from other governments	2,188	4,716	—	6,230	—	19,019	2,891	4,805	39,849
Due from component units	1,413	—	—	—	—	9,792	—	—	11,205
Advances to other funds	2	—	—	—	—	—	—	—	2
Other assets	3	—	—	26	—	—	—	228	257
Total assets	\$ 119,202	5,147	12,639	10,191	77,772	194,202	3,041	56,238	478,432
Liabilities									
Accounts payable	\$ 37,398	4,086	471	14,625	—	28,565	8,525	6,720	100,390
Retainages payable	—	—	—	—	—	3,483	—	—	3,483
Accrued expenses	—	149	4	235	—	—	121	284	793
Due to other funds	1	6,786	—	8,913	—	3,935	3,198	1,255	24,088
Due to other governments	1,185	17	—	—	—	—	—	688	1,890
Due to component units	44	—	—	—	—	172	—	—	216
Advances from other funds	—	—	—	—	—	—	—	2	2
Total liabilities	38,628	11,038	475	23,773	—	36,155	11,844	8,949	130,862
Deferred Inflows of Resources									
Unavailable revenue	5,001	2,529	—	557	2,502	19,951	1,131	3,095	34,766
Total deferred inflows of resources	5,001	2,529	—	557	2,502	19,951	1,131	3,095	34,766
Fund Balances									
Fund balances:									
Nonspendable	—	—	542	—	—	—	—	1,094	1,636
Restricted	250	535	11,622	—	75,270	38,167	—	13,649	139,493
Committed	2,080	—	—	—	—	99,929	—	33,291	135,300
Assigned	38,196	—	—	—	—	—	—	308	38,504
Unassigned	35,047	(8,955)	—	(14,139)	—	—	(9,934)	(4,148)	(2,129)
Total fund balances	75,573	(8,420)	12,164	(14,139)	75,270	138,096	(9,934)	44,194	312,804
Total liabilities, deferred inflows of resources, and fund balances	\$ 119,202	5,147	12,639	10,191	77,772	194,202	3,041	56,238	478,432

See accompanying notes to basic financial statements.

CITY OF NEW ORLEANS, LOUISIANA

Reconciliation of Balance Sheet — Governmental Funds to the
Statement of Net Position

December 31, 2015

(Amounts in thousands)

Total fund balances – governmental funds	\$ 312,804
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	1,611,132
Certain receivables are not available to pay for the current period's expenditures and, therefore, are deferred in the funds	25,471
The deferred gain and loss on bond refundings is not an available resource and, therefore, is not reported in the funds	3,097
Interest expense is accrued at year-end in the government-wide financial statements, but is recorded only if due and payable on the governmental fund financial statements	(6,236)
Net pension liability balances in accordance with GASB Statement No. 68:	
Deferred outflows of resources	214,249
Deferred inflows of resources	(34,976)
Net pension liability	(960,631)
Taxes payable	(8,098)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
Long-term liabilities consist of:	
Bonds payable	(834,357)
Loans payable	(79,073)
Capital leases payable	(7,555)
Annual and sick leave	(47,012)
Claims payable	(402,797)
Other long-term liabilities	(80,203)
	<hr/>
Total net position (deficit) – governmental activities	\$ <u>(294,185)</u>

See accompanying notes to basic financial statements.

CITY OF NEW ORLEANS, LOUISIANA
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
Year ended December 31, 2015
(Amounts in thousands)

	General	HUD	Federal UDAG	FEMA	Debt Service	Capital Projects	Louisiana Office of Community Development	Nonmajor Governmental	Total Governmental Funds
Revenues:									
Taxes	\$ 357,045	—	—	—	77,997	—	—	11,197	446,239
Licenses and permits	60,597	—	—	—	—	—	—	—	60,597
Intergovernmental	21,326	37,048	—	11,280	990	60,026	23,905	23,049	177,624
Charges for services	85,731	—	—	—	—	—	—	22	85,753
Program income	—	258	—	—	—	—	8	354	620
Fines and forfeits	34,637	—	—	—	—	—	53	10,011	44,701
Interest income	248	—	21	—	269	—	—	2	540
Contributions, gifts and donations	1,858	—	—	—	—	—	—	2,879	4,737
Legal settlement	35,991	—	—	—	—	—	—	—	35,991
Miscellaneous	41,948	—	—	—	4,490	368	—	2,284	49,090
Total revenues	639,381	37,306	21	11,280	83,746	60,394	23,966	49,798	905,892
Expenditures:									
Current:									
General government	215,571	1,184	—	19,656	514	—	23,621	4,117	264,663
Public safety	245,993	—	—	(53)	—	—	533	3,691	250,164
Public works	77,565	1,337	—	(913)	—	—	—	739	78,728
Health and human services	17,423	—	—	894	—	—	—	13,489	31,806
Culture and recreation	21,866	—	—	1,378	—	—	208	2,741	26,193
Urban development and housing	(1,923)	25,668	1,220	1,532	—	—	966	1,076	28,539
Economic development and assistance	—	—	—	—	—	—	—	7,933	7,933
Capital outlays	1,110	—	—	—	—	107,242	—	133	108,485
Debt service:									
Principal	22,698	—	—	—	24,687	—	—	360	47,745
Interest and fiscal charges	10,177	—	—	—	47,252	—	—	57	57,486
Bond issuance costs	—	—	—	—	2,008	—	—	—	2,008
Payment to refunded bond escrow agent	—	—	—	—	9,314	—	—	—	9,314
Total expenditures	610,480	28,189	1,220	22,494	83,775	107,242	25,328	34,336	913,064
Excess (deficiency) of revenue over expenditures	28,901	9,117	(1,199)	(11,214)	(29)	(46,848)	(1,362)	15,462	(7,172)
Other financing sources (uses):									
Transfers in	3,746	—	—	—	—	72,923	—	57	76,726
Transfers out	(58)	—	—	—	(70,803)	(3,744)	—	(2,121)	(76,726)
Proceeds from issuance of bonds	—	—	—	—	162,457	—	—	—	162,457
Premium on bonds issued	—	—	—	—	9,617	—	—	—	9,617
Payment to refunded bond escrow agent	—	—	—	—	(99,488)	—	—	—	(99,488)
Total other financing sources (uses)	3,688	—	—	—	1,783	69,179	—	(2,064)	72,586
Net change in fund balances	32,589	9,117	(1,199)	(11,214)	1,754	22,331	(1,362)	13,398	65,414
Fund balances – beginning of year	42,984	(17,308)	13,363	(2,736)	73,516	113,486	(5,112)	30,870	249,063
Prior period adjustments	—	(229)	—	(189)	—	2,279	(3,460)	(74)	(1,673)
Fund balances – beginning of year, as restated	42,984	(17,537)	13,363	(2,925)	73,516	115,765	(8,572)	30,796	247,390
Fund balances – end of year	\$ 75,573	(8,420)	12,164	(14,139)	75,270	138,096	(9,934)	44,194	312,804

See accompanying notes to basic financial statements.

CITY OF NEW ORLEANS, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities

Year ended December 31, 2015

(Amounts in thousands)

Net change in fund balances – total governmental funds	\$ 65,414
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of those assets are allocated over their estimated useful lives and are reported as depreciation expense. This represents the amount that capital outlays exceeded depreciation and loss on disposals in the current period.	22,079
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. This represents the change in deferred revenue.	(18,211)
The increase in taxes payable related to current year refunds due to taxpayers does not consume current resources in the governmental funds, but decreases tax revenue in the statement of activities.	(1,761)
The issuance of long-term debt (e.g., bonds and certificates of indebtedness) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:	
Change in interest payable	(1,917)
Amortization of deferred loss on bond refunding	(493)
Bond and note principal payments	47,745
Issuance of bonds and note payable	(162,457)
Payments to refunding bond escrow agent	108,802
Premium on bonds issued	(9,617)
Amortization of bond discount and premium	19,162
Compensated absences are recorded in the governmental funds when paid, but are recorded in the statement of activities when earned. This represents the amount compensated absences earned exceeded amounts paid in the current period.	(559)
Legal claims and judgments are recorded in the governmental funds when paid, but are recorded in the statement of activities when incurred. This represents the amount claims paid and changes in estimates to claims exceed new claims incurred in the current period.	(8,749)
Changes in estimates related to municipal landfill closure costs do not consume current financial resources in the governmental funds, but are expensed in the statement of activities.	4,126
Other post retirement benefits contributions are recorded as expenditures when paid by the governmental funds. This is the amount that the annual other post retirement benefit costs exceeded the other post retirement benefit contributions.	(13,803)
Change in net pension liability and deferred inflows and outflows in accordance with GASB 68	(43,860)
Change in net position of governmental activities	<u>\$ 5,901</u>

See accompanying notes to basic financial statements.

CITY OF NEW ORLEANS, LOUISIANA

Statement of Fiduciary Net Position

December 31, 2015

(Amounts in thousands)

Assets	Pension Trust Funds	Agency Funds
	<u> </u>	<u> </u>
Cash	\$ 3,856	48,896
Investments		
Cash equivalents	40,885	—
Fixed income securities	94,718	—
Equities	172,376	—
Mutual Funds	2,495	—
Notes receivable	3,235	—
Investment in corporations, partnerships, and limited liability corporations	28,335	—
Investment in hedge funds and private equity funds	32,653	—
Investment in real estate	22,511	17,976
Other	7,165	—
Receivables:		
Accounts	—	443
Accrued interest	187	—
Contribution	470	—
Other	75	—
Total assets	<u>408,961</u>	<u>67,315</u>
Liabilities and Net Position		
Liabilities:		
Accounts payable	177	1
Other payables and accruals	2,757	67,314
Total liabilities	<u>2,934</u>	<u>67,315</u>
Net position held in trust for pension benefits	<u>\$ 406,027</u>	<u>—</u>

See accompanying notes to basic financial statements.

CITY OF NEW ORLEANS, LOUISIANA
Statement of Changes in Fiduciary Net Position
Year ended December 31, 2015
(Amounts in thousands)

	<u>Pension Trust Funds</u>
Additions:	
Contributions:	
Employer	\$ 70,924
Members	9,067
Fire insurance rebate	1,734
Other	262
Total contributions	<u>81,987</u>
Other income:	
Other - City of New Orleans	<u>2</u>
Total other income	<u>2</u>
Investment income:	
Net depreciation in fair value of investments	(24,441)
Interest and dividends	5,790
Other investment income	175
Total investment income (loss)	<u>(18,476)</u>
Investment expense	<u>(2,055)</u>
Net investment income (loss)	<u>(20,531)</u>
Total additions	<u>61,458</u>
Deductions:	
Pension benefits	63,578
Refunds of member contributions	1,946
Death benefits	322
Administrative expenses	1,437
DROP withdrawal	13,328
PLOP withdrawal	12,864
Transfers to other plans	15,028
Total deductions	<u>108,503</u>
Change in net position	(47,045)
Net position held in trust for pension benefits – beginning of year	450,340
Prior period adjustments (see Note 14)	<u>2,732</u>
Net position held in trust for pension benefits – beginning of year, as restated	<u>453,072</u>
Net position held in trust for pension benefits – end of year	<u>\$ 406,027</u>

See accompanying notes to basic financial statements.

CITY OF NEW ORLEANS, LOUISIANA

Combining Statement of Net Position

Component Units

December 31, 2015

(Amounts in thousands)

Assets	Audubon Commission	Louis Armstrong New Orleans International Airport	Sewerage and Water Board	Nonmajor Component Units	Total
Current assets:					
Cash and cash equivalents	\$ 1,318	10,523	93,616	55,976	161,433
Investments	—	67,663	—	—	67,663
Receivables (net of allowances for uncollectibles):					
Property taxes	—	—	8,044	442	8,486
Accounts	344	5,644	18,367	9,519	33,874
Accrued interest	—	—	—	56	56
Grants	—	—	52,808	—	52,808
Other	—	—	3,416	1,235	4,651
Due from other governments	—	242	—	3,225	3,467
Inventory of supplies	1,366	—	5,304	—	6,670
Prepaid expenses and deposits	720	422	1,379	3,207	5,728
Other assets	—	—	4,121	3,521	7,642
Total current assets	<u>3,748</u>	<u>84,494</u>	<u>187,055</u>	<u>77,181</u>	<u>352,478</u>
Restricted cash and investments:					
Customer deposits	—	—	11,179	3,921	15,100
Current debt service account	—	23,585	46,200	—	69,785
Future debt service account	307	82,646	—	261	83,214
Operation and maintenance account	—	8,136	—	—	8,136
Capital improvements	300	618,970	235,720	—	854,990
Health insurance reserve	—	—	1,868	—	1,868
Receivables	2,848	7,154	—	—	10,002
Other	—	7,885	—	1,517	9,402
Total restricted assets	<u>3,455</u>	<u>748,376</u>	<u>294,967</u>	<u>5,699</u>	<u>1,052,497</u>
Capital assets (net of accumulated depreciation)	<u>143,071</u>	<u>559,129</u>	<u>2,526,881</u>	<u>215,455</u>	<u>3,444,536</u>
Other assets	<u>8,221</u>	<u>4,052</u>	<u>51</u>	<u>13,956</u>	<u>26,280</u>
Total assets	<u>158,495</u>	<u>1,396,051</u>	<u>3,008,954</u>	<u>312,291</u>	<u>4,875,791</u>
Deferred Outflows of Resources					
Deferred amounts related to net pension liability	—	3,906	19,080	894	23,880
Unamortized loss on advance refunding	278	15,656	3,955	—	19,889
Total deferred outflows of resources	<u>278</u>	<u>19,562</u>	<u>23,035</u>	<u>894</u>	<u>43,769</u>
Total assets and deferred outflows of resources	<u>\$ 158,773</u>	<u>1,415,613</u>	<u>3,031,989</u>	<u>313,185</u>	<u>4,919,560</u>

See accompanying notes to basic financial statements.

(Continued)

CITY OF NEW ORLEANS, LOUISIANA

Combining Statement of Net Position

Component Units

December 31, 2015

(Amounts in thousands)

	Audubon Commission	Louis Armstrong New Orleans International Airport	Sewerage and Water Board	Nonmajor Component Units	Total
Liabilities					
Current liabilities (payable from current assets):					
Accounts payable	\$ 5,944	11,281	38,939	4,678	60,842
Retainages payable	—	—	8,320	—	8,320
Other payables and accruals	—	1,598	20,908	11,569	34,075
Due to other governments	—	3,113	21,943	4,388	29,444
Capital lease payable	344	5,531	—	—	5,875
Loans payable	—	—	4,422	—	4,422
Total current liabilities (payable from current assets)	6,288	21,523	94,532	20,635	142,978
Current liabilities (payable from restricted assets):					
Retainages payable	—	—	366	—	366
Capital projects payable	1,977	5,352	—	—	7,329
Accounts payable	—	—	—	—	—
Accrued interest	670	23,454	2,768	48	26,940
Limited tax bonds	3,245	—	—	—	3,245
Loans payable, current portion	1,341	2,019	—	—	3,360
Bonds payable, current portion	—	14,895	14,827	1,832	31,554
Deposits and other	—	—	—	25	25
Total current liabilities (payable from restricted assets)	7,233	45,720	17,961	1,905	72,819
Total current liabilities	13,521	67,243	112,493	22,540	215,797
Long-term liabilities:					
Claims payable	—	—	2,491	—	2,491
Capital lease payable	257	—	—	—	257
Customer deposits	—	—	11,179	—	11,179
Other postretirement benefits liability	—	—	67,579	—	67,579
Limited tax bonds (net of current portion)	17,937	—	—	—	17,937
Revenue bonds (net of current portion and unamortized discounts)	—	—	502,732	6,525	509,257
Refunding bonds (net of current portion and unamortized loss on advance refunding)	—	919,657	—	—	919,657
Loans payable	15,252	18,133	57,231	—	90,616
Net pension liability	—	15,059	76,967	4,115	96,141
Other	6,018	—	115,704	95,192	216,914
Total long-term liabilities	39,464	952,849	833,883	105,832	1,932,028
Total liabilities	52,985	1,020,092	946,376	128,372	2,147,825
Deferred Inflows of Resources					
Deferred revenue					
Deferred amounts related to net pension liability	—	894	23,706	663	25,263
Unavailable revenue	—	—	—	5,575	5,575
Total deferred inflows of resources	—	894	23,706	6,238	30,838
Net position					
Net investment in capital assets	105,781	108,924	2,009,323	118,307	2,342,335
Restricted for bond debt service	—	83,430	46,200	1,825	131,455
Restricted for capital improvements	—	130,721	235,720	—	366,441
Restricted for operating reserve	—	11,858	—	3,942	15,800
Unrestricted (deficit)	7	59,694	(229,336)	54,501	(115,134)
Total net position	\$ 105,788	394,627	2,061,907	178,575	2,740,897

See accompanying notes to basic financial statements.

CITY OF NEW ORLEANS, LOUISIANA

Combining Statement of Activities

Component Units

Year ended December 31, 2015

(Amounts in thousands)

	Program revenues				Net (expense) revenue and changes in net position				
	Expenses	Charges for services	Operating grants and contributions	Capital grants and contributions	Audubon Commission	Louis Armstrong New Orleans International Airport	Sewerage and Water Board	Nonmajor Component Units	Total
Component units:									
Audubon Commission	\$ 61,428	41,701	—	9,467	(10,260)	—	—	—	(10,260)
Louis Armstrong New Orleans International Airport	99,500	73,573	—	10,406	—	(15,521)	—	—	(15,521)
Sewerage and Water Board	230,729	174,256	3	131,899	—	—	75,429	—	75,429
Other nonmajor component units	102,072	62,469	16,650	2,354	—	—	—	(20,599)	(20,599)
Total component units	\$ 493,729	351,999	16,653	154,126	(10,260)	(15,521)	75,429	(20,599)	29,049
General revenues:									
Interest revenue					—	41	2,511	77	2,629
Property taxes					10,060	—	58,727	6,628	75,415
Passenger and customer facility charges					—	34,310	—	—	34,310
Other					6,625	(2,417)	—	21,139	25,347
Total general revenues					16,685	31,934	61,238	27,844	137,701
Changes in net position					6,425	16,413	136,667	7,245	166,750
Net position – beginning of year					99,363	378,838	1,925,240	175,314	2,578,755
Prior period adjustments					—	(624)	—	(3,984)	(4,608)
Net position – beginning, as restated					99,363	378,214	1,925,240	171,330	2,574,147
Net position – ending					\$ 105,788	394,627	2,061,907	178,575	2,740,897

See accompanying notes to basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2015

(1) Summary of Significant Accounting Policies

The basic financial statements of the City of New Orleans, Louisiana (the City) have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) for local governmental units as prescribed by the Governmental Accounting Standards Board (GASB). The most significant accounting and reporting policies of the City are described in the following notes to the basic financial statements.

The City was incorporated in 1805. The City's system of government was established by its Home Rule Charter, which became effective in 1954 and was amended effective January 1, 1996. The City operates under a Mayor-Council form of government and provides the following types of services as authorized by its charter: public safety, health and human services, public works, water and sewerage, urban development and housing, economic development, culture and recreation, airport, and general government services. Education and welfare are administered by other governmental entities.

Basis of Presentation – Financial Reporting Entity

The accompanying financial statements include financial statements for the City and certain legally separate organizations in accordance with Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34*. Organizations are included if the City is financially accountable for them and the relationship creates a financial benefit or burden for the City. An organization may also be included if the nature and significance of their relationship with the City is such that exclusion would cause the City's financial statements to be misleading or incomplete.

The City is financially accountable for an organization if it appoints a voting majority of the organization's governing body and is able to impose its will on that organization. An organization can provide a financial benefit to, or impose a financial burden on, the City in a variety of ways. The benefit or burden may result from legal entitlements or obligations, or it may be less formalized and exist because of decisions made by the City or agreements between the City and a component unit.

Component Units

In conformity with GAAP, the financial statements of component units have been included in the financial reporting entity either as blended component units or discretely presented component units. Each blended and discretely presented component unit has a December 31 year-end.

Complete financial statements of the following individual discretely presented component units can be obtained from their administrative offices:

Audubon Commission
6500 Magazine Street
New Orleans, Louisiana, 70118

Canal Street Development Corporation
1111 Canal Street, Suite 400
New Orleans, Louisiana 70112

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2015

Downtown Development District
201 St. Charles Avenue, Suite 3912
New Orleans, Louisiana 70170

French Market Corporation
1008 N. Peters Street, 3 floor
New Orleans, Louisiana 70116

Louis Armstrong New Orleans International Airport
New Orleans Aviation Board
P.O. Box 20007
New Orleans, Louisiana 70141

New Orleans Municipal Yacht Harbor
Management Corporation
401 North Roadway
New Orleans, Louisiana 70124

New Orleans Building Corporation
1340 Poydras Street, Suite 1000
New Orleans, Louisiana 70112

New Orleans Tourism Marketing Corporation
2020 St. Charles Avenue
New Orleans, Louisiana 70130

Orleans Parish Communication District
118 City Park Avenue
New Orleans, Louisiana 70119

Orleans Parish Hospital Service District A
5620 Read Boulevard
New Orleans, Louisiana 70127

Sewerage and Water Board
625 St. Joseph Street
New Orleans, Louisiana 70165

Blended Component Units

Blended component units, although legally separate entities, are, in substance, part of the City's operations, as they provide services exclusively or almost exclusively for the City. The following is a description of those legally separate component units for which the City is financially accountable that are blended with the primary government because they are, in substance, part of the government's operations. Blended means the data from these units are combined with data of the primary government.

Board of Liquidation, City Debt (The Board) – The Board is a separate legal entity and is included (blended) in the operations of the debt service fund and governmental activities of the City because it handles all matters relating to the bonded debt of the City.

In addition, the following component units are reported as pension trust funds:

Employees' Retirement System of the City of New Orleans (NOMERS) – NOMERS is a separate legal entity established by City ordinance to provide pension benefits for substantially all City employees, except police officers and fire fighters. NOMERS is presented as a pension trust fund because NOMERS serves the employees of the City. The net position of NOMERS is held for the sole benefit of the participants and is not available for appropriation.

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2015

Firefighters' Pension and Relief Fund (FPRF) – FPRF is a separate legal entity established by State law to provide pension benefits for City firefighters. FPRF is presented as a pension trust fund. The Old System covers firefighters who were employed prior to December 31, 1967; the New System covers firefighters hired since that date. The net position of FPRF is held for the sole benefit of the participants and is not available for appropriation.

Police Pension Fund – The Police Pension Fund (old plan) for the police department of the City of New Orleans was for pensioning all officers, members, and employees of the police department, their widows, children, and widowed mothers. The board of trustees administers, manages, operates, and controls the police pension fund of the City of New Orleans. Effective March 6, 1983, all members of the Police Plan, active and retired, except for approximately 250 participants who did not meet the eligibility requirements, became members of the Municipal Police Employees' Retirement System (State of Louisiana) (MPERS).

Discretely Presented Component Units

Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize their legal separateness from the City.

The following are the City's discretely presented component units:

Discretely Presented Component Units	Brief Description of Activities, Relationship to City, and Key Inclusion Criteria
<i>Louis Armstrong New Orleans International Airport (the Airport)</i>	Local government corporation established in 1943 by the City to provide for the operation and maintenance of the Airport. The Board consists of nine members appointed by the Mayor of the City with approval of the City Council. The City of Kenner, Louisiana and the Parish of St. Charles, Louisiana each have input as to the selection of one board member. The City has financial accountability because it appoints a voting majority of the Board, and the City can impose its will.
<i>Downtown Development District</i>	Local government corporation created by Act 498 of 1974 and amended and reenacted by Act 124 of 1977 of the State of Louisiana Legislature, effective January 1, 1975. The District is a special taxing district designated "the Core Area Development District of the City of New Orleans," later renamed the Downtown Development District of the City of New Orleans, comprising all the territory within prescribed boundaries. The Board of Directors is composed of 11 members for governance of the District. The City has financial accountability because it appoints a voting majority of the Board and the City can impose its will.

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2015

Discretely Presented Component Units	Brief Description of Activities, Relationship to City, and Key Inclusion Criteria
<i>Sewerage and Water Board</i>	A local government corporation created by the City through Act 6 of the Louisiana Legislature of 1899 as a special board independent of the City's government to construct, maintain, and operate a water treatment and distribution system and a public sanitary sewerage system for the City. In accordance with Louisiana Revised Statutes (LRS) 33:4096 and 4121, the Board has the authority to establish the water and sewerage rates to charge to its customers. The board is composed of 11 members, including the Mayor of the City as the President of the Board, two members of the Board of Liquidation, City Debt and eight citizens, as designated by the State statutes. The terms of office are staggered from one year to four years, as designated by State statutes. The City has financial accountability because it appoints a voting majority of the Board, and the City can impose its will.
<i>Audubon Commission (the Commission)</i>	The Commission was created by the Louisiana Legislature to manage and operate its facilities consisting of nine museums and parks dedicated to celebrating the wonders of nature, with goals of fostering education, research, wildlife conservation, family entertainment, and positive economic impact. The Commission has a 24-member board appointed by the Mayor. Each member serves a six-year term, with four members' terms expiring each year. The City has financial accountability because it appoints a voting majority of the Board and the City can impose its will.
<i>New Orleans Municipal Yacht Harbor Management Corporation</i>	Local corporation formed by the City to operate the Municipal Yacht Harbor in the manner comparable to that of a private business enterprise; to provide a safe and secure environment for recreational boating; to ensure that the cost associated with providing services to the general public are financed or recovered through user fee and charge; and to place an emphasis on generating a sufficient amount of net operating revenues to be used for maintenance and capital improvement projects. The Municipal Yacht Harbor is administered by a Board of Directors consisting of 11 members, 9 of which are appointed by the Mayor, subject to City Council approval, and are voting members. The City has financial accountability because it appoints a voting majority of the Board and the City can impose its will.

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2015

Discretely Presented Component Units	Brief Description of Activities, Relationship to City, and Key Inclusion Criteria
<i>New Orleans Tourism Marketing Corporation</i>	<p>A local government corporation created by the City on January 1, 1990. Its objectives and purposes are to continuously stimulate the hospitality and tourism industry of the City of New Orleans through regional, national, and international advertising and marketing of the City of New Orleans as a tourist and convention site and a vacation destination; to stimulate economic development in the City of New Orleans through the marketing and solicitation of conventions and trade shows throughout the U.S. and the World; and to advance, promote, and maintain tourism and trade in the City of New Orleans through marketing activities directed at the discretionary tourist or traveler through advertising, direct mailing, or other means. A 15-member Board of Directors is appointed in various ways. The City has financial accountability because it appoints a voting majority of the Board, and the City can impose its will.</p>
<i>French Market Corporation</i>	<p>Local government corporation formed January 1, 1972 by the City to provide for the operation and maintenance of the French Market Properties owned by the City of New Orleans. These properties include five buildings and the Farmers Market. The French Market is a nonprofit corporation that is owned by the City and administered by a board of directors consisting of 12 members appointed by the Mayor. On March 17, 2014, the Upper Pontalba Building Corporation (the Upper Pontalba), a Louisiana Public Benefit Corporation, organized on July 14, 1988 merged into the French Market Corporation. Prior to the merger, the Upper Pontalba's operational purpose was to renovate and operate the Upper Pontalba Building, a four-story residential and commercial (64 unit space facility) located in the French Quarter. As a result of the approved and certified merger, the Market and the Upper Pontalba became one corporation, which the Market was the surviving corporation and the Upper Pontalba ceased to exist. As the surviving corporation, the Market possessed all the rights, privileges and franchises it previously possessed, as well as, those possessed by the Upper Pontalba. Additionally, all property and assets and debts of the Upper Pontalba transferred to and vested in the Market. The Market is responsible for all liabilities and obligations of the Upper Pontalba. The City has financial accountability because it appoints a voting majority of the Board and the City can impose its will.</p>

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2015

Discretely Presented Component Units	Brief Description of Activities, Relationship to City, and Key Inclusion Criteria
<i>Canal Street Development Corporation</i>	Nonprofit, public benefit corporation incorporated on August 8, 1989 under the Internal Revenue Code Section 501(c)(3) for the sole and exclusive purpose of stimulating business development in the Central Business District and the adaptive reuse and development of Canal Street for commercial purposes. This objective is currently being met through renovations and the leasing of donated real estate and economic development endeavors. The corporation's board of directors is comprised of three Councilmen from the City Council and eight other board members who are appointed by the Mayor of the City. The City has financial accountability because it appoints a voting majority of the Board and the City can impose its will.
<i>New Orleans Building Corporation</i>	Nonprofit, public benefit corporation, incorporated in the State of Louisiana on May 4, 2000 for the purpose of owning, leasing, developing and operating properties owned by the City of New Orleans or by the Corporation. The organization's board of directors is comprised of the Mayor of the City, three Council members of the City of New Orleans, and three appointed positions. The City has financial accountability because it appoints a voting majority of the Board and the City can impose its will.
<i>Orleans Parish Communication District</i>	The Orleans Parish Communication District, comprising of Orleans Parish, was created effective July 13, 1982, pursuant to Act No. 155 of the 1982 Regular Session of the Louisiana Legislature. The district was created for the purpose of establishing a local emergency telephone service; to establish a primary emergency telephone number; to provide for the governing body of the District; and to authorize the governing authority of such district to levy an emergency telephone tax. This act was amended by Act No. 1029 in 1999 to provide for the creation of multi-parish communications districts; to provide information relative to the rate of the emergency telephone service charge on landline phones; and to authorize the levy of an emergency telephone service charge on certain wireless communications systems. The City has financial accountability because it appoints a voting majority of the Board and the City can impose its will.

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2015

Discretely Presented Component Units	Brief Description of Activities, Relationship to City, and Key Inclusion Criteria
<i>Orleans Parish Hospital Service District A</i>	Louisiana hospital service district was created effective July 5, 2006, pursuant to Act No. 830 of the 2006 Regular Session of the Louisiana Legislature. The district was created for the purpose of studying the feasibility of building or acquiring and operating hospital facilities within the District. The district is divided into two areas: (a) Orleans Parish east of the Industrial Canal and (b) all of Orleans Parish except the geographical areas of the Industrial Canal and the area of Orleans Parish bounded by Earhart Boulevard, Carrollton Avenue, Loyola Avenue, and Iberville Street. The two areas of the district are governed by separate governing boards consisting of thirteen commissioners each. The Chief Executive Officer of Orleans Parish appoints seven members of each board. The City has financial accountability because it appoints a voting majority of the Board, and the City can impose its will.

Related and Jointly Governed Organizations

Related organizations and jointly governed organizations provide services within the City that are administered by separate boards or commissions, for which the City is not financially accountable, and such organizations are, therefore, not reported as component units of the City even though the Mayor and/or the City Council may appoint a voting majority of an organization's board.

Related Organizations

For the following organizations, the Mayor and/or the City Council appoints a voting majority of the members of the respective boards.

- Housing Authority of New Orleans
- Finance Authority of New Orleans
- New Orleans Redevelopment Authority
- Public Belt Railroad Commission
- Regional Transit Authority

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2015

Jointly Governed Organizations

The City is a participant in other jointly governed organizations. The Mayor and/or the City Council appoints members of the boards for the following organizations. Such appointments represent less than a voting majority of the respective boards. There is no ongoing financial interest or ongoing financial responsibility for these entities.

New Orleans Regional Loan Corporation
New Orleans City Park Improvement Association
New Orleans Exhibition Hall Authority
Regional Planning Commission

Basis of Presentation – Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City and its component units. Activity for the City and its discretely presented component units are reported separately in the government-wide financial statements. All fiduciary activities are reported only in the fund financial statements. The effect of interfund activity has been eliminated in these statements.

Governmental activities are supported in part by property taxes, sales taxes, franchise taxes, charges for services, and grant revenues from the federal government and the State of Louisiana.

The statement of activities reports the change in the City's net position from January 1, 2015 to December 31, 2015. This statement demonstrates the degree to which the direct expenses of a given function of government are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function of City government. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues in the statement of activities.

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The identification of major funds is determined by the City each year under the methods outlined in GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – of State and Local Governments*, as amended by GASB Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – of State and Local Governments: Omnibus GASB Statements*.

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2015

Governmental Funds

Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use, and balances of the City's expendable financial resources, and the related liabilities are accounted for through governmental funds. The following are the City's major governmental funds:

- (a) **General Fund** – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in other funds.
- (b) **HUD Fund** – This special revenue fund is used to account for funding from the Department of Housing and Urban Development (HUD). Some of the major initiatives are Community Development Block Grants (CDBG), HOME Investment Partnership Act Program (HOME), Emergency Shelter Grant (ESG) Program, and Housing Opportunities for Persons with HIV/AIDS (HOPWA).
- (c) **Federal UDAG Fund** – This special revenue fund accounts for grants received from the Department of HUD for the purpose of providing loans to the private sector for completion of projects that will stimulate economic development activity in the City.
- (d) **FEMA Fund** – This special revenue fund accounts for grants received from the Federal Emergency Management Agency (FEMA) for hurricane relief efforts.
- (e) **Debt Service Fund** – The debt service fund is used to account for the accumulation of resources for, and the payment of, general obligation bonds, limited tax bonds, and revenue bonds, including debt principal, interest, and related costs.
- (f) **Capital Projects Fund** – The capital projects fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by trust funds).
- (g) **Louisiana Office of Community Development Fund** – This special revenue fund accounts for Disaster Community Development Block Grants received from the Louisiana Office of Community Development (LCD) to assist the City in recovery from the effects of Hurricane Katrina and Hurricane Gustav.

Fiduciary Fund Types

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, and other governmental units. These include the following:

- (a) **Pension Trust Funds** – account for the accumulation of resources for pension benefit payments to qualified employees.
- (b) **Agency Funds** – are custodial in nature and do not involve measurement of results of operations.

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2015

Basis of Accounting-Measurement Focus

Government-Wide Financial Statements (GWFS)

The statement of net position and the statement of activities include all the financial activities of the City, except for the fiduciary funds, and its component units.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Fund Financial Statements

All governmental funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Their reported fund balances are considered a measure of "available spendable resources." Governmental fund statement of revenues, expenditures, and changes in fund balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period. Under the modified accrual basis of accounting, revenues are recorded when considered both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The City considers amounts collected within sixty days after year-end to be available and recognizes them as revenues of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to principal and interest on long-term debt, claims, judgments, landfill post-closing costs, and compensated absences are recognized when matured (i.e., due and payable).

The following types of revenues are susceptible to accrual under the modified accrual basis of accounting: delinquent property taxes (including penalty and interest); services billed to other funds; sales tax; franchise fees; investment earnings; and grants. Intergovernmental revenues from reimbursable grants and capital projects are recognized when all eligibility requirements have been met and amounts are considered available. Non-current portions of certain long-term receivables, primarily property taxes and special assessments, are reported on the balance sheet of governmental funds in spite of their spending measurement focus. Special reporting treatments are used to indicate that they should not be considered "available spendable resources," since they do not represent net current assets. Recognition of governmental fund type revenues represented by noncurrent receivables is deferred until they become available.

Licenses and permits, certain charges for services, fines, and forfeitures, and miscellaneous other revenues are recorded as revenues when received in cash because they are generally not measurable or available until actually received.

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2015

Pension Trust and Agency Funds

Pension trust funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Their revenues are recognized when earned, and their expenses are recognized when incurred. Agency funds use the accrual basis of accounting, but do not involve the measurement of operations.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The current economic environment has increased the degree of uncertainty inherent in those estimates and assumptions.

Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments are stated at fair value (generally based on quoted market prices) except for the position in the Louisiana Asset Management Pool (LAMP). LAMP operates in conformity with all of the requirements of the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended. Accordingly, the LAMP qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. The Pool is subject to regulatory oversight by the State of Louisiana, although it is not registered with the SEC.

Accounts Receivable

Property tax receivables of \$22,450,000 and grantee loan receivables of \$16,520,000 are shown net of an allowance of uncollectible amounts of \$18,977,000 and \$15,978,000, respectively. An allowance for estimated uncollectible accounts receivable is established at the time information becomes available, which would indicate the uncollectibility of the particular receivable.

Capital Assets

Capital assets (i.e., land, buildings, equipment, and improvements other than buildings), which include the City's infrastructure, and construction in progress are stated at historical cost or estimated historical cost if historical cost is not known. Donated capital assets are recorded at their fair value on the date donated. An item is classified as an asset if the initial individual cost is \$5,000 or greater. Capital assets of the City are reported in the government-wide financial statements but not in the governmental fund financial statements. Assets subject to depreciation are depreciated using the straight-line method over estimated useful lives.

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2015

Additions and improvements that significantly extend the useful life of an asset are capitalized. Repairs and maintenance costs are expensed as incurred.

The City reviews the carrying value of its capital assets to determine if circumstances exist indicating impairment in the carrying value of capital assets. If facts or circumstances support the possibility of impairment, management follows guidance in GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. If impairment is indicated, an adjustment will be made to the carrying value of the capital assets. No impairment was recorded in 2015.

The estimated useful lives (in years) of all depreciable assets are as follows:

Buildings and improvements	20 – 40
Equipment and vehicles	5 – 10
Infrastructure	25 – 50
Other	5 – 15

Fully depreciated capital assets are included in the capital asset accounts until their disposal. The cost of assets sold or retired and the related amounts of accumulated depreciation are eliminated from the accounts in the year of sale or retirement, and any resulting gain or loss is recorded in the financial statements.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The deferred loss on bond refunding reported in the government-wide statement of net position results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. See Note 7 for more information regarding deferred outflows of resources related to the net pension liability.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The deferred gain on bond refunding reported in the government-wide statement of net position results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The City received prepayments of property taxes levied for the subsequent year. These amounts are deferred and will be recognized as revenue in the subsequent year. In addition, the City has a type of deferred inflows which arises only under the modified accrual basis of accounting. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. See Note 7 for more information regarding deferred inflows of resources related to the net pension liability.

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2015

Annual and Sick Leave

All full-time classified employees of the City hired prior to January 1, 1979 are permitted to accrue a maximum of 90 days of vacation (annual leave) and an unlimited number of days of sick leave (accumulated at a maximum of 24 days per year). Employees hired after December 31, 1978 may accrue a maximum of 45 days of annual leave and an unlimited number of days of sick leave. Upon termination of employment, an employee is paid for accrued annual leave based upon his or her current hourly rate of pay and for accrued sick leave on a formula basis. If termination is the result of retirement, the employee has the option of converting accrued leave to additional days of service.

For governmental funds, annual and sick leave expenditures are recorded when due and payable. All vacation and sick leave is accrued when earned at the government-wide level.

Litigation

Claims and judgments are recognized in the governmental funds as expenditures when due and payable. Therefore, claims and judgments that are due and payable would be expected to be liquidated with expendable available financial resources. To the extent that claims and judgments mature prior to December 31, 2015, and are payable from current financial resources, they are accrued at December 31, 2015. Other liabilities not expected to mature as of December 31, 2015 are reported as liabilities in the government-wide financial statements. Estimates of claims and judgment liabilities (both incurred and reported and incurred but not reported) are made through a case-by-case review of all claims and the application of historical experience to the outstanding claims.

Net Position

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of borrowings for capital asset acquisition, construction, or improvement of those assets, increased by deferred outflows of resources attributable to capital asset acquisition, construction or improvement, and deferred inflows of resources attributable to either capital asset acquisition, construction, or improvement or to capital asset related debt. Capital-related debt or deferred inflows equal to unspent capital asset related debt proceeds or deferred inflows of resources is included in calculating either restricted or unrestricted net position, depending upon whether the unspent amounts are restricted.

Restricted net position is when there are limitations imposed on their use by external parties such as creditors, grantors, laws or regulations of other governments. Restricted net position consists of restricted assets less liabilities related to restricted assets less deferred inflows related to restricted assets. Liabilities and deferred inflows related to restricted assets include liabilities and deferred inflows to be liquidated with restricted assets and arising from the same resource flow that results in restricted assets. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Unrestricted net position is the balance (deficit) of all other elements in a statement of net position remaining after net investment in capital assets and restricted net position.

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2015

Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). In the governmental fund financial statements, fund balances are classified as follows:

- (a) Non-Spendable Fund Balance - amounts that cannot be spent either because they are in a non-spendable form (such as prepaid expenses) or because they are legally or contractually required to be maintained intact.
- (b) Restricted Fund Balance - amounts constrained to specific purposes by their providers (such as grantor, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- (c) Committed Fund Balance - amounts constrained to specific purposes by a government itself, using its highest level of decision making authority by a vote of the City Council; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint. Committed fund balance includes amounts set aside for budget stabilization in the City's annual adopted operating budget. The General Fund will have two fund balance goals: an unreserved fund balance account and an emergency reserve account. The target level for the unreserved fund balance is two percent of the expenditures in the adopted budget. The target level for the emergency reserve account is eight percent of the expenditures in the adopted budget. The emergency reserve will only be used for natural disasters, revenue shortfalls as recognized by the Revenue Estimating Conference, and other major emergencies that disrupt revenue sources or require substantial unanticipated expenses to address. Once the unreserved fund balance account is funded at its target level, any additional unanticipated General Fund revenue will be used to fund the emergency reserve account, at a rate of two percentage points per year until it reaches its target level. If drawn upon, the emergency reserve account will be replenished in subsequent years.
- (d) Assigned Fund Balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governmental body delegates the authority such as the City and its management. All encumbered contracts or outstanding obligations made by the City at year-end that are not part of restricted or committed fund balance will be shown as assigned fund balance
- (e) Unassigned Fund Balance - all amounts not included in other spendable classifications.

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2015

Fund Balance Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

(2) Deposits and Investments

Deposits. The City's deposits are subject to and maintained in accordance with the State of Louisiana's Constitutional Revised Statutes (Revised Statutes). Under the Revised Statutes, all deposits exceeding the amount insured by the FDIC are to be fully collateralized with specific approved securities designated therein valued at 102% of the deposits. The eligible collateral pledged are held in custody by any Federal Reserve Bank, or branch thereof or an independent third party with whom the City has a current custodial agreement. All collateral held must be clearly marked, indicating evidence of ownership (safekeeping receipt). Deposits collateralized under the Revised Statutes are considered collateralized with securities held by the pledging financial institutions trust department or agent in the "City's name."

At December 31, 2015, the carrying amount of the City's deposits was \$184,234,000, including \$131,482,000 reported in the governmental funds and \$52,752,000 reported in the fiduciary funds.

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it under state law. At December 31, 2015, the City's bank balances totaled \$180,567,000. The City has not experienced any losses resulting from bank failure and does not believe it is exposed to any significant credit risk relating to its cash balances. These bank deposits were completely secured by federal depository insurance or the pledge of securities held by the pledging banks agent in the City's name at December 31, 2015.

Investments. The City's investment policy states its primary objectives, in priority order, of investment activities shall be:

Safety: Safety/security of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

Liquidity: The City investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements that might be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity).

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2015

Return on Investments: The investment portfolio shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with investment risks constraints and the cash flow characteristics of the portfolio. Return on investments shall be secondary to the safety and liquidity objectives described above. The core of investments is limited to qualified, relatively low-risk securities in anticipation of earning a fair return relative to the risk being assumed.

The City's investment policy applies to all investment activities of the City under the control of the Director of Finance, including management of certain investments related to governmental and agency funds. All deposits and investments shall be made with a qualified public depository or dealer. Broker/Dealers are selected by their credit worthiness and must be authorized to provide investment services in the state of Louisiana. These may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule).

The City's policy also requires, to the extent possible, diversification of its investments by security type and institution. With the exception of U.S. Treasury securities, bank certificates of deposit (as limited by R.S.39:1242d), and authorized pools, no more than 25% of the City's total investment portfolio will be invested in a single security type or with a single financial institution. This diversification is required in order that potential losses on individual securities do not exceed the income of the remainder of the portfolio. Deviation from expectations will be reported in a timely manner and appropriate action taken to control adverse risks.

The City invests monies with the Louisiana Asset Management Pool (LAMP). LAMP is administered by LAMP Inc., a nonprofit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955. LAMP, Inc. is subject to the regulatory oversight of the State Treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

LAMP is a 2a7- like investment pool. The following facts are relevant for 2a7 like investment pools:

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments is 43 as of December 31, 2015.
- Foreign currency risk: Not applicable to 2a7 -like pools.

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2015

The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

The City follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, which requires the adjustments of the carrying values of investments to fair value, which is based on available market values. The Local Government Investment Pool is a “2a7-like” pool in accordance with GASB Statement No. 31; therefore, it is not presented at fair value but at its actual pooled share price, which approximates fair value.

At December 31, 2015, the City’s market value of investments was as follows (amounts in thousands):

	<u>Governmental</u>	<u>Agency</u>	<u>Pension Trust</u>	<u>Total</u>
LAMP	\$ 9,684	\$ 17,976	\$ -	\$ 27,660
Money market	149,184	-	-	149,184
U.S. Agency securities	59,702	-	94,718	154,420
U.S. Treasury Bills	8,538	-	-	8,538
Stock and mutual funds	-	-	174,871	174,871
Real estate and real estate funds	-	-	22,511	22,511
Invested in corporations, partnerships, and limited liability corporations	-	-	28,335	28,335
Invested in hedge funds, private equity funds, and fund of funds	-	-	32,653	32,653
Notes receivable	-	-	3,235	3,235
Other	-	-	7,165	7,165
Cash equivalents	-	-	40,885	40,885
Total investments	<u>\$ 227,108</u>	<u>\$ 17,976</u>	<u>\$ 404,373</u>	<u>\$ 649,457</u>

Interest Rate Risk – Interest rate risk is the risk that changes in the financial market rates of interest will adversely affect the value of an investment. The City manages interest rate risk for investments under the control of the City by limiting the maximum maturity of investments in accordance with their investment policy. As stated in its investment policy, the City will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, cash will not be invested in securities maturing more than three years from the date of purchase. At December 31, 2015, the governmental and fiduciary funds, investment balances and maturities for those investments were as follows (amounts in thousands):

	<u>Investment maturity in years</u>	
	<u>Total</u>	<u>Less than one year</u>
LAMP	\$ 27,660	\$ 27,660
Money market	149,184	149,184
U.S. Agency Securities	59,702	59,702
U.S. Treasury Bills	8,538	8,538
Total investments	<u>\$ 245,084</u>	<u>\$ 245,084</u>

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2015

At December 31, 2015, the Firefighters' Pension Trust Fund's investment balances and maturities for those investments subject to interest rate risk were as follows (amounts in thousands):

	Investment maturity in years			
	Total	Less than one year	1 – 5	More than 10
Notes receivable	\$ 3,235	\$ 2,865	\$ -	\$ 370

At December 31, 2015, the Municipal Employees' Pension Trust Fund's investment balances and maturities for those investments subject to interest rate risk were as follows (amounts in thousands):

	Investment maturity in years				
	Total	Less than one year	1 – 5	6 – 10	More than 10
Mortgage Backed Securities	\$ 3,652	\$ -	\$ 398	\$ 82	\$ 3,172
Commercial Mortgage Backed Securities	899	287	-	177	435
Government Bonds	9,271	3,220	4,714	1,078	259
Treasury Bills	2,064	2,064	-	-	-
	<u>\$ 15,886</u>	<u>\$ 5,571</u>	<u>\$ 5,112</u>	<u>\$ 1,337</u>	<u>\$ 3,866</u>

Credit Quality Risk – Credit quality risk is the risk that the issuer or other counterparty to a debt security will not fulfill its obligation to the City. The City does not have a policy statement concerning credit quality risk in its investment policy. National rating agencies assess this risk and assign a credit quality rating for most investments. Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not assigned credit quality ratings. Credit quality ratings are reported on obligations of U.S. government agencies not explicitly guaranteed by the U.S. government. LAMP has been rated AAA by Standard & Poor's Corporation.

The following table provides information on the credit ratings associated with the Municipal Employees' Pension Trust Fund's investments in debt securities at December 31, 2015 (amounts in thousands):

Asset Category	Rating	Market Value
Commercial Mortgage Backed Securities	AAA	\$ 256
Commercial Mortgage Backed Securities	AA+	643
Government Bonds	AA+	9,271
Mortgage Backed Securities	AA+	3,652
Treasury Bills	A-1+	2,064
Short Term Investment Fund	Not rated	12,004
		<u>\$ 27,890</u>

The Firefighters' pension trust fund's investment policy allows for investment in publicly-traded debt securities rated at or above Baa by Moody's and BBB by Standard and Poor's at time of purchase. At December 31, 2015, \$6,854,000 of the New System's cash equivalents were rated Aaa by Moody's. At December 31, 2015, \$18,097,000 of the Old System's cash equivalents were rated Aaa by Moody's.

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2015

Custodial Credit Risk – Custodial credit risk for investments is the risk that, in the event of a failure, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments are exposed to custodial credit risk if they are uninsured, are not registered in the City’s name, and are held by either the counterparty to the investment purchase or the counterparty’s trust department or agent but not held in the City’s name. The investments of the City and Municipal Employees’ pension trust fund’s investments owned at December 31, 2015 were not subject to custodial credit risk.

The City has no formal investment policy regarding custodial credit risk.

Concentration of Credit Risk – The City’s investment policy does not allow for more than 25% of the total investment portfolio to be invested in a single security type with the exception of U.S. Treasury securities, bank certificates of deposit, and authorized pools. As of December 31, 2015, the City was in compliance with this policy. All of the City’s governmental fund investments are issued or explicitly guaranteed by the U.S. government or are held in LAMP and are not subject to concentration of credit risk.

The Municipal Employees’ pension trust fund’s investment policy mandates the maximum limits on position held with each assets class as follows: equities (40%-65%), fixed income (15%-25%), real estate (0%-10%), alternative investments (10%-30%), and cash equivalents (0%-10%). As of December 31, 2015, the Municipal Employees’ pension trust fund investments were in compliance with this policy.

The Firefighter’s Pension and Relief Fund’s investment policy states that no more than 25% of the equity portfolio market value may be invested in any single industry at the time of purchase. In addition, no more than 5% of total fund assets at market may be invested in any one issuer’s securities (exclusive of issues of the U.S. Treasury or other federal agencies). The Firefighter’s Pension and Relief Fund was in compliance with the concentration of risk investment policy during the year ended December 31, 2015.

(3) Tax Revenues

At December 31, 2015, the total sales tax levied in the City is 9%, of which 4% is state sales tax, 1.5% is levied by the Orleans Parish School Board (the School Board), and 1% is dedicated for transportation and is levied by the Regional Transit Authority (RTA). The remaining 2.5% is used to fund the general operations of the City. The City administers and collects the entire 5% of local sales tax. The School Board’s portion of the sales tax is accounted for in the Orleans Parish School Board sales tax clearing fund, and the RTA’s portion of the sales tax is accounted for in the RTA sales tax clearing fund, both of which are agency funds.

The City levies a tax on real and personal property. Portions of these property taxes are dedicated for fire and police protection services and the public library system. Taxes on real and personal property are levied on January 1 of the assessment year based upon the assessed value as of the prior August 15. However, before the tax can be levied, the tax rolls must be submitted to the State Tax Commission for approval. Taxes are due and payable on January 1, the date on which an enforceable lien attaches on the property, and are delinquent on February 1.

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2015

The assessed value of property in the City for each year is determined by an elected Board of Assessors. It is then certified by the Louisiana Tax Commission as complying with the Louisiana Constitution of 1974. The City is permitted by the Louisiana statutes to levy taxes up to \$40.01 per \$1,000 of assessed valuation for the general fund (including library). The Board of Liquidation is permitted to levy taxes in unlimited amounts for the payment of principal and interest on general obligation bonds of the City.

Property tax levies per \$1,000 of assessed valuation accounted for within the funds of the City (primary government only) for the year ended December 31, 2015 are as follows:

General:

General governmental services	\$	13.91
Dedicated for fire and police		6.40
Public library		3.14
Fire and police, without applying homestead exemption		10.47
Parkways and parks and recreation department		3.00
Street and traffic control device maintenance		1.90
Act 44		1.19
Special revenue:		
Neighborhood housing improvement fund		0.91
New Orleans economic development fund		0.91
Capital improvement and infrastructure		1.82
Debt service		25.50
	\$	<u>69.15</u>

Property taxes levied on January 1, 2015, collected during 2015, or expected to be collected within the first 60 days of 2016, are recognized as revenues in the statement of revenues, expenditures, and changes in fund balances – governmental funds. The entire estimated collectible amount of the tax levy for the fiscal year is recorded as revenue in the government-wide financial statements. Property taxes paid under protest are held in escrow until resolution of the dispute. Amounts collected for other governmental entities are accounted for in the agency funds.

(4) Grantee Loans

The City's grantee loan balances at December 31, 2015 are as follows (amounts in thousands):

	<u>Gross</u>	<u>Allowance</u>	<u>Net</u>
UDAG	\$ 7,706	\$ (7,164)	\$ 542
HUD	8,814	(8,814)	-
Total grantee loans	<u>\$ 16,520</u>	<u>\$ (15,978)</u>	<u>\$ 542</u>

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2015

(a) UDAG

The City has received certain grant awards or loans from the HUD for the purposes of providing loans to the private sector for completion of projects that will stimulate economic development activity in the City. Fifteen individual loans are outstanding at December 31, 2015 totaling \$7,706,000, which bear interest at rates ranging from 0.1% to 7.0%. These loans are receivable over a 10- to 30-year period. Once loan repayments are received and the project is accepted by HUD, the City may use the amounts received for other allowable economic development activities specified in the grant agreement. The City has recorded \$7,164,000 in allowance for bad debt on these loans.

The City received a Section 108 loan from HUD to allow/provide loans to the private sector for economic development. At December 31, 2015, there were two outstanding loans which bear interest at rates of 2% to 7.87% and are receivable over 15 to 30 years.

(b) HUD Section 108

The City received a HUD Section 108 loan to allow or provide loans to the private sector for economic development.

During 1998, HUD agreed to loan to the City \$24,375,000 for the development of the Jazzland Theme Park. These funds were subsequently loaned to Jazzland, Inc. (Jazzland) and were due from Jazzland in bi-annual installments plus 7.87% interest. During 2001, Jazzland failed to remit to the City a required payment and was in default on its loan as of December 31, 2001. On February 28, 2002, Jazzland filed for bankruptcy under Chapter 11 of the United States Bankruptcy Code. As a result, the City wrote off its remaining receivable from Jazzland. In 2002, Six Flags Theme Park, Inc. assumed management of Jazzland, and the theme park was renamed "Six Flags New Orleans." Six Flags had agreed to make monthly lease payments of \$116,667 to the Industrial Development Board (IDB), which in turn, would transfer the money to the City. The lease expires in 2017. These monies are to be used by the City to repay the HUD loan. Annual debt service on the loan is \$2,400,000 through 2017. The outstanding balance at December 31, 2015 is \$8,814,000. No payments were received during the year ended December 31, 2015. The City has recorded \$8,814,000 in allowance for the remaining balance on this loan.

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2015

(5) Capital Assets

A summary of changes in capital assets of governmental activities (amounts in thousands) is as follows:

	Balance January 1, 2015	Additions	Deletions	Transfers	Balance December 31, 2015
Nondepreciable capital assets:					
Land	\$ 94,474	\$ -	\$ -	\$ -	\$ 94,474
Construction in progress	396,705	107,356	-	(96,652)	407,409
Total nondepreciable capital assets	491,179	107,356	-	(96,652)	501,883
Depreciable capital assets:					
Infrastructure	2,594,250	5,209	-	(3,987)	2,595,472
Buildings and improvements	422,462	80,944	-	3,987	507,393
Equipment and vehicles	104,231	11,628	(47)	-	115,812
Other	40,492	-	-	-	40,492
Total depreciable capital assets	3,161,435	97,781	(47)	-	3,259,169
Less accumulated depreciation for:					
Infrastructure	1,820,222	60,643	-	(322)	1,880,543
Buildings and improvements	123,287	19,147	-	322	142,756
Equipment and vehicles	88,515	5,309	(47)	-	93,777
Other	31,537	1,307	-	-	32,844
Total accumulated depreciation	2,063,561	86,406	(47)	-	2,149,920
Total depreciable capital assets, net	1,097,874	11,375	-	-	1,109,249
Total	\$ 1,589,053	\$ 118,731	\$ -	\$ (96,652)	\$ 1,611,132

Depreciation expense was charged to functions/programs of the primary government as follows (amounts in thousands):

General government	\$ 21,802
Public safety	2,654
Public works	60,643
Culture and recreation	1,307
Total depreciation expense	\$ 86,406

(6) Long-Term Debt

Debt Service Fund

The City's debt service fund includes the Board, City Debt (the Board of Liquidation), an autonomous, self-perpetuating board created under the State of Louisiana Constitution of 1974. All property taxes levied

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2015

by the City and dedicated to the payment of outstanding general obligation bonds are collected by the City and, as required by law, paid over to the Board of Liquidation as collected.

The Board of Liquidation annually determines the amount of property 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 bonds proposed to be issued by the City during such year. The annual determination of the necessary tax millage to service bonds of the City is adopted by resolution of the Board of Liquidation, which is submitted to the City Council. The millage recommended by the Board of Liquidation is then levied by the City Council. The millages for the various limited bonds of the City were established at the time the bonds were issued based upon approval of the voters and are subject to change based on property values. Administrative expenditures paid in connection with the operations of the Board of Liquidation are recorded in the City's Debt Service fund.

Bond Transactions

The City issues general obligation bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. Bonds payable, excluding unamortized premium of \$20,480,000 and unamortized discount of \$244,000, at December 31, 2015 comprise the following (all bonds are serial bonds) (amounts in thousands):

<u>Description</u>	<u>Original issue</u>	<u>Range of average interest rates</u>	<u>Amount outstanding</u>	<u>Due in one year</u>
General obligation bonds:				
2004-2015 Public Improvement Bonds, due in annual installments ranging from \$2,675 to \$10,475 through December 2044	\$ 309,300	2.7 – 8.4%	\$ 242,165	\$ 5,390
1991 General Obligation Refunding Bonds, due in annual installments ranging from \$3,839 to \$9,964 commencing September 2004 through September 2018	98,886	6.7 - 7.1%	12,376	4,419
1998 General Obligation Refunding Bonds, due in annual installments ranging from \$210 to \$13,080 through December 2021	106,520	3.7 - 5.5%	47,555	3,260
2012 General Obligation Refunding Bonds, due in annual installments ranging from \$750 to \$20,700 through December 2033	167,840	2.0 – 5.0%	158,790	4,395
2015 General Obligation Refunding Bonds, due in annual installments ranging from \$750 to \$7,855 through December 2034	75,440	3.0 – 5.0%	75,440	6,320

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2015

<u>Description</u>	<u>Original issue</u>	<u>Range of average interest rates</u>	<u>Amount outstanding</u>	<u>Due in one year</u>
Limited tax bonds:				
2012 Taxable Limited Tax Bonds, due in annual installments of \$9,775 to \$16,275 commencing September 2015 through September 2030	\$ 195,885	1.4 – 5.0%	\$ 186,110	\$ 9,910
2015A Limited Tax Refunding Bonds, due in annual installments of \$205 to \$2,680 through September 2021	15,528	1.8%	15,323	2,437
2015B Taxable Limited Tax Bonds, due in annual installments of \$1,022 to \$1,136 through September 2021	6,489	2.3%	6,489	1,022
Revenue bonds:				
2004 Variable Rate Revenue Bonds, due in annual installments from \$355 to \$865 through August 2024	11,500	Variable	6,450	595
Total bonds			<u>750,698</u>	<u>37,748</u>
Accreted bond discount at December 31, 2015			55,645	-
Premium and discount on bond issuance, net			28,014	3,543
			<u>\$ 834,357</u>	<u>\$ 41,291</u>

In November 2004, the City received approval from taxpayers to issue \$260,000,000 in General Obligation Bonds. The City issued \$75,000,000 in December 2007, \$40,000,000 in January 2010, \$40,000,000 in March 2013, \$40,000,000 in January 2014, and \$65,000,000 in April 2015 of these authorized General Obligation Bonds. There are no remaining unissued authorized General Obligation Bonds at December 31, 2015.

The payment requirements for all bonds outstanding, including accretion on the 1991 General Obligation Refunding Bonds of \$55,645,000 (included in interest payments) as of December 31, 2015, are as follows (amounts in thousands):

	<u>Principal</u>	<u>Interest</u>
Year ending December 31:		
2016	\$ 37,698	\$ 55,448
2017	38,621	54,577
2018	39,102	53,676
2019	58,929	30,770
2020	61,227	28,211
2021 – 2025	197,096	106,700
2026 – 2030	168,575	65,474
2031 – 2035	74,600	31,687
2036 – 2040	48,540	14,111
2041 – 2044	26,310	2,820
	<u>\$ 750,698</u>	<u>\$ 443,474</u>

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2015

The City's legal debt limit for General Obligation Bonds is \$1,400,546,000. At December 31, 2015, the City's legal debt margin adjusted for outstanding principal of \$536,326,000 and past and future accretion of \$63,958,000 on the City's outstanding General Obligation Bonds, plus fund balance available in the Debt Service Fund of \$45,825,000 to service this debt was \$846,087,000.

The various bond indentures contain significant limitations and restrictions on annual debt service requirements, maintenance of and flow of money through various restricted accounts, minimum amounts to be maintained in various sinking funds, and minimum revenue bond coverages. At December 31, 2015, management believes it is in compliance with all financial related covenants.

General Obligation Refunding Bonds, Series 2015

In 2015, the City issued \$75,440,000 of General Obligation Refunding Bonds, Series 2015 for the purpose of advance refunding \$75,390,000 of outstanding General Obligation Refunding Bonds, Series 2005, and \$12,830,000 of outstanding Public Improvement Bonds, Series 2005A. Interest on the bonds is due semiannually at rates ranging from 3.5% to 5.0% commencing December 2016. Principal payments are due annually, commencing December 1, 2016 and maturing on December 1, 2034. The proceeds of \$84,061,345, including the bond premium of \$9,122,102 (after payment of \$500,758 of issuance costs) plus an additional \$6,730,913 of debt service fund monies were deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. As a result, the refunded bonds are considered to be defeased and the liability for these bonds has been removed from the government-wide statement of net position.

The City advance refunded the bonds to reduce its total debt service payments over the next 19 years by \$21,282,761 and to obtain an economic gain (difference between the present values of debt service payments on the old and new debt) of \$11,823,318.

Public Improvement Bonds, Series 2015

In 2015, the City issued \$65,000,000 of Taxable Public Improvement Bonds, Issue of 2015A for the purpose of improving streets, parks and playgrounds, public libraries and other public buildings. Interest on the bonds is due semiannually at rates ranging from 3.5% to 5.0% commencing December 2016. Principal payments are due annually, commencing December 1, 2016 and maturing on December 1, 2044.

Limited Tax Refunding Bonds, Series 2015A

In 2015, the City issued \$15,527,933 of Limited Tax Bonds, Series 2015A for the purpose of advance refunding \$17,510,000 of outstanding Limited Tax Bonds, Series 2005. Interest on the bonds is due semiannually at rate of 1.8455% commencing September 2015. Principal payments are due annually, commencing September 1, 2015 and maturing on September 1, 2021. The proceeds of \$15,426,887 (after payment of \$101,046 of issuance costs) plus an additional \$2,582,750 of debt service fund monies were deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. As a result, the refunded bonds are considered to be defeased and the liability for these bonds has been removed from the government-wide statement of net position.

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2015

The City advance refunded the bonds to reduce its total debt service payments over the next 5 years by \$1,487,242 and to obtain an economic gain (difference between the present values of debt service payments on the old and new debt) of \$1,522,629.

Taxable Limited Tax Bonds, Series 2015B

In 2015, the City issued \$6,489,111 of Limited Tax Bonds, Series 2015B for the purpose of funding capital improvements. Interest on the bonds is due semiannually at rate of 2.31% commencing September 2015. Principal payments are due annually, commencing September 1, 2015 and maturing on September 1, 2021.

Debt Service Assistance Program

The City entered into a cooperative endeavor agreement with the State of Louisiana to provide for the issuance of general obligation bonds of the State of Louisiana (GO Zone Series) to fund the debt service assistance loan program, which will make scheduled debt service payments on behalf of the City for certain issues of outstanding debt. The loans are payable beginning in 5 years in equal installments over 15 years commencing in 2012. Interest is deferred during the initial 5 year period and then accrues at a rate of 4.64% during the repayment period. Matured payments due in 2015, including principle of \$2,851,000 and \$1,031,262, are included in accounts payable in the general fund. The loan balance at December 31, 2015 is \$66,431,000.

The requirements to amortize the debt service assistance loan are as follows (amounts in thousands):

	Principal	Interest
Year ending December 31:		
2016	\$ 7,412	\$ 2,950
2017	4,772	2,739
2018	4,993	2,517
2019	5,225	2,285
2020	5,467	2,043
2021-2025	31,385	2,043
2026	7,177	1,789
	\$ 66,431	\$ 16,366

Notes Payable

In 2014, the City entered into a loan agreement. The loan proceeds of \$12,500,000 were restricted for equipment purchases. The loan is payable over 4 years beginning in 2015 and accrues interest at a rate of 2.24%. The requirements to amortize the loan are as follows (amounts in thousands):

	Principal	Interest
Year ending December 31:		
2016	\$ 3,028	\$ 208
2017	3,095	140
2018	3,165	71
	\$ 9,288	\$ 419

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2015

HUD Section 108 Loans

The City has entered into contracts for Loan Guarantee Assistance under Section 108 of the Housing and Community Development Act of 1974, with the Secretary of HUD as guarantor. Portions of these funds were used to fund grantee loans referred to in Note 4. The loans consist of notes bearing interest at either fixed interest rates ranging from 5% to 8% or variable interest rates based upon the London Interbank Offered Rate (LIBOR). As of December 31, 2015, \$6,205,000 is recorded as a liability in the government-wide financial statements.

The requirements to amortize the Section 108 loans are as follows (amounts in thousands):

Year ending December 31:	<u>Principal</u>	<u>Interest</u>
2016	\$ 2,590	\$ 177
2017	2,745	108
2018	430	28
2019	440	15
	<u>\$ 6,205</u>	<u>\$ 328</u>

Capital Leases

On October 15, 2000, the City entered into an agreement with a vendor to purchase heating, ventilation, and air cooling (HVAC) equipment under a 20 year capital lease. The City entered into two similar subsequent agreements with this vendor on June 1, 2001 and July 21, 2003 primarily for the purpose of purchasing additional HVAC equipment and traffic lights, respectively. The original net present value of these capital leases were \$9,625,000, \$17,919,000, and \$6,887,000 with corresponding interest rates of 7.8%, 7.1%, and 9.3%, respectively. Under terms of the agreement, title to this equipment is transferred to the City at the end of the lease. Future payments for the capital leases are as follows (amounts in thousands):

Year ending December 31:	<u>Principal</u>	<u>Interest</u>
2016	\$ 2,905	\$ 359
2017	3,060	204
2018	1,591	42
	<u>\$ 7,556</u>	<u>\$ 605</u>

Compensated Absences

The City has recorded \$47,012,000 in accrued annual and sick leave in accordance with its pay-out policies. During the year active employees earned and used \$21,911,000 and \$17,627,000, respectively in sick and vacation leave benefits. The entire annual and sick liability is recorded in the government wide statements, and no liability is recorded in the governmental funds.

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2015

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2015 was as follows (amounts in thousands):

	<u>January 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31, 2015</u>	<u>Due in one year</u>
Claims and judgments (note 12)	\$ 394,048	\$ 223,287	\$ (214,538)	\$ 402,797	\$ 47,286
Landfill closing costs (note 12)	8,633	-	(4,126)	4,507	106
Accrued annual and sick leave	46,454	21,911	(21,353)	47,012	5,000
Revenue bonds	7,070	-	(620)	6,450	545
General obligation bonds (a)	577,609	140,440	(126,077)	591,972	23,784
Limited tax bonds	213,395	22,017	(27,490)	207,922	13,369
Premium on bonds payable	26,524	9,616	(7,883)	28,257	3,569
Discount on bonds payable	(270)	26	-	(244)	26
Debt service assistance program	67,938	-	(1,507)	66,431	7,412
Note payable	13,910	-	(4,622)	9,288	3,028
HUD Section 108 loan	8,640	-	(2,435)	6,205	2,590
Capital leases	10,314	-	(2,758)	7,556	2,905
Net pension liability (note 7)	749,182	299,801	(88,352)	960,631	-
Post-employment benefit (note 7)	61,892	14,728	(924)	75,696	-
	<u>\$ 2,185,339</u>	<u>\$ 731,826</u>	<u>\$ (502,685)</u>	<u>\$ 2,414,480</u>	<u>\$ 109,620</u>

(a) Additions and deletions include amounts related to accretion of 1991 Refunding Series of \$5,768 and \$(20,650), respectively.

The long-term liabilities will be repaid from the General Fund, except for HUD Section 108 loans, which will be repaid from the American Can non-major fund, and the General Obligation, Limited Tax Bonds, Taxable Limited Tax Refunding Bonds and a portion of the Debt Service Assistance Loan Program, which will be repaid from the Debt Service Fund. The Board of Liquidation handles all the General Obligation bonded debt of the City and the Limited Tax Bonds and results of its operations are reported in the debt service fund. At December 31, 2015, the debt service fund had \$75,270,000 in fund balance reserved for service debt.

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2015

(7) Pension Plans and Postretirement Healthcare Benefits

Pension Plans

At December 31, 2015, the City sponsors and administers four separate single-employer, contributory defined benefit pension plans, namely: (1) Firefighters' Pension and Relief Fund – Old System (Old System); (2) Firefighters' Pension and Relief Fund – New System (New System); (3) Police Pension Plan (Police Plan); and (4) Employees' Retirement System of the City of New Orleans (Employees' Plan). The Old System covers firefighters who were employed prior to December 31, 1967; the New System covers firefighters hired since that date. Effective March 6, 1983, all members of the Police Plan, active and retired, except for approximately 250 participants who did not meet the eligibility requirements, became members of the Municipal Police Employees' Retirement System (State of Louisiana) (MPERS). The Police Plan of the City will remain responsible for the payment of certain benefits due to differences in length of service and age requirements for the participants who were not transferred to the MPERS plan. MPERS is the only cost-sharing, multiple-employer retirement plan in which employees of the City participate. The Employees' Plan covers all City employees other than firefighters and police.

All four plans use the accrual basis of accounting for changes in net position. Within this context, interest income is recognized when earned, as are employer and employee contributions, except in the case of the Police Plan, 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.

Each of the Systems issues an annual publicly available financial report that includes financial statements and required supplementary information for the system. These reports may be obtained by writing, calling or downloading the reports as follows:

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)
3520 General DeGaulle Drive, New Orleans, Louisiana 70114
(504) 366-8102

Municipal Police Employees' Retirement System
7722 Office Park Boulevard, Baton Rouge, Louisiana 70809
(800) 443-4248
lampers.org

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2015

(7) Pension Plans and Postretirement Healthcare Benefits (continued)

Pension Plans (continued)

Plan Descriptions:

Employees' Plan, Firefighters' Pension and Relief Fund – Old and New System

Each plan is a defined benefit pension plan established by the State of Louisiana statute, which provides retirement, disability, and death benefits, and annual cost-of-living adjustments to plan members and beneficiaries. Authority to establish and amend benefit provisions is provided under the laws of the State of Louisiana.

At December 31, 2014, the New System and Old System's membership consisted of:

	New System	Old System
Inactive members or beneficiaries receiving benefits	708	542
Inactive members entitled to but not yet receiving benefits	64	-
Active members	525	-
Total participants as of December 31, 2014	1,297	542

Municipal Police Employees' Retirement System (MPERS)

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

The Municipal Police Employees' Retirement System is the administrator of a cost-sharing multiple-employer plan. Membership in MPERS is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, providing he or she does not have to pay social security and providing he or she meets the statutory criteria. MPERS provides retirement benefits for municipal police officers. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through MPERS in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211-11:2233.

Employees become eligible for retirement under the MPERS plan at age 50 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 of Louisiana.

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2015

Funding Policy:

The employer contributions for the Employees' Plan and the Firefighters' Pension and Relief Fund (New System) are based on actuarially determined amounts. The employer contribution for the Police Pension Fund 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 Firefighters' Pension and Relief Fund (Old System) is based on amounts necessary to pay current expenses, and, in effect, is being funded on a "pay-as-you-go" basis. As a result of the merger contract with the MPERS to transfer all active policemen who were participating in the City's Police Pension Fund to MPERS, there were no active participants in the plan and therefore the only contributions by employees to the plan related to retirees' contributions for the purchase of military service credit.

Employees covered under the Employees' Plan contribute 6% of their earnable compensation to the plan.

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

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

There are no active employees in the Old System, thus no employee contributions are required.

	City	Employee
Firefighters Pension and Relief Fund		
Old System	0.00%	6.00%
New System	Actuarially determined contributions plus budget allocations determined by the City	10.00%
Employees' Plan	Actuarially determined contributions plus budget allocations determined by the City	6.66 - 10.00%
Municipal Police Employees' Retirement System	31.50 - 34.00%	7.50 - 10.00%

The contributions made by the City to the plans during 2015 were as follows:

	2015
Firefighters Pension and Relief Fund	
Old System	\$ 17,200,000
New System	29,635,220
Employees' Plan	22,447,281
Municipal Police Employees' Retirement System	19,069,811

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2015

The Firefighters' pension fund receives fire insurance taxes of 2% of the fire insurance premiums written in the City of New Orleans. In 2015, the amount of \$1,732,000 received as a result of this tax was divided equally between the two systems.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

The following schedule lists the City's proportionate share of the Net Pension Liability allocated by each of the pension plans at measurement dates. The City uses this measurement to record its Net Pension Liability and associated amounts as of December 31, 2015 in accordance with GASB Statement 68. The City's proportion of the Net Pension Liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

	Employees' Plan	MPERS
Proportion (amount) of net pension liability	\$ 187,097,068	\$ 175,165,707
Proportion (%) of net pension liability	83.6795%	22.3598%
Increase/(decrease) from prior measurement date	0.0000%	0.3865%
	Firefighters' Pension New System	Firefighters' Pension Old System
	2014	2014
Total pension liability		
Service cost	\$ 5,864,836	\$ -
Interest on total pension liability	31,786,464	11,143,269
Effect of plan changes	(16,071,547)	12,642,392
Effect of economic/demographic gains or (losses)	-	-
Effect of assumption changes or inputs	95,806,073	24,967,584
Benefit payments	(38,888,748)	(20,640,928)
Net change in total pension liability	78,497,078	28,112,317
Total pension liability, beginning	423,819,515	148,576,918
Total pension liability, ending	\$ 502,316,593	\$ 176,689,235
Plan Fiduciary Net Position		
Employer contributions	\$ 20,648,538	\$ 17,172,611
Employee contributions	2,038,542	-
Investment income net of investment expenses	(5,328,054)	1,622,814
Benefit payments	(38,888,748)	(20,640,928)
Administrative expenses	(600,709)	(573,396)
Net change in plan fiduciary net position	(22,130,431)	(2,418,899)
Plan fiduciary net position, beginning	87,508,128	17,679,610
Plan fiduciary net position, ending	\$ 65,377,697	\$ 15,260,711
City's net pension liability, ending	\$ 436,938,896	\$ 161,428,524

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2015

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts regarding the net pension liability are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. For Firefighters' Pension and Relief Trust Old System and Firefighters' Pension and Relief Trust New System, the actuarial assumptions used in the December 31, 2014 valuations were based on results of an experience study for the period from January 1, 2014 to December 31, 2014. For Employees Retirement System, the actuarial assumptions used in the December 31, 2015 valuations were based on results of an experience study for the period from January 1, 2015 to December 31, 2015. The required Schedule of Net Position located in the required supplementary information following the Notes to the Basis Financial Statements presents multi-year trend information regarding whether the plan fiduciary net position is increasing or decreasing over time relative to the total pension liability. The total pension liability as of December 31, 2015 or December 31, 2014 is based on actuarial valuations for the same period, updated using general accepted actuarial procedures.

For the year ended December 31, 2015, the City will recognize a Pension Expense of \$48,035,164, \$39,817,150, \$27,376,725, and \$32,820,190 for the Old System, New System, Employees' Plan, and MPERS, respectively, in payroll related expense on the statements of revenues, expenses, and changes in net position.

At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pension plans from the following sources:

<u>Deferred outflows of resources</u>	
Difference between expected and actual experience	\$ 14,855,271
Changes in assumptions	97,403,923
Net difference between projected and actual earnings on pension plan investments	42,518,125
Changes in proportion and difference between employer contributions and proportionate share of contributions	3,707,872
Employer contributions subsequent to measurement date	55,764,197
Total deferred outflows	<u>\$ 214,249,388</u>
<u>Deferred inflows of resources</u>	
Difference between expected and actual experience	\$ 22,857,676
Changes in assumptions	25,235
Net difference between projected and actual earnings on pension plan investments	3,326,544
Changes in proportion and difference between employer contributions and proportionate share of contributions	8,766,260
Total deferred inflows	<u>\$ 34,975,715</u>

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2015

Details of the deferred outflows of resources and deferred inflows of resources related to pensions plans at December 31, 2015 are as follows:

	<u>Old System</u>	<u>New System</u>	<u>Employees' Plan</u>	<u>MPERS</u>
<u>Deferred outflows of resources:</u>				
Difference between expected and actual experience	\$ -	\$ -	\$ 14,855,271	\$ -
Changes of assumptions	-	82,199,491	-	15,284,432
Net difference between projected and actual earnings on pension plan investments	-	8,844,920	33,673,205	-
Changes in proportion and difference between employer contributions and proportionate share of contributions	-	-	-	3,707,872
Employer contributions subsequent to the measurement date	17,200,000	29,635,220	-	8,928,977
Total deferred outflows	\$ 17,200,000	\$ 120,599,631	\$ 48,528,476	\$ 27,921,281
<u>Deferred inflows of resources:</u>				
Difference between expected and actual experience	\$ -	\$ 13,775,783	\$ 5,863,273	\$ 3,218,620
Changes of assumptions	-	-	-	25,235
Net difference between projected and actual earnings on pension plan investments	-	-	-	3,326,544
Changes in proportion and difference between employer contributions and proportionate share of contributions	358,726	639,329	2,475,859	5,292,346
Total deferred inflows	\$ 358,726	\$ 14,415,112	\$ 8,339,132	\$ 11,862,745

The \$55,764,197 of deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the year ended December 31, 2016.

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2015

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Old System	New System	Employee's Plan	MPERS
2016	\$ (89,681)	\$ 13,495,293	\$ 9,359,099	\$ (335,059)
2017	(89,681)	13,495,293	9,359,099	(335,059)
2018	(89,681)	13,495,293	9,359,099	2,695,866
2019	(89,683)	13,495,293	7,699,931	5,103,811
2020	-	11,284,063	1,144,970	-
2021	-	11,284,064	1,144,970	-
2022	-	-	2,122,176	-
	<u>\$ (358,726)</u>	<u>\$ 76,549,299</u>	<u>\$ 40,189,344</u>	<u>\$ 7,129,559</u>

Actuarial Assumptions:

The total pension liability was determined by as of December 31, 2015, using the following actuarial assumptions:

	Old System	New System
Valuation date	December 31, 2014	December 31, 2014
Actuary cost method	Entry age normal	Entry age normal
Actuarial assumption:		
Expected remaining service live	5 years	5 years
Investment rate of return	3.70%, net of investment expense	5.21%, net of investment expense
Inflation rate	2.5%	2.5%
Mortality	1994 Uninsured Pensioner Table for active and retired; 1994 Uninsured Pensioner Table set forward 5 years for disabled annuitants.	1994 Uninsured Pensioner Table for active and retired; 1994 Uninsured Pensioner Table set forward 5 years for disabled annuitants.
Salary increases	N/A	5.00%
Cost of living adjustments	The present value of future retirement benefits is based on benefits currently being paid by the pension trust funds and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.	The present value of future retirement benefits is based on benefits currently being paid by the pension trust funds and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The long-term expected rate of return on Pension Trust Fund investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are development for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by an asset allocation percentage which is based on the nature and mix of current and expected plan investments, and by adding expected inflation. The resulting long-term expected rate of return is 8.56% for the Employees' Retirement System, 8.3% for the Firefighters' New System, and 2.5% for the Firefighters' Old System for the year ended December 31, 2014.

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2015

	<u>Employees' System</u>	<u>MPERS</u>
Valuation date	December 31, 2015	June 30, 2015
Actuary cost method	Entry age normal	Entry age normal cost
Actuarial assumption:		
Expected remaining service live	5 years	4 years
Investment rate of return	7.50%, net of investment expense	7.50%, net of investment expense
Inflation rate	2.5%	2.875%
Mortality	RP 2000 Group Annuity Mortality Table	The mortality rate assumption used was set based upon an experience study performed by the prior actuary on plan data for the period July 1, 2009 through June 30, 2014 and review of similar law enforcement mortality. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of MPERS' liabilities. Annuity values calculated based on this mortality were compared to those produced by using a set-back of standard tables.
Salary increases	5.00%	4.25% - 9.75%
Cost of living adjustments	The present value of future retirement benefits is based on benefits currently being paid by the pension trust funds and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.	The Board of Trustees is authorized to provide annual cost-of-living adjustments computed on the amount of the current regular retirement, disability, beneficiary or survivor's benefit, not to exceed 3% in any given year. The Board is authorized to provide an additional 2% COLA, computed on the member's original benefit, to all regular retirees, disability, survivors and beneficiaries who are 65 years of age or older on the cut-off date which determines eligibility.

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2015

The estimated long-term real rates of return for each major asset class based on the trust funds' target asset allocation as of December 31, 2015 are as follows:

Asset Class	Employees' Retirement System	
	Target Asset Allocation	Long-term expected portfolio real rate of return
Domestic equity	49.1%	3.69%
International equity	15.7%	1.33%
Domestic bonds	24.6%	0.61%
International bonds	5.6%	0.20%
Real estate	5.0%	0.23%
Totals	100%	6.06%
Inflation		2.50%
Expected arithmetic nominal rate		8.56%

Asset Class	Firefighters' New System	
	Target Asset Allocation	Long-term expected portfolio real rate of return
Equity securities	45.00%	3.47%
Bonds	10.00%	0.30%
Alternative investments	45.00%	2.03%
Totals	100%	5.80%
Inflation		2.50%
Expected arithmetic nominal rate		8.30%

Asset Class	Firefighters' Old System	
	Target Asset Allocation	Long-term expected portfolio real rate of return
Cash and cash equivalents	100%	0.00%
Totals	100%	0.00%
Inflation		2.50%
Expected arithmetic nominal rate		2.50%

Asset Class	MPERS	
	Target Asset Allocation	Long-term expected portfolio real rate of return
Equity	52.00%	3.47%
Fixed income	20.00%	0.46%
Alternative	23.00%	1.15%
Other	5.00%	0.20%
Totals	100%	5.28%
Inflation		3.00%
Expected arithmetic nominal rate		8.28%

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2015

Discount Rate

The discount rate used to measure the total pension liability was 7.5% for the Employees' Retirement System, 5.21% for the Firefighters' New System, 3.7% for the Firefighters' Old System, and 7.5% for the Municipal Police Employees' Retirement System for 2015. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that the plan's contributions will be made at rates equal to the difference between actuarially determined contribution rate and the member rate. Based on those assumptions, the Employees' Retirement System pension trust funds' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The Firefighters' New System's fiduciary net position was not projected to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the New System was blended with a municipal bond rate (5.21%) and applied to all projected benefit payments to determine the total pension liability. The fiduciary net position is projected to be fully depleted by year 2043. The Firefighters' Old System's fiduciary net position was not projected to be available to make all projected future benefit payments of current plan members. Therefore, the discount rate for the Old System was determined using a municipal bond rate (3.70%) and applied to all projected future benefit payments of current plan members.

Sensitivity of the Net Pension Liability to Change in the Discount Rate

The following table presents the net pension liability of the City as of December 31, 2015, calculated using the discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	1.0% Decrease	Current Discount Rate	1.0% Increase
<u>Old Plan</u>			
Rates	2.70%	3.70%	4.70%
City Share of NPL	\$ 174,519,859	\$ 161,428,524	\$ 149,920,822
<u>New Plan</u>			
Rates	4.21%	5.21%	6.21%
City Share of NPL	\$ 490,336,702	\$ 436,938,896	\$ 392,183,819
<u>Employees' Plan</u>			
Rates	6.50%	7.50%	8.50%
City Share of NPL	\$ 234,474,090	\$ 187,097,068	\$ 147,442,852
<u>MPERS</u>			
Rates	6.50%	7.50%	8.50%
City Share of NPL	\$ 243,548,738	\$ 175,165,707	\$ 117,861,914

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2015

Investment Rate of Return

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the year ended December 31, 2015, the annual money-weighted rates of return on pension plan investments, net of pension plan investment expenses, was 4.17% for the Employees' Retirement System, (7.43)% for the Firefighters' New System, and 8.50% for the Firefighters' Old System.

Payables to the Pension Plan

The City recorded accrued liabilities to each of the plans for the year ended December 31, 2015 mainly due to the accrual for payroll at the end of each of the fiscal years. The amounts due are included in liabilities under the amounts reported as accounts, salaries and other payables. The balance due to each for the plans at December 31, 2015 is as follows:

	2015
Firefighters Pension and Relief Fund	
Old System	\$ -
New System	-
Employees' Plan	291,621
Municipal Police Employees' Retirement System	-

Total Net Pension Liability of Employees' Retirement System of the City of New Orleans and Related Net Pension Liability for Discretely Presented Component Units

The City is the sponsor of the Employees' Retirement System of the City of New Orleans, which the City allows the employees of its component units and other city organizations and agencies to participate in the System. At December 31, 2015, the net pension liability for the City and each discretely presented component units are as follows:

	Net Pension Liability	Deferred Outflows	Deferred Inflows	Pension Expense
Louis Armstrong New Orleans	\$ 15,058,503	\$ 3,905,813	\$ 471,905	\$ 1,829,601
International Airport				
New Orleans Municipal Yacht Harbor				
Management Corporation	432,776	112,252	13,562	52,582
Canal Street Development Corporation	632,203	163,978	19,812	76,812
Orleans Parish Communication District	1,569,029	406,968	49,170	190,636
French Market Corporation	3,981,606	1,032,733	124,776	483,763

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2015

Firefighters' Pension and Relief Fund Investment Receivable

On March 31, 2008, the FPRF invested \$15,000,000 into the FIA Leveraged Fund (Leverage Fund), an open ended investment fund registered in the Cayman Islands. The Leveraged Fund in turn invested in other feeder funds that ultimately invested in the Master Fund, Fletcher International, Ltd (FILB). Fletcher Asset Management ("FAM") served as the investment manager to all of the funds in the master-feeder fund structure. On June 27, 2011, the FPRF requested a full redemption of funds invested in the Leverage Fund. This redemption request was not met resulting in the FPRF filing a winding-up petition with the Grand Court in the Cayman Islands to force the liquidation of the Leveraged Fund. On April 18, 2012, the Grand Court issued a winding-up order against the Leveraged Fund and appointed official liquidators to wind up its affairs. In response to this judgment, FAM filed for bankruptcy protection for the Master Fund, FILB. In October 2012, the bankruptcy court issued an order for the appointment of a U.S. Trustee to investigate the assets of the Leveraged Fund and manage its liquidation. The bankruptcy trustee is in the process of marshaling the assets of FILB, along with filing of claims against various owners and insiders to claw-back certain payments. In addition, the bankruptcy trustee intends to assert various claims against the professionals associated with the Leverage Fund and FILB.

The FPRF has also filed lawsuits against several of the Leverage Fund's third-party service providers in which counsel projects the recovery of a substantial, but as yet indeterminable, amount. However, because of multiple variables relating to the litigation and a confidentiality order that has been ordered by the court in the FILB bankruptcy proceedings, the FPRF cannot accurately predict the outcome of the litigation or evaluate the value of the claims being asserted by FILB on behalf of the FPRF. The FPRF also expects recovery through the bankruptcy proceedings. The value of such recovery depends on the bankruptcy trustee's completion of the liquidation process which could be a protracted period, with substantial unknown expenses to be incurred, and the validity of certain complex legal theories being asserted on behalf of the Leverage Fund and FILB in various legal proceedings. Further, the FPRF believes it is likely that a substantial recovery will be made in the pending litigation that the Fund has filed against third party providers that is pending in Louisiana. However, the FPRF cannot predict the amount of expenses to be incurred that will offset the recovery or the timing of the recovery inherent uncertainty of litigation and the possibility that the venue of the litigation in Louisiana which will increase the cost of litigation. As of December 31, 2015, the FPRF has recorded a reserve of \$18,425,727 against the receivable balance of \$18,425,727.

Postretirement Healthcare Benefits

Plan Description

The City of New Orleans' 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. Most City employees are covered by one of three primary systems: the Employees' Retirement System of the City of New Orleans (NOMERS), the Louisiana State Municipal Police Retirement System (MPERS), and the New Orleans Firefighters' Pension and Relief Fund (FPRF). The maximum DROP period is five years in NOMERS and FPRF and three years in MPERS. Retirement

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2015

(DROP entry) eligibility is as follows: in NOMERS, the earliest of 30 years of service at any age; age 60 and 10 years of service; age 65 and 5 years of service; or, satisfaction of the "Rule of 80" (age plus service equals or exceeds 80); in MPERS, the earlier of 25 years of service and age 50 and 20 years of service (in MPERS, DROP entry requires age 55 and 12 years of service or 20 years of service and eligibility to retire); in FPRF, age 50 and 12 years of service. However, because of the "back-loaded" benefit formula in the FPRF plan relative to years of service, the retirement assumption used for that plan was the earliest of age 50 and 30 years of service, age 55 and 25 years of service, and age 60 and 12 years of service.

Contribution Rates

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

Fund Policy

The funding policy is not to fund the ARC except to the extent of the current year's retiree funding costs. In 2015, the City's portion of health care funding cost for retired employees totaled approximately \$924,941. These amounts were applied toward the net other post-employment benefit (OPEB) obligation.

Annual Required Contribution

The City's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC is the sum of the Normal Cost plus the contribution to amortize the Actuarial Accrued Liability (AAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The total ARC for the year ended December 31, 2015 is \$15,831,479 as set forth below:

Normal Cost	\$ 5,170,525
30-year UAL amortization amount	10,660,954
Annual required contribution (ARC)	<u>\$ 15,831,479</u>

Net Post-employment Benefit Obligation (Asset)

The table below shows the City's net OPEB obligation for fiscal year ending December 31, 2015:

Beginning Net OPEB Obligation 1/1/2015	\$ 61,892,743
Annual required contribution	15,831,479
Interest on Net OPEB Obligation	2,475,710
ARC Adjustment	<u>(3,579,263)</u>
OPEB Cost	14,727,926
Contribution	-
Current year retiree premium	924,941
Change in Net OPEB Obligation	<u>13,802,985</u>
Ending Net OPEB Obligation 12/31/2015	<u>\$ 75,695,728</u>

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2015

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, 2015	\$ 14,727,925	6.28%	\$ 75,695,728
December 31, 2014	\$ 10,482,486	80.19%	\$ 61,892,743
December 31, 2013	\$ 10,079,229	77.22%	\$ 59,816,246

Funded Status and Funding Progress

In the fiscal year ending December 31, 2015 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, 2015 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year December 31, 2015 was \$191,722,412 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)	\$ 191,722,412
Actuarial Value of Plan Assets (AVP)	-
Unfunded Act. Accrued Liability (UAAL)	<u>\$ 191,722,412</u>
Funded Ratio (AVP/AAL)	0%
Covered Payroll (active plan members)	\$ 240,689,308
UAAL as a percentage of covered payroll	79.7%

The required schedule of funding progress following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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.

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2015

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.

Actuarial Cost Method

The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

Actuarial Value of Plan Assets

Since the plan has not been funded, there are no assets. It is anticipated that in future valuations, a smoothed market value consistent with Actuarial Standards Board Actuarial Standards of Practice Number 6 (ASOP 6), as provided in paragraph number 125 of GASB Codification Section P50.

Turnover Rate

An age-related turnover scale based on actual experience as described by administrative staff has been used. The rates, when applied to the active employee census, produce an annual turnover of approximately 10%.

Post-Employment Benefit Plan Eligibility Requirements

It is assumed that entitlement to benefits will commence at the end of the DROP period. In addition, an additional delay of one year after earliest retirement eligibility was included for NOMERS employees and a further two years' delay where eligibility was under the "Rule of 80". 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.

Investment Return Assumption (Discount Rate)

GASB Codification Section P50 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation. This is a conservative estimate of the expected long term return of a balanced and conservative investment portfolio under professional management.

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2015

Health Care Cost Trend Rate

The expected rate of increase in medical cost is based on a graded schedule beginning with 8% annually, down to an ultimate annual rate of 5.0% for ten years out and later.

Mortality Rate

The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rates and 50% of the unloaded female mortality rates, is used. This is a recently published mortality table which has been used in determining the value of accrued benefits in defined benefit pension plans.

Method of Determining Value of Benefits

The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer rates provided are "unblended" rates for active and retired as required by GASB Codification Section P50 for valuation purposes. The retiree medical plan was amended in 2010 to provide that only Medicare Part D Prescription Drug coverage is covered by the employer after age 65 for current and future retirees.

Inflation Rate

Included in both the Investment Return Assumption and the Healthcare Cost Trend rates is an implicit inflation assumption of 2.50% annually.

Projected Salary Increases

This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

Post-retirement Benefit Increases

The plan benefit provisions in effect for retirees as of the valuation date have been used, and it has been assumed for valuation purposes that there will not be any changes in the future.

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2015

(8) Individual Fund Disclosures

Deficit Fund Equity

At December 31, 2015, the HUD, FEMA, and LCD funds had deficit fund balances in the amounts of approximately \$8,420,000, \$14,139,000, and \$9,934,000, respectively. The deficit fund balance in the HUD and LCD funds result from accrued expenditures for which no revenue has been recognized. The City plans to fund these deficits with future revenues. The deficit fund balance in the FEMA fund results primarily from accrued expenditures for which no revenue has been recognized. The City plans to fund the deficit through future revenues. The City is currently pursuing obtaining FEMA approval for projects that have been completed by the City and increases in funding for projects that have already been approved by FEMA. If the City is not able to obtain increased funding, the deficit will be funded by the general fund.

At December 31, 2015, the following special revenue nonmajor funds had deficit balances:

<u>Special Revenue Nonmajor Fund</u>	<u>Deficit Amount</u>
Mayoral Fellows Program	\$ 465,000
Federal Justice Administration	109,000
FDJ Office of Justice Program	86,000
Federal Department of Health	3,195,000
Louisiana Commission on Law Enforcement	342,000
Louisiana Department of Public Safety	23,000
Department of Labor	217,000
Federal Department of Transportation	12,000

The deficit fund balances in these special revenue non-major funds result from accrued expenditures for which no revenue has been recognized. The City plans to fund these deficits with future revenues.

Interfund Receivables and Payables

Interfund balances resulted from the time lag between the dates (1) when interfund services are provided or reimbursable expenditures occur and (2) payments between funds are made. For example, the General Fund originally incurred expenditures that were ultimately recorded in the FEMA grant and reimbursed by the federal government. The interfund balances between the General Fund and Nonmajor Funds result from timing differences in the payment for services and reimbursement from the federal government. The interfund balances are not expected to be repaid within the year.

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2015

Individual fund interfund receivables and payables at December 31, 2015 were as follows (amounts in thousands):

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	FEMA Fund	\$ 8,652
	HUD Fund	6,786
	LA Office of Community Development	3,198
	Nonmajor Funds	1,154
HUD Fund	FEMA Fund	261
FEMA Fund	Capital Projects Fund	3,935
LA Office of Community Development	Nonmajor Funds	101
Nonmajor Funds	General Fund	1
		<u>\$ 24,088</u>

Interfund Advances

Individual fund interfund advances at December 31, 2015 were as follows (amounts in thousands):

	<u>Advances to other funds</u>	<u>Advances from other funds</u>
General	\$ 2	\$ -
Nonmajor special revenue: Sidewalk Paving and Repairing	-	2
	<u>\$ 2</u>	<u>\$ 2</u>

The interfund advances are not expected to be repaid within the year.

Fund Transfers

Individual fund transfers for the year ended December 31, 2015 were as follows (amounts in thousands):

	<u>Transfers-in</u>	<u>Transfers-out</u>
General	\$ 3,746	\$ (58)
Capital projects	72,923	(3,744)
Debt service fund	-	(70,803)
Nonmajor funds	57	(2,121)
Total	<u>\$ 76,726</u>	<u>\$ (76,726)</u>

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2015

Transfers are used to (1) move revenues from the fund that statute or the budget requires to collect them to the fund that the statute or budget requires to expend them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds.

Charges to Component Units for Support Services

Charges for support services paid by the Airport to the general fund during fiscal year 2015 amounted to \$4,936,000 primarily for overhead reimbursement and fire protection.

The City does not charge the Downtown Development District, French Market Corporation, the Municipal Yacht Harbor Management Corporation, or Canal Street Development Corporation for any support services provided to them. In addition, the City does not charge rent to the Audubon Commission for the land which is owned by the City on which the golf course operates.

(9) Fund Balance

Fund balances for the City's governmental funds consisted of the following as of December 31, 2015:

Non-Spendable Fund Balance – The non-spendable fund balance on the special revenue funds is made up of long-term grantee loan receivables and trust accounts.

Restricted Fund Balance – The restricted fund balance on the special revenue funds is made up of balances restricted for purposes as designated in the grant agreements. The restricted fund balance on the debt service fund is made up of balances restricted for future debt service. The restricted fund balance in the capital projects fund includes unspent proceeds from bond issuances, grants, and donations that are restricted for capital improvements.

Committed Fund Balance – The committed fund balance on the general fund is made up of funds designated by the City Council to be used to fund future litigation costs and public libraries. The committed fund balance on the special revenue funds consists of unrestricted donations and grants committed for various projects by the City Council. The committed fund balance on the capital projects fund is made up of funds designated by the City Council to be used for capital improvements.

Assigned Fund Balance – The assigned fund balance on the special revenue funds are unrestricted donations and other funds assigned by the Council or management for various projects. The assigned fund balance on the general fund is made up of funds designated by the City Council to be used to fund future litigation costs and public libraries.

Unassigned Fund Balance – The unassigned fund balance includes all amounts not included in other spendable classifications.

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2015

(10) Summary of Sales Tax Collections Remitted to Other Taxing Authorities

Act 711 of the Louisiana Legislative Session amended LRS 24:513 B to provide required footnote disclosure in the financial statements for local governments that collect tax for other taxing jurisdictions. Listed below are sales tax collections and distributions to other parish governmental agencies during 2015 (amounts in thousands).

	<u>Total Collections</u>	<u>Collection Cost</u>	<u>December 2014 Collections Distributed in 2015</u>	<u>December 2015 Collections Distributed in 2016</u>	<u>Final Distribution</u>
Orleans Parish School Board	\$ 118,327	\$ (1,893)	\$ 9,502	\$ (9,387)	\$ 116,549
Regional Transit Authority	74,459	(1,191)	5,986	(5,892)	73,362
	<u>\$ 192,786</u>	<u>\$ (3,084)</u>	<u>\$ 15,488</u>	<u>\$ (15,279)</u>	<u>\$ 189,911</u>

(11) Interest Income

Interest earned on investments held by the City's capital projects fund, certain special revenue funds (Sidewalk Paving and Repairing, Traffic Court Judicial Expense, Department of Safety and Permits – Demolition, Vieux Carre' Commission, and Municipal Court Judicial Expense) and certain agency funds (Clearing and Deposit) is recorded as revenue of the General Fund. The amount of interest revenue recorded by the General Fund on investments of the capital projects fund for the year ended December 31, 2015 was approximately \$136,000.

(12) Commitments and Contingencies

Operating Lease Agreements

The City has commitments under several operating lease agreements for equipment and facilities. These lease agreements are primarily for copier and data processing equipment and for land and buildings. Future minimum lease payments under these leases for the next five years are as follows (amounts in thousands):

Year ending December 31:	
2016	\$ 1,331
2017	1,064
2018	940

Annual lease expense for operating lease agreements was approximately \$6,219,000 in 2015.

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2015

Claims and Judgments

The City is a defendant in a number of claims and lawsuits alleging, among other things, personal injury, police brutality, wrongful death, over-collection of property taxes, and improperly designed drainage systems. The City is self-insured for such cases as described below.

Self-Insurance

The City is self-insured for its motor vehicle fleet, and general liability and police department excessive force, workers' compensation, hospitalization, and unemployment losses and claims. The City's claims are financed on a "pay-as-you-go" basis for its motor vehicle fleet, general liability, and police department excessive force losses. Premiums are charged by the General Fund to the City's various funds for the unemployment and worker's compensation self-insurance programs and to employees and the City's various funds for the hospitalization self-insurance programs. Paid claims in excess of such premiums, if any, are funded by the General Fund.

As of December 31, 2015, the City has determined, through an analysis of historical experience, the adequacy of the liability necessary to cover all losses and claims, both incurred and reported and incurred but not reported (IBNR), under its self-insurance programs. The City does not discount its claims liabilities. The liabilities of \$221,000 for motor vehicle fleet, \$282,855,000 for general liability and police department excessive force losses, \$114,873,000 for workers' compensation, and \$4,848,000 for hospitalization and unemployment have been accrued in the government-wide financial statements in the total amount of \$402,797,000.

In 1981, a class action lawsuit was filed by the New Orleans Firefighters Union and individual employees of the New Orleans Fire Department principally concerning 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. The case has been in litigation since 1981. The estimated reserve for the case changed from \$149.5 million at December 31, 2014 to an estimated \$75 million at December 31, 2015 as a result of a Consent Judgment in 2015. Changes to the City's claims liability amounts in fiscal 2015 and 2014 are as follows (amounts in thousands):

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2015

	<u>Beginning of fiscal year liability</u>	<u>Claims and changes in estimates</u>	<u>Benefit payments, claims, and adjustments</u>	<u>Balance at fiscal year-end</u>	<u>Due in one year</u>
General liability and police liability:					
2014	\$ 298,248	\$ 37,040	\$ (46,046)	\$ 289,242	\$ 5,000
2015	289,242	128,024	(134,412)	282,854	20,000
Workers' compensation:					
2014	96,470	25,641	(22,177)	99,934	22,178
2015	99,934	37,155	(22,216)	114,873	22,216
Motor vehicle fleet:					
2014	395	42	(384)	53	53
2015	53	597	(429)	221	221
Hospitalization and unemployment:					
2014	4,456	51,993	(51,630)	4,819	4,819
2015	4,819	57,510	(57,480)	4,849	4,849
Total:					
2014	399,569	114,716	(120,237)	394,048	32,050
2015	394,048	223,286	(214,537)	402,797	47,286

Federal Financial Assistance Questioned Costs

The City receives federal financial assistance directly from federal agencies or passed through from other government agencies. Audits of the City's federal award programs periodically disclosed certain items or transactions as questioned costs. The ultimate resolution or determination as to whether the costs will be disallowed under the affected grants will be made by the various funding sources and cannot be determined at this time. The City believes disallowances, if any, will be immaterial to its financial position and operations.

Landfill Closing Costs

The City owns two closed landfill sites located in the eastern portion of the City (Recovery I Landfill and Gentilly Landfill). State and federal laws require the City to cap the landfill and to monitor and maintain the site for 30 subsequent years. The Gentilly Landfill, which was closed in 1995, was reopened in 2005 under an agreement with a third party vendor. The agreement requires the vendor to pay a 3% royalty fee to the City and a fee equal to 50 cents per cubic yard of waste disposed at the site to be put in to trust to fund the future landfill post closure costs until such time that this liability becomes fully funded, as certified by the Louisiana Department of Environmental Quality (LDEQ). The City does not record this liability on its' books, as the third party vendor is contributing to the trust in accordance with the agreement. The Recovery I site was closed in June 2003 upon obtainment of the Closure Certificate from LDEQ. In 2013, the LDEQ approved a revised closure date for the Recovery I site of April 2013.

Through the time of closure, in the government-wide financial statements, the City recognized a portion of the closure and postclosure care costs in each operating period although actual payouts will not occur until this landfill is capped and closed, respectively. The amount recognized each year to date was based on the landfills' capacities used as of the balance sheet date. As of December 31, 2015, the City has estimated its liability at \$4,507,000.

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2015

These amounts are based on what it would cost to perform all closure and post closure care beginning in 2013 for a 30 year period, adjusted for annual cost increases of 3%. Actual cost may be higher due to inflation, changes in technology, or changes in regulations, and may need to be covered by charges from future tax revenue. Current funding of these costs comes from the General Fund.

Arbitrage

The City has issued tax-exempt bonds that are subject to arbitrage regulations of the Internal Revenue Service, which impose restrictions on the use of proceeds from tax-exempt bonds. If certain of these restrictions are not complied with, the bonds could lose their tax-exempt status retroactive to the date of original issuance and also result in the City being subject to arbitrage rebates. The City believes it is in compliance with the arbitrage regulations with respect to all of its tax-exempt bond issues.

Consent Decrees

On July 24, 2012, in a joint motion the United States of America and the City of New Orleans filed an entry of decree. The purpose of the consent decree is to remedy an alleged pattern or practice of conduct by the NOPD that subjects individuals to excessive force in violation of the Fourth Amendment. The Consent Decree contains detailed provisions concerning changes in NOPD policies and practices related to: (1) the use of force; (2) investigatory stops and detentions, searches, and arrests; (3) custodial interrogations; (4) photographic lineups; (5) bias-free policing; (6) community engagement; (7) recruitment; (8) training; (9) officer assistance and support; (10) performance evaluations and promotions; (11) supervision; (12) the secondary employment system, also known as the paid detail system; (13) misconduct complaint intake, investigation, and adjudication; and (14) transparency and oversight. The cost to implement this Consent Decree over a five year period is estimated to be \$55,000,000.

A consent judgment was filed on December 12, 2012 in the United States District Court, Eastern District of Louisiana. The purpose of the agreement is to address certain alleged constitutional violations at the Orleans Parish Prison (OPP). The Orleans Parish Sheriff's Office (the Office) has taken steps to address the concerns at OPP. The Office has in place certain policies, practices, and procedures, and has plans to adopt certain other policies, practices, and procedures. The consent judgment is based on these policies, practices, and procedures and contemplates that the dispute will be resolved by the continued development and implementation of these measures. The estimated cost of this Consent Decree has not been determined.

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2015

(13) Summary of Ad Valorem Tax Collections Remitted to Other Taxing Authorities

Act 711 of the Louisiana Legislative Session amended LRS 24:513 B to provide required footnote disclosure in the financial statements for local governments that collect tax for other taxing jurisdictions. The following table includes a list of ad valorem taxes to be collected by other City taxing jurisdictions (amounts in thousands):

	2015	Less Non-Cash	Net
	Taxes Levied	Adjustments	Taxes Levied
		to Tax Rolls	
Board of Liquidation	\$ 84,977	\$ (2,634)	\$ 82,343
Sewerage & Water Board	54,752	(1,697)	53,055
Orleans School Board	150,992	(4,679)	146,313
Orleans Levee Board West Bank	2,745	(1)	2,744
Orleans Levee Board East Bank	36,339	(1,205)	35,134
Law Enforcement District	9,331	(289)	9,042
Audubon Zoological Garden	1,066	(33)	1,033
Aquarium of the Americas	9,964	(309)	9,655
Downtown Development District	7,719	-	7,719
Touro Boulogny	336	-	336
Garden District	791	-	791
Total	<u>\$ 359,012</u>	<u>\$ (10,847)</u>	<u>\$ 348,165</u>

Uncollected taxes are a result of properties that will be sold in the subsequent year or properties that were put up for sale but not purchased and will be put up for sale again in the subsequent year.

Listed on the following page is a summary of ad valorem tax activity related to other City taxing jurisdictions during 2015 (amounts in thousands).

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2015

	A 2014 Due From/ (Due To)	2015 Tax Collected in 2015	2016 Tax Collected in 2015	Prior Years Tax Collected in 2015	B Total Tax Collected in 2015	C 2015 Payments to Boards	=A-B+C 2015 Due From/ (Due To)
Board of Liquidation	\$ (3,447)	73,281	\$ 2,013	\$ 3,179	\$ 78,473	\$ 77,835	\$ (4,085)
Sewerage & Water Board	(2,961)	47,214	1,297	2,138	50,649	50,231	(3,379)
Orleans Parish School Board	(1,416)	130,652	3,578	7,215	141,445	140,095	(2,766)
Orleans Levee Board West Bank	(956)	2,400	19	74	2,493	2,489	(960)
Orleans Levee Board East Bank	(709)	31,308	933	1,353	33,594	33,278	(1,025)
Law Enforcement District	(391)	8,043	221	352	8,616	8,546	(461)
Audubon Zoological Garden	(45)	920	25	41	986	977	(54)
Aquarium of the Americas	(407)	8,592	236	386	9,214	9,138	(483)
Downtown Development District	(215)	6,378	121	230	6,729	6,587	(357)
New Orleans Regional Business Park	(6)	-	-	4	4	4	(6)
Touro Bouligny	(31)	300	10	4	314	315	(30)
Garden District	(69)	716	35	11	762	752	(79)
Total	\$ (10,653)	\$ 309,804	\$ 8,488	\$ 14,987	\$ 333,279	\$ 330,247	\$ (13,685)

The amount of taxes collected through tax sales for other taxing authorities in 2015 totaled \$2,064,819

The amount of interest on late ad valorem tax payments that was collected and disbursed to other taxing authorities during 2015 totaled \$2,158,701.

(Continued)

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2015

(14) Restatement

During 2015, the City identified several adjustments which impacted prior year financial statements which arose from the understatement of expenses. A summary of the impact of these adjustments is as follows.

The impact on governmental fund balance was as follows:

Fund balance, as previously reported, December 31, 2014	\$ 249,063
Prior period adjustments	
HUD fund related to understatement of expenditures	(229)
FEMA fund related to understatement of expenditures	(189)
Capital Projects fund related to understatement of expenditures	(1,101)
Capital Projects fund due to revenue recorded in incorrect fund	3,380
LCD fund fund related to revenue recorded in incorrect fund	(3,380)
LCD fund related to understatement of expenditures	(80)
Nonmajor governmental funds related to understatement of expenditures	(74)
	(1,673)
Fund balance, as restated, December 31, 2014	\$ 247,390

The impact on net position was as follows:

Net position, as previously reported, December 31, 2014	\$ 295,869
Prior period adjustment	
Related to understatement of unrecorded depreciation of capital assets	(6,627)
Increase in pension liability due to implementation of GASB No. 68	(596,607)
Deferred outflow of resources due to implementation of GASB No. 68	58,790
Deferred inflows of resources due to implementation of GASB No. 68	(49,838)
Related to understatement of expenses	(1,673)
Net position (deficit), as restated, December 31, 2014	\$ (300,086)

(15) Change in Accounting Principles

The City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* in June 2012. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*. Statement No. 67, *Financial Reporting for Pension Plans*, revises existing standards of financial reporting for most pension plans. The City also implemented GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, in November 2013. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The provisions of this Statement are required to be applied simultaneously with the provisions of Statement No. 68. The impact of these statements is described in Note 14.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NEW ORLEANS, LOUISIANA
Notes to Required Supplementary Information
Year ended December 31, 2015
(Unaudited)

Required Supplementary Information includes budgetary comparisons for the General Fund and the Schedules of Funding Progress.

(16) Budgetary Data

The procedures used by the City in establishing the general fund budgetary data are as follows:

- Not later than November 1, the Mayor submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted, after proper official public notification, to obtain taxpayer comments.
- Not later than December 1, the budget is legally enacted through passage of an ordinance.
- The City's budget ordinance is structured such that revenues are budgeted by source, and expenditures are budgeted by department and by principal object classification within a department. The City's charter provides that expenditures may not legally exceed appropriations either at a departmental level or at the principal object classification within a department.
- The Mayor's office is allowed to authorize the transfer of budgeted amounts from one budget activity to another within a principal object classification within the same department. Budgetary transfers between principal object classifications of the same department or between departments must be approved by the City Council. Throughout the year, several amendments to the budget were made by the City Council.
- The City utilizes formal budgetary integration as a management control device during the year for the general and capital projects funds. Formal budgetary integration is not employed for the debt service and special revenue funds because effective budgetary control is alternatively achieved through other provisions.
- Unencumbered appropriations lapse at year-end. Current year transactions, which are directly related to a prior year's budget, are not rebudgeted in the current year.
- The City adopts an ordinance subsequent to year end to agree the final budgeted expenditures to actual expenditures.

(17) Schedules of Funding Progress

The Firefighters' Pension and Relief Fund (New System) uses the aggregate actuarial cost method; therefore, a schedule of funding progress is not required when this method is used in determining funding requirements because this method does not separately identify an actuarial accrued liability.

CITY OF NEW ORLEANS, LOUISIANA

Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) and Actual – General Fund

Year ended December 31, 2015

(Amounts in thousands)

	Original budget	Revised budget	Actual on budgetary basis	Variance favorable (unfavorable)
Revenues:				
Taxes	\$ 341,494	351,845	357,046	5,201
Licenses and permits	57,515	58,915	60,598	1,683
Intergovernmental	10,217	22,947	21,326	(1,621)
Charges for services	83,829	85,037	85,044	7
Fines and forfeits	34,448	34,648	34,528	(120)
Interest income	60	60	247	187
Contributions, gifts, and donations	501	501	1,867	1,366
Miscellaneous	40,091	43,019	77,939	34,920
Total revenues	568,155	596,972	638,595	41,623
Expenditures:				
Current:				
General government	205,188	228,579	219,122	9,457
Public safety	230,829	249,394	244,593	4,801
Public works	71,046	77,702	77,127	575
Health and human services	17,501	17,820	17,391	429
Culture and recreation	22,048	22,366	21,481	885
Debt service:				
Principal and interest	24,280	32,925	32,875	50
Total expenditures	570,892	628,786	612,589	16,197
Excess (deficiency) of revenues over expenditures	(2,737)	(31,814)	26,006	57,820
Other financing sources (uses):				
Operating transfers in	2,737	16,462	3,744	(12,718)
Operating transfers out	--	--	(58)	(58)
Appropriations from prior year budgetary fund balance	--	15,352	15,352	--
Reduction in prior year's outstanding encumbrances	--	--	1,551	1,551
Other	--	--	1,766	1,766
Total other financing sources (uses)	2,737	31,814	22,355	(9,459)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ --	--	48,361	48,361
Fund balances, beginning of year			21,105	
Fund balances – budgetary basis, end of year			\$ 69,466	

See accompanying independent auditors' report.

CITY OF NEW ORLEANS, LOUISIANA

Budget to GAAP Reconciliation

(Unaudited)

The Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual presents comparisons of the legally adopted original budget and final budget (non-GAAP basis) with actual data on a budgetary basis. In the general fund, accounting principles applied for purposes of developing data on the budgetary basis differ from those used to present financial statements in conformity with GAAP. A reconciliation of this basis and timing differences is presented below (amounts in thousands):

Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (budgetary basis)	\$ 48,361
Adjustments:	
To adjust revenues and expenditures for accruals and deferrals	(420)
Appropriation from beginning of year fund balance	<u>(15,352)</u>
Net change in fund balance	<u>\$ 32,589</u>

See accompanying independent auditors' report.

CITY OF NEW ORLEANS
 Required Supplementary Information Under GASB Statement No. 67 and 68
 Year ended December 31, 2015
 (Unaudited)
 (Amounts in Thousands)

SCHEDULE OF NET PENSION LIABILITY

Actuarial Valuation Date	Total Pension Liability	Plan Fiduciary Net Position	Employer's Net Pension Liability	Plan Fiduciary Net Position as a % of Total Pension Liability	Covered Payroll (millions)	Net Position as a Percentage of payroll
December 31						
Employees' Retirement System:						
2014	\$ 540,176	\$ 370,750	\$ 169,426	68.64%	\$ 97,244	174.23%
2015	\$ 562,686	\$ 339,099	\$ 223,587	60.26%	\$ 105,692	211.55%
Firefighters' Pension and Relief Fund (New System):						
2014	\$ 513,373	\$ 62,645	\$ 450,728	12.20%	\$ 26,985	1670.29%
Firefighters' Pension and Relief Fund (Old System):						
2014	\$ 176,689	\$ 15,261	\$ 161,428	8.64%	\$ -	N/A

Schedule is intended to show information for 10 years. Additional years will be presented as they become available.

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarial Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll Contribution	Contributions as a % of Covered Payroll
Employees' Retirement System:					
2014	\$ 20,871	\$ 21,926	\$ 1,055	\$ 97,244	22.55%
2015	\$ 27,726	\$ 28,937	\$ 1,211	\$ 105,692	27.38%
Firefighters' Pension and Relief Fund (New System):					
2014	\$ 36,182	\$ 20,649	\$ (15,533)	\$ 26,985	76.52%
Firefighters' Pension and Relief Fund (Old System):					
2014	\$ 18,841	\$ 17,173	\$ (1,668)	\$ -	N/A

Schedule is intended to show information for 10 years. Additional years will be presented as they become available.

(Continued)

CITY OF NEW ORLEANS
 Required Supplementary Information Under GASB Statement No. 67 and 68
 For the year ended December 31, 2015
 (Unaudited)
 (Amounts in Thousands)

SCHEDULE OF CHANGES IN NET PENSION LIABILITY

	Firefighters' Pension and Relief Fund	
	New System	Old System
	2014	2014
Total pension liability		
Service cost	\$ 5,865	\$ -
Interest on total pension liability	31,786	11,143
Effect of plan changes	(16,072)	12,642
Effect of economic/demographic gains or (losses)	-	-
Effect of assumption changes or inputs	95,806	24,968
Benefit payments	(38,889)	(20,641)
Net change in total pension liability	78,496	28,112
Total pension liability, beginning	423,820	148,577
Total pension liability, ending (a)	\$ 502,316	\$ 176,689
Plan Fiduciary Net Position		
Employer contributions	\$ 20,649	\$ 17,173
Employee contributions	2,039	-
Investment income net of investment expenses	(5,328)	1,623
Benefit payments	(38,889)	(20,641)
Administrative expenses	(601)	(575)
Net change in plan fiduciary net position	(22,130)	(2,420)
Plan fiduciary net position, beginning	87,508	17,680
Plan fiduciary net position, ending (b)	\$ 65,378	\$ 15,260
City's net pension liability, ending = (a) - (b)	\$ 436,938	\$ 161,429
Plan fiduciary net position as a % of total pension liability	13.02%	8.64%
Covered payroll	\$ 26,985	\$ -
City's net pension liability as a % of covered payroll	1619.19%	N/A

Valuation date: December 31, 2014.

Methods and assumptions used to determine contribution rates:

Actuarial cost method:	Entry age normal
Asset valuation method:	Actual market value (effective January 1, 2015)
Cost of living raises for retirees and beneficiaries:	New System and Old System - The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.
Salary increases:	New System - 5.00%; Old System - 0.00%
Investment rate of return:	New System - 5.21% net of investment expenses; 3.70% net of investment expenses
Retirement rates:	Employees are assumed to retire after the earliest of: first, attainment of age 50 and 30 years of service; second, the later of age 55 and completion of 25 years of service; third, attainment of age 60 and completion of 12 years of service.

Notes to Schedules: The schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying independent auditors' report.

CITY OF NEW ORLEANS
 Required Supplementary Information Under GASB Statement No. 67 and 68
 For the year ended December 31, 2015
 (Unaudited)
 (Amounts in Thousands)

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

	Municipal Police Employees' Retirement System	
	<u>6/30/2015</u>	<u>6/30/2014</u>
Employer's proportion of the net pension liability	22.3598%	21.9733%
Employer's proportionate share of the net pension liability	\$ 175,166	\$ 137,467
Employer's covered-employee payroll	N/A	\$ 56,923
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	N/A	241.50%
Plan fiduciary net position as a percentage of the total pension liability	70.73%	75.10%

SCHEDULE OF CONTRIBUTIONS

	Municipal Police Employees' Retirement System	
	<u>6/30/2015</u>	<u>6/30/2014</u>
Actuarially required contribution	\$ 18,840	\$ 22,884
Contributions in relation to the actuarially required contribution	<u>(22,814)</u>	<u>(21,729)</u>
Contribution deficiency (excess)	<u>\$ (3,974)</u>	<u>\$ 1,155</u>
Employers' covered employee payroll	N/A	\$ 56,923
Contributions as a percentage of of covered-employee payroll	N/A	38.17%

Notes to Schedules: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying independent auditors' report.

COMBINING FINANCIAL STATEMENTS

NON-MAJOR GOVERNMENTAL FUNDS

CITY OF NEW ORLEANS, LOUISIANA

Combining Financial Statements

Non-major Governmental Funds

December 31, 2015

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. Significant special revenue funds are as follows.

- *American Can* – Used to account for repayment of the Section 108 loan received from the U.S. Department of Housing and Urban development (HUD) for the benefit of the American Can Project.
- *Neighborhood Housing Improvement* – Used to account for funds allocated to programs which repair and renovate housing in low-income areas.
- *New Orleans Economic Development* – Used to account for funds allocated to programs designed to alleviate economic development problems, improve quality of life, and provide jobs for the citizens of New Orleans.
- *Housing and Environment Improvements* – Used to improve health, housing and environmental conditions in the City.
- *Environmental Improvement* – Used to account for funds received from fines, fees, costs, and penalties and allocated to programs designed to improve health, housing, and environmental conditions in the City.
- *Asset Seizure* – Used to account for property confiscated from drug dealers by the police department to be used for crime fighting measures.
- *Capital Improvements and Infrastructure* – Used to account for funds allocated for the improvements of infrastructures within the City.
- *Plant-a-Tree Campaign* – Used to account for funds allocated to programs designed for planting and beautifying trees, plants, and flowers throughout the City.
- *Sex Offender Proprietary Fund* – Used to account for funds collected by the New Orleans Police Department as a result of annual registration of criminals, annual updates for registration information, criminal penalties for failure to register, and related matters. Expenditures from the fund are for equipment and supplies necessary for its operation and continuation.
- *Miscellaneous Donations* – Used to account for donations designated to specific City departments.
- *Music and Entertainment Commission* – Used to account for funds allocated for programs designed to attract music and entertainment to the City.

CITY OF NEW ORLEANS, LOUISIANA

Combining Financial Statements

Non-major Governmental Funds

December 31, 2015

- *Environmental Disaster Mitigation Revolving Fund* - All revenues collected by the Department of Finance from public or private entities as a result of damage to the environment shall be placed in the fund. Expenditures from the fund shall be used to purchase materials, compensate personnel, obtain services, or offset expenses that may have resulted from said damage.
- *New Orleans Recreation Foundation* – the New Orleans Recreation Development (NORD) Foundation Fund is established in the department of finance, under section 6-207 of the City Charter, to receive periodic philanthropic contributions from the NORD Foundation
- *Delgado Albania Plantation Commission* – Used to account for funds generated from the operation of a sugar cane plantation.
- *Imagine It Clean* – Established to receive allocations from various funding sources, including advertising revenue, donations, and other monetary contributions from private individuals, corporations, and other institutions and entities in the private sector, to support the programs and activities of the Imagine It Clean program.
- *Indigent Defender* – Used to account for revenues collected for specified traffic violations. These funds are maintained by the Orleans Parish Public Defenders Office.
- *Edward Wisner* – Used to account for approximately 53,500 acres of land and water bottoms in Jefferson, St. John the Baptist and Lafourche Parishes, Louisiana from the estate of Edward Wisner to the City of New Orleans, Louisiana as Trustee, for a 100 year charitable trust. The beneficiaries of the trust include the City of New Orleans, Louisiana as beneficiary for several charitable purposes, Charity Hospital, of New Orleans, Louisiana, Tulane University, and The Salvation Army. Specific portions of the land or the income from the land were also set aside for the establishment and maintenance of specified structures for certain other organizations operating within the City of New Orleans, Louisiana. This trust was created by an Act of Donation dated August 4, 1914.
- *Vieux Carre Residential* – This fund receives payments from individuals or businesses who wish to encourage residential uses in the Vieux Carré. The funds shall be used only for public purposes which help to retain or increase residential uses within the boundaries of the Vieux Carré National Register Historic District.
- *New Orleans Film Commission Trust* – Used to account for funds received for the spending budget of the New Orleans Film Commission from various sources, such as the New Orleans Tourism Marketing Corporation, as well as grant funds, donations, and other monetary contributions from private individual corporations, and other institutions and entities in the private sector to support the programs and activities of the Commission.
- *Mayor's Office of Tourism and Arts* – Used to account for programs and initiatives specifically directed toward supporting and advancing arts organizations.

CITY OF NEW ORLEANS, LOUISIANA

Combining Financial Statements

Non-major Governmental Funds

December 31, 2015

- *Mayoral Fellows Program* – Used to account for funds to offer post-baccalaureate students the opportunity to serve in the New Orleans city government while helping to create a cadre of potential leaders for the community.
- *Public Library Donations* – Used to account for donations to enhance the City’s library system.
- *New Orleans Recreation Department* – Used to account for donations designated to assist in the purchase of playground equipment.
- *Helen Adler Levy Library* – Used to account for funds for the purpose of the establishment and maintenance of the Helen Adler Levy Memorial Room at the New Orleans Public Library.
- *Simon Hersheim* – Used to account for funds for the purpose of purchasing books for the Public Library.
- *LaHache Music* – Used to account for funds to promote the history of New Orleans musicians and facilitate the development of new musicians and composers.
- *Mrs. Otto Joachim* – Used to account for funds to promote the study of orchestra music and violinists.
- *Isaac Delgado Memorial* – Used to account for funds which will benefit Delgado Community College.
- *John McDonogh School* – Used to account for funds to promote education throughout through the City of New Orleans.
- *Lafayette Cemetery No. 1 Under the Wiley of Lilly Violet* – a bequest to the City to maintain Lafayette Cemetery No. 1.
- *Sickles Legacy* – Used to account for funds designated to establish a city dispensary for gratuitous dispensing of medicine and medical advice for the poor.
- *Mahalia Zimmerman* – a bequest to the City to maintain Ms. Zimmerman’s tomb.
- *Institute of Mental Hygiene* – Used to account for funds for the purpose of study, research, and treatment in the field of mental hygiene and psychiatry.
- *Kiwanis Club Lee Circle Sprinkler System* – Used to maintain and improve the sprinkler system for the beautification and benefit of Lec Circle.
- *Ella West Freeman Foundation* – Used to account for funds to establish and facilitate programs aimed at education, performing and applied arts, community improvement and governmental oversight, and human service organizations with an emphasis on capital projects for established agencies.

CITY OF NEW ORLEANS, LOUISIANA

Combining Financial Statements

Non-major Governmental Funds

December 31, 2015

- *Adopt-a-Pothole/Streets* – Used to account for funds donated to repair damaged City streets.
- *New Orleans Police Department Crime Prevention* – Used to account for donations earmarked to assist the Police Department in their crime fighting efforts.
- *Sidewalk Paving and Repair* – Used to account for funds dedicated to maintaining sidewalks.
- *French Quarter Improvement* – All revenues collected by the Department of Finance from the New Orleans Convention and Visitors Bureau shall be only for the repairs, improvements and services within the French Quarter Management District in the following categories: public safety and law enforcement; quality of life enforcement measures, and violation identification; ticketing and court measures relative to ordinance compliance; sanitation; infrastructure repair of improvements and lighting.
- *Utilities* – All revenues derived from utility settlements and corresponding expenditures.
- *Coroner's Office* – Designated for the receipt and accounting of the contributions to the City of New Orleans for funds paid to the Coroner's Office for the fee imposed by the court for defraying the operational expenses of the Coroner's Office.
- *Ad Valorem Property Tax Enforcement Fund* – All revenues collected from property tax enforcement programs such as adjudicated sales and homestead exemption verification activities shall be deposited into this fund. Expenditures from the fund shall be used to fund additional costs related to the specific ad valorem property tax enforcement programs, to administer these programs, and to enhance technology used in ad valorem tax enforcement.

CITY OF NEW ORLEANS
 Combining Balance Sheet
 Non-major Governmental Funds
 December 31, 2015
 (Amounts in thousands)

Assets	New Orleans Economic Development	Neighborhood Housing Improvement	Environmental Improvement	American Can	Sex Offender Proprietary Fund	Sidewalk Paving and Repairing	Adopt-a- Pothole Program	Mayor's Office of Tourism and Arts	Mayoral Fellows Program
Cash	\$ 2,276	514	76	1,782	415	—	—	353	—
Investments	1,069	1,900	159	—	—	2	—	—	—
Property taxes receivable	40	40	—	—	—	—	—	—	—
Accounts receivable (net, where applicable, of allowances for uncollectibles)	—	—	59	—	—	—	—	45	—
Due from other funds	—	—	—	—	—	—	—	—	—
Due from other governments	—	—	—	—	—	—	—	—	—
Other assets	—	—	—	—	—	—	—	—	—
Total assets	<u>\$ 3,385</u>	<u>2,454</u>	<u>294</u>	<u>1,782</u>	<u>415</u>	<u>2</u>	<u>—</u>	<u>398</u>	<u>—</u>
Liabilities, Deferred Inflows, and Fund Balances									
Liabilities:									
Accounts payable	\$ 14	203	—	—	—	—	—	—	240
Accrued liabilities	28	43	—	—	—	—	—	—	9
Due to other funds	—	—	—	—	—	—	—	—	216
Due to other governments	—	—	—	—	—	—	—	—	—
Advances from other funds	—	—	—	—	—	2	—	—	—
Total liabilities	<u>42</u>	<u>246</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2</u>	<u>—</u>	<u>—</u>	<u>465</u>
Deferred Inflows of Resources									
Unavailable revenue	89	89	—	—	—	—	—	—	—
Total deferred inflows of resources	<u>89</u>	<u>89</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balances:									
Nonspendable	—	—	—	—	—	—	—	—	—
Restricted	—	—	—	—	—	—	—	—	—
Committed	3,253	2,116	294	1,782	415	—	—	398	—
Assigned	—	—	—	—	—	—	—	—	—
Unassigned	1	3	—	—	—	—	—	—	(465)
Total fund balances	<u>3,254</u>	<u>2,119</u>	<u>294</u>	<u>1,782</u>	<u>415</u>	<u>—</u>	<u>—</u>	<u>398</u>	<u>(465)</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 3,385</u>	<u>2,454</u>	<u>294</u>	<u>1,782</u>	<u>415</u>	<u>2</u>	<u>—</u>	<u>398</u>	<u>—</u>

See accompanying independent auditors' report.

(Continued)

CITY OF NEW ORLEANS
 Combining Balance Sheet
 Non-major Governmental Funds
 December 31, 2015
 (Amounts in thousands)

Assets	Music and Entertainment Commission	New Orleans Police Department Crime Prevention	Asset Seizure	New Orleans Recreation Foundation	New Orleans Recreation Department	New Orleans Film Commission	Vieux Carre' Restoration	Public Library Donations
Cash	19	1	934	99	52	36	1	837
Investments	116	—	658	—	—	157	—	42
Property taxes receivable	—	—	—	—	—	—	—	—
Accounts receivable (net, where applicable, of allowances for uncollectibles)	100	—	—	—	—	100	—	—
Due from other funds	—	—	—	—	—	—	—	—
Due from other governments	—	—	—	—	—	—	—	—
Other assets	—	—	—	—	—	—	—	—
Total assets	<u>235</u>	<u>1</u>	<u>1,592</u>	<u>99</u>	<u>52</u>	<u>293</u>	<u>1</u>	<u>879</u>
Liabilities, Deferred Inflows, and Fund Balances								
Liabilities:								
Accounts payable	—	—	—	39	—	20	—	1
Accrued liabilities	—	—	—	4	—	—	—	—
Due to other funds	—	—	—	—	—	—	—	—
Due to other governments	—	—	—	—	—	—	—	—
Advances from other funds	—	—	—	—	—	—	—	—
Total liabilities	<u>—</u>	<u>—</u>	<u>—</u>	<u>43</u>	<u>—</u>	<u>20</u>	<u>—</u>	<u>1</u>
Deferred Inflows of Resources								
Unavailable revenue	—	—	—	—	—	—	—	—
Total deferred inflows of resources	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balances:								
Nonspendable	—	—	—	—	52	—	—	878
Restricted	—	—	—	56	—	—	1	—
Committed	235	1	1,592	—	—	273	—	—
Assigned	—	—	—	—	—	—	—	—
Unassigned	—	—	—	—	—	—	—	—
Total fund balances	<u>235</u>	<u>1</u>	<u>1,592</u>	<u>56</u>	<u>52</u>	<u>273</u>	<u>1</u>	<u>878</u>
Total liabilities, deferred inflows, and fund balances	<u>235</u>	<u>1</u>	<u>1,592</u>	<u>99</u>	<u>52</u>	<u>293</u>	<u>1</u>	<u>879</u>

See accompanying independent auditors' report.

(Continued)

CITY OF NEW ORLEANS
Combining Balance Sheet
 Non-major Governmental Funds
 December 31, 2015
 (Amounts in thousands)

Assets	Plant- a-Tree Campaign	Capital Improvement and Infrastructure	Delgado- Albania Plantation Commission	Edward Wisner	LaHache Music	Simon Hersheim	Kiwanis Club Lee Circle Sprinkler System	Ella West Freeman Foundation
Cash	53	9,459	1,107	4,711	—	1	5	4
Investments	—	277	1,187	2,551	—	79	—	4
Property taxes receivable	—	80	—	—	—	—	—	—
Accounts receivable (net, where applicable, of allowances for uncollectibles)	—	—	—	143	—	—	—	—
Due from other funds	—	—	—	—	—	—	—	—
Due from other governments	—	—	—	—	—	—	—	—
Other assets	—	216	12	—	—	—	—	—
Total assets	<u>53</u>	<u>10,032</u>	<u>2,306</u>	<u>7,405</u>	<u>—</u>	<u>80</u>	<u>5</u>	<u>8</u>
Liabilities, Deferred Inflows, and Fund Balances								
Liabilities:								
Accounts payable	44	—	—	1,185	—	—	—	—
Accrued liabilities	—	—	—	—	—	—	—	—
Due to other funds	—	—	—	—	—	—	—	—
Due to other governments	—	—	—	—	—	—	—	—
Advances from other funds	—	—	—	—	—	—	—	—
Total liabilities	<u>44</u>	<u>—</u>	<u>—</u>	<u>1,185</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Deferred Inflows of Resources								
Unavailable revenue	—	178	—	—	—	—	—	—
Total deferred inflows of resources	<u>—</u>	<u>178</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balances:								
Nonspendable	—	—	—	—	—	—	—	—
Restricted	—	—	—	6,220	—	80	5	8
Committed	9	9,854	2,306	—	—	—	—	—
Assigned	—	—	—	—	—	—	—	—
Unassigned	—	—	—	—	—	—	—	—
Total fund balances	<u>9</u>	<u>9,854</u>	<u>2,306</u>	<u>6,220</u>	<u>—</u>	<u>80</u>	<u>5</u>	<u>8</u>
Total liabilities, deferred inflows, and fund balances	<u>53</u>	<u>10,032</u>	<u>2,306</u>	<u>7,405</u>	<u>—</u>	<u>80</u>	<u>5</u>	<u>8</u>

See accompanying independent auditors' report.

(Continued)

CITY OF NEW ORLEANS
 Combining Balance Sheet
 Non-major Governmental Funds
 December 31, 2015
 (Amounts in thousands)

Assets	Isaac Delgado Memorial	John McDonogh School	Lafayette Cemetery No. 1 Under Will of Lilly Violet	Mahalia Zimmerman Tomb	Mrs. Otto Joachim	Sickles Legacy	Helen Adler Levy Library	Housing and Environment Improvement	Indigent Defender
Cash	333	—	19	3	1	1	1	4,874	54
Investments	217	6	2	—	—	308	21	—	—
Property taxes receivable	—	—	—	—	—	—	—	—	—
Accounts receivable (net, where applicable, of allowances for uncollectibles)	—	—	—	—	—	—	6	563	45
Due from other funds	—	—	—	—	—	—	—	—	—
Due from other governments	—	—	—	—	—	—	—	—	—
Other assets	—	—	—	—	—	—	—	—	—
Total assets	<u>550</u>	<u>6</u>	<u>21</u>	<u>3</u>	<u>1</u>	<u>309</u>	<u>28</u>	<u>5,437</u>	<u>99</u>
Liabilities, Deferred Inflows, and Fund Balances									
Liabilities:									
Accounts payable	—	—	—	—	—	—	4	295	54
Accrued liabilities	—	—	—	—	—	—	—	1	—
Due to other funds	—	—	—	—	—	—	—	101	—
Due to other governments	—	—	—	—	—	—	—	—	—
Advances from other funds	—	—	—	—	—	—	—	—	—
Total liabilities	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>4</u>	<u>397</u>	<u>54</u>
Deferred Inflows of Resources									
Unavailable revenue	—	—	—	—	—	—	—	—	—
Total deferred inflows of resources	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balances:									
Nonspendable	—	—	—	—	—	—	—	—	—
Restricted	550	6	21	3	1	309	24	—	—
Committed	—	—	—	—	—	—	—	5,040	45
Assigned	—	—	—	—	—	—	—	—	—
Unassigned	—	—	—	—	—	—	—	—	—
Total fund balances	<u>550</u>	<u>6</u>	<u>21</u>	<u>3</u>	<u>1</u>	<u>309</u>	<u>24</u>	<u>5,040</u>	<u>45</u>
Total liabilities, deferred inflows, and fund balances	<u>550</u>	<u>6</u>	<u>21</u>	<u>3</u>	<u>1</u>	<u>309</u>	<u>28</u>	<u>5,437</u>	<u>99</u>

See accompanying independent auditors' report.

(Continued)

CITY OF NEW ORLEANS
 Combining Balance Sheet
 Non-major Governmental Funds
 December 31, 2015
 (Amounts in thousands)

Assets	Disaster Mitigation	Utilities	French Quarter Improvement	Coroner's Office	Ad Valorem Property Tax	Miscellaneous Donations	Other	Grant Recipient Funds	Total
Cash	320	1,377	1,414	67	5,098	211	8	3,683	40,199
Investments	—	—	—	—	—	—	163	—	8,918
Property taxes receivable	—	—	—	—	—	—	—	—	160
Accounts receivable (net, where applicable, of allowances for uncollectibles)	—	—	669	3	194	—	—	—	1,927
Due from other funds	—	—	—	—	—	—	—	1	1
Due from other governments	—	—	—	—	—	—	—	4,805	4,805
Other assets	—	—	—	—	—	—	—	—	228
Total assets	320	1,377	2,083	70	5,292	211	171	8,489	56,238
Liabilities, Deferred Inflows, and Fund Balances									
Liabilities:									
Accounts payable	—	—	—	—	—	1	—	4,620	6,720
Accrued liabilities	—	—	8	—	4	—	—	187	284
Due to other funds	—	—	—	—	—	—	—	938	1,255
Due to other governments	—	—	—	—	—	—	—	688	688
Advances from other funds	—	—	—	—	—	—	—	—	2
Total liabilities	—	—	8	—	4	1	—	6,433	8,949
Deferred Inflows of Resources									
Unavailable revenue	—	—	—	—	—	—	—	2,739	3,095
Total deferred inflows of resources	—	—	—	—	—	—	—	2,739	3,095
Fund balances:									
Nonspendable	—	—	—	—	—	—	164	—	1,094
Restricted	—	1,377	2,075	—	—	—	7	2,906	13,649
Committed	320	—	—	70	5,288	—	—	—	33,291
Assigned	—	—	—	—	—	210	—	98	308
Unassigned	—	—	—	—	—	—	—	(3,687)	(4,148)
Total fund balances	320	1,377	2,075	70	5,288	210	171	(683)	44,194
Total liabilities, deferred inflows, and fund balances	320	1,377	2,083	70	5,292	211	171	8,489	56,238

See accompanying independent auditors' report.

CITY OF NEW ORLEANS
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
 Non-major Governmental Funds
 December 31, 2015
 (Amounts in thousands)

	New Orleans Economic Development	Neighborhood Housing Improvement	Environmental Improvement	American Can	Sex Offender Proprietary Fund	Sidewalk Paving and Repairing	Adopt-a- Pothole Program	Mayor's Office of Tourism and Arts
Revenues:								
Taxes	\$ 2,799	2,799	—	—	—	—	—	—
Intergovernmental	—	—	—	—	—	—	—	—
Program income	—	84	—	—	—	—	—	—
Charge for Fees	—	—	22	—	—	—	—	—
Fines and forfeits	—	—	126	—	—	—	—	—
Interest income	—	—	—	—	—	—	—	—
Contributions, gifts, and donations	—	—	—	—	—	—	—	178
Miscellaneous	—	—	—	—	58	—	—	—
Total revenues	<u>2,799</u>	<u>2,883</u>	<u>148</u>	<u>—</u>	<u>58</u>	<u>—</u>	<u>—</u>	<u>178</u>
Expenditures:								
General government	—	—	—	—	—	—	—	74
Public safety	—	—	—	—	35	—	—	—
Public works	—	—	—	—	—	—	—	—
Health and human services	—	—	20	—	—	—	—	—
Culture and recreation	—	—	—	—	—	—	—	—
Urban development and housing	—	—	—	—	—	—	—	—
Economic development and assistance	2,281	2,190	—	—	—	—	—	—
Capital outlays	—	—	—	—	—	—	—	—
Debt service	—	—	—	—	—	—	—	—
Principal	—	—	—	360	—	—	—	—
Interest	—	—	—	57	—	—	—	—
Total expenditures	<u>2,281</u>	<u>2,190</u>	<u>20</u>	<u>417</u>	<u>35</u>	<u>—</u>	<u>—</u>	<u>74</u>
Excess (deficiency) of revenues over expenditures	518	693	128	(417)	23	—	—	104
Other financing sources (uses):								
Operating transfers in	—	—	—	—	—	—	—	—
Operating transfers out	—	—	—	—	—	—	—	—
Total other financing sources (uses)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balance	518	693	128	(417)	23	—	—	104
Fund balances – beginning of year	2,743	1,427	166	2,199	392	—	—	294
Prior period adjustments	(7)	(1)	—	—	—	—	—	—
Fund balances – beginning of year, as restated	2,736	1,426	166	2,199	392	—	—	294
Fund balances (deficit) – end of year	<u>\$ 3,254</u>	<u>2,119</u>	<u>294</u>	<u>1,782</u>	<u>415</u>	<u>—</u>	<u>—</u>	<u>398</u>

See accompanying independent auditors' report.

(Continued)

CITY OF NEW ORLEANS
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
 Non-major Governmental Funds
 December 31, 2015
 (Amounts in thousands)

	Mayoral Fellows Program	Music and Entertainment Commission	New Orleans Police Department - Crime Prevention	Asset Seizure	New Orleans Recreation Foundation	New Orleans Recreation Department	New Orleans Film Commission	Vieux Carre' Restoration
Revenues:								
Taxes	—	—	—	—	—	—	—	—
Intergovernmental	—	—	—	—	—	—	—	—
Program income	—	—	—	—	—	—	—	—
Charge for Fees	—	—	—	—	—	—	—	—
Fines and forfeits	—	—	—	444	—	—	—	—
Interest income	—	—	—	—	—	—	—	—
Contributions, gifts, and donations	451	100	—	—	443	—	100	—
Miscellaneous	—	—	—	—	—	—	—	—
Total revenues	<u>451</u>	<u>100</u>	<u>—</u>	<u>444</u>	<u>443</u>	<u>—</u>	<u>100</u>	<u>—</u>
Expenditures:								
General government	451	71	—	—	—	—	71	—
Public safety	—	—	—	225	—	—	—	—
Public works	—	—	—	—	—	—	—	—
Health and human services	—	—	—	—	—	—	—	—
Culture and recreation	—	—	—	—	468	—	—	—
Urban development and housing	—	—	—	—	—	—	—	—
Economic development and assistance	—	—	—	—	—	—	—	—
Capital outlays	—	—	—	—	—	—	—	—
Debt service	—	—	—	—	—	—	—	—
Principal	—	—	—	—	—	—	—	—
Interest	—	—	—	—	—	—	—	—
Total expenditures	<u>451</u>	<u>71</u>	<u>—</u>	<u>225</u>	<u>468</u>	<u>—</u>	<u>71</u>	<u>—</u>
Excess (deficiency) of revenues over expenditures	—	29	—	219	(25)	—	29	—
Other financing sources (uses):								
Operating transfers in	—	—	—	—	—	—	—	—
Operating transfers out	—	—	—	—	—	—	—	—
Total other financing sources (uses)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balance	<u>—</u>	<u>29</u>	<u>—</u>	<u>219</u>	<u>(25)</u>	<u>—</u>	<u>29</u>	<u>—</u>
Fund balances – beginning of year	(465)	206	1	1,373	81	52	244	1
Prior period adjustments	—	—	—	—	—	—	—	—
Fund balances – beginning of year, as restated	<u>(465)</u>	<u>206</u>	<u>1</u>	<u>1,373</u>	<u>81</u>	<u>52</u>	<u>244</u>	<u>1</u>
Fund balances (deficit) – end of year	<u>(465)</u>	<u>235</u>	<u>1</u>	<u>1,592</u>	<u>56</u>	<u>52</u>	<u>273</u>	<u>1</u>

See accompanying independent auditors' report.

(Continued)

CITY OF NEW ORLEANS
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
 Non-major Governmental Funds
 December 31, 2015
 (Amounts in thousands)

	Public Library Donations	Plant- A-Tree Campaign	Capital Improvement and Infrastructure	Delgado- Albania Plantation Commission	Edward Wisner	LaHache Music	Simon Hersheim	Kiwanis Club Lee Circle Sprinkler System
Revenues:								
Taxes	—	—	5,599	—	—	—	—	—
Intergovernmental	—	—	—	—	—	—	—	—
Program income	—	—	—	—	—	—	—	—
Charge for Fees	—	—	—	—	—	—	—	—
Fines and forfeits	—	—	—	—	—	—	—	—
Interest income	—	—	—	1	1	—	—	—
Contributions, gifts, and donations	—	201	—	—	1,386	—	—	—
Miscellaneous	120	—	—	181	—	—	—	—
Total revenues	120	201	5,599	182	1,387	—	—	—
Expenditures:								
General government	—	—	—	—	—	—	—	—
Public safety	—	—	—	—	—	—	—	—
Public works	—	—	—	—	—	—	—	—
Health and human services	—	—	—	—	—	—	—	—
Culture and recreation	—	362	—	—	1,849	—	—	—
Urban development and housing	—	—	—	—	—	—	—	—
Economic development and assistance	—	—	423	—	—	—	—	—
Capital outlays	—	—	—	—	—	—	—	—
Debt service	—	—	—	—	—	—	—	—
Principal	—	—	—	—	—	—	—	—
Interest	—	—	—	—	—	—	—	—
Total expenditures	—	362	423	—	1,849	—	—	—
Excess (deficiency) of revenues over expenditures	120	(161)	5,176	182	(462)	—	—	—
Other financing sources (uses):								
Operating transfers in	—	—	—	—	—	—	—	—
Operating transfers out	—	—	—	—	—	—	—	—
Total other financing sources (uses)	—	—	—	—	—	—	—	—
Net change in fund balance	120	(161)	5,176	182	(462)	—	—	—
Fund balances – beginning of year	758	170	4,693	2,124	6,682	—	80	5
Prior period adjustments	—	—	(15)	—	—	—	—	—
Fund balances – beginning of year, as restated	758	170	4,678	2,124	6,682	—	80	5
Fund balances (deficit) – end of year	878	9	9,854	2,306	6,220	—	80	5

See accompanying independent auditors' report.

(Continued)

CITY OF NEW ORLEANS
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
 Non-major Governmental Funds
 December 31, 2015
 (Amounts in thousands)

	Ella West Freeman Foundation	Isaac Delgado Memorial	John McDonogh School	Lafayette Cemetery No. 1 Under Will of Lilly Violet	Mahalia Zimmerman Tomb	Mrs. Otto Joachim	Sickles Legacy	Helen Adler Levy Library
Revenues:								
Taxes	--	--	--	--	--	--	--	--
Intergovernmental	--	--	--	--	--	--	--	--
Program income	--	--	--	--	--	--	--	--
Charge for Fees	--	--	--	--	--	--	--	--
Fines and forfeits	--	--	--	--	--	--	--	--
Interest income	--	--	--	--	--	--	--	--
Contributions, gifts, and donations	--	--	--	--	--	--	--	--
Miscellaneous	--	--	--	--	--	--	--	--
Total revenues	--	--	--	--	--	--	--	--
Expenditures:								
General government	--	--	--	--	--	--	--	--
Public safety	--	--	--	--	--	--	--	--
Public works	--	--	--	--	--	--	--	--
Health and human services	--	--	--	--	--	--	--	--
Culture and recreation	--	--	--	--	--	--	--	--
Urban development and housing	--	--	--	--	--	--	--	--
Economic development and assistance	--	--	--	--	--	--	--	--
Capital outlays	--	--	--	--	--	--	--	--
Debt service	--	--	--	--	--	--	--	--
Principal	--	--	--	--	--	--	--	--
Interest	--	--	--	--	--	--	--	--
Total expenditures	--	--	--	--	--	--	--	--
Excess (deficiency) of revenues over expenditures	--	--	--	--	--	--	--	--
Other financing sources (uses):								
Operating transfers in	--	--	--	--	--	--	--	--
Operating transfers out	--	--	--	--	--	--	--	--
Total other financing sources (uses)	--	--	--	--	--	--	--	--
Net change in fund balance	--	--	--	--	--	--	--	--
Fund balances - beginning of year	8	550	6	21	3	1	309	24
Prior period adjustments	--	--	--	--	--	--	--	--
Fund balances - beginning of year, as restated	8	550	6	21	3	1	309	24
Fund balances (deficit) - end of year	8	550	6	21	3	1	309	24

See accompanying independent auditors' report.

(Continued)

CITY OF NEW ORLEANS
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
 Non-major Governmental Funds
 December 31, 2015
 (Amounts in thousands)

	Housing and Environment Improvement	Indigent Defender	Disaster Mitigation	Utilities	French Quarter Improvement	Coroner's Office	Ad Valorem Property Tax	Miscellaneous Donations	Other	Grant Recipient Funds	Total
Revenues:											
Taxes	—	—	—	—	—	—	—	—	—	—	11,197
Intergovernmental	—	—	—	—	—	—	—	—	—	23,049	23,049
Program income	—	—	—	—	—	—	—	—	—	270	354
Charge for Fees	—	—	—	—	—	—	—	—	—	—	22
Fines and forfeits	3,304	724	—	—	—	66	5,347	—	—	—	10,011
Interest income	—	—	—	—	—	—	—	—	—	—	2
Contributions, gifts, and donations	—	—	—	—	—	—	—	20	—	—	2,879
Miscellaneous	—	—	—	—	1,925	—	—	—	—	—	2,284
Total revenues	3,304	724	—	—	1,925	66	5,347	20	—	23,319	49,798
Expenditures:											
General government	—	—	—	—	—	—	—	—	—	3,450	4,117
Public safety	—	788	—	—	—	—	59	—	—	2,584	3,691
Public works	—	—	—	—	739	—	—	—	—	—	739
Health and human services	—	—	—	—	—	—	—	38	—	13,431	13,489
Culture and recreation	—	—	—	—	—	—	—	—	—	62	2,741
Urban development and housing	974	—	—	—	—	—	—	—	—	102	1,076
Economic development and assistance	—	—	—	—	—	—	—	—	—	3,039	7,933
Capital outlays	—	—	—	—	—	—	—	—	—	133	133
Debt service	—	—	—	—	—	—	—	—	—	—	360
Principal	—	—	—	—	—	—	—	—	—	—	57
Interest	—	—	—	—	—	—	—	—	—	—	—
Total expenditures	974	788	—	—	739	—	59	38	—	22,801	34,336
Excess (deficiency) of revenues over expenditures	2,330	(64)	—	—	1,186	66	5,288	(18)	—	518	15,462
Other financing sources (uses):											
Operating transfers in	—	—	—	—	—	—	—	—	—	57	57
Operating transfers out	—	—	—	(2,121)	—	—	—	—	—	—	(2,121)
Total other financing sources (uses)	—	—	—	(2,121)	—	—	—	—	—	57	(2,064)
Net change in fund balance	2,330	(64)	—	(2,121)	1,186	66	5,288	(18)	—	575	13,398
Fund balances – beginning of year	2,727	109	320	3,498	889	4	—	228	171	(1,224)	30,870
Prior period adjustments	(17)	—	—	—	—	—	—	—	—	(34)	(74)
Fund balances – beginning of year, as restated	2,710	109	320	3,498	889	4	—	228	171	(1,258)	30,796
Fund balances (deficit) – end of year	5,040	45	320	1,377	2,075	70	5,288	210	171	(683)	44,194

See accompanying independent auditors' report.

CITY OF NEW ORLEANS
 Combining Balance Sheet
 Non-major Grant Recipient Funds
 December 31, 2015
 (Amounts in thousands)

	Federal Department of Interior	Federal Justice Administration	FDJ Office of Justice Program	Department of Defense	Federal Department of Health	Federal Department of Commerce	Department of Economic Development	Federal Department of Energy	Federal Department of Agriculture
Assets									
Cash	\$ 1	—	—	—	—	—	19	77	978
Due from other funds	—	—	—	—	—	—	—	—	—
Due from other governments	—	321	230	192	3,086	—	—	—	—
Total assets	\$ 1	321	230	192	3,086	—	19	77	978
Deferred Outflows of Resources									
Liabilities, Deferred Inflows, and Fund Balances									
Liabilities:									
Accounts payable	\$ —	115	73	—	3,679	—	—	—	—
Accrued liability	—	—	4	—	104	—	—	—	—
Due to other funds	—	315	239	167	40	—	—	—	—
Due to other governments	—	—	—	—	—	—	—	5	—
Total liabilities	—	430	316	167	3,823	—	—	5	—
Deferred Inflows of Resources									
Unavailable revenues	—	—	—	—	2,458	—	—	—	—
Total deferred inflows of resources	—	—	—	—	2,458	—	—	—	—
Fund balances:									
Restricted	—	—	—	—	—	—	19	72	978
Assigned	1	—	—	—	—	—	—	—	—
Unassigned	—	(109)	(86)	25	(3,195)	—	—	—	—
Total fund balances	1	(109)	(86)	25	(3,195)	—	19	72	978
Total liabilities, deferred inflows, and fund balances	\$ 1	321	230	192	3,086	—	19	77	978

See accompanying independent auditors' report.

(Continued)

CITY OF NEW ORLEANS
 Combining Balance Sheet
 Non-major Grant Recipient Funds
 December 31, 2015
 (Amounts in thousands)

Assets	Louisiana Commission on Law Enforcement	Department of Health and Human Resources	Environmental Protection Agency	Louisiana Department of Public Safety	Louisiana Department of Education	Louisiana Department of Agriculture and Forestry	Department of Culture, Recreation, and Tourism	Department of Labor
Cash	—	67	266	—	5	109	2	11
Due from other funds	—	—	—	—	—	—	—	—
Due from other governments	113	55	3	—	—	—	—	618
Total assets	<u>113</u>	<u>122</u>	<u>269</u>	<u>—</u>	<u>5</u>	<u>109</u>	<u>2</u>	<u>629</u>
Deferred Outflows of Resources								
Liabilities, Deferred Inflows, and Fund Balances								
Liabilities:								
Accounts payable	16	8	32	—	—	—	—	547
Accrued liability	2	17	—	—	—	—	—	26
Due to other funds	40	—	—	23	—	—	—	—
Due to other governments	394	—	—	—	—	—	—	—
Total liabilities	<u>452</u>	<u>25</u>	<u>32</u>	<u>23</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>573</u>
Deferred Inflows of Resources								
Unavailable revenues	3	—	—	—	—	—	—	273
Total deferred inflows of resources	<u>3</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>273</u>
Fund balances:								
Restricted	—	—	237	(23)	5	109	2	(217)
Assigned	—	97	—	—	—	—	—	—
Unassigned	(342)	—	—	—	—	—	—	—
Total fund balances	<u>(342)</u>	<u>97</u>	<u>237</u>	<u>(23)</u>	<u>5</u>	<u>109</u>	<u>2</u>	<u>(217)</u>
Total liabilities, deferred inflows, and fund balances	<u>113</u>	<u>122</u>	<u>269</u>	<u>—</u>	<u>5</u>	<u>109</u>	<u>2</u>	<u>629</u>

See accompanying independent auditors' report.

(Continued)

CITY OF NEW ORLEANS
 Combining Balance Sheet
 Non-major Grant Recipient Funds
 December 31, 2015
 (Amounts in thousands)

Assets	Department of Natural Resources	Traffic Court	Private Grants	Federal Department of Homeland Security	Federal Department of Social Service	Louisiana Military Department	Federal American Recovery Act	Federal Department of Transportation	Total
Cash	104	289	1,732	—	—	23	—	—	3,683
Due from other funds	—	—	1	—	—	—	—	—	1
Due from other governments	—	—	—	181	—	6	—	—	4,805
Total assets	104	289	1,733	181	—	29	—	—	8,489
Deferred Outflows of Resources									
Liabilities, Deferred Inflows, and Fund Balances									
Liabilities:									
Accounts payable	—	—	106	21	—	11	—	12	4,620
Accrued liability	—	—	25	9	—	—	—	—	187
Due to other funds	—	—	—	114	—	—	—	—	938
Due to other governments	—	289	—	—	—	—	—	—	688
Total liabilities	—	289	131	144	—	11	—	12	6,433
Deferred Inflows of Resources									
Unavailable revenues	—	—	—	5	—	—	—	—	2,739
Total deferred inflows of resources	—	—	—	5	—	—	—	—	2,739
Fund balances:									
Restricted	104	—	1,602	—	—	18	—	—	2,906
Assigned	—	—	—	—	—	—	—	—	98
Unassigned	—	—	—	32	—	—	—	(12)	(3,687)
Total fund balances	104	—	1,602	32	—	18	—	(12)	(683)
Total liabilities, deferred inflows, and fund balances	104	289	1,733	181	—	29	—	—	8,489

See accompanying independent auditors' report.

CITY OF NEW ORLEANS
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
 Non-major Grant Recipient Funds
 December 31, 2015
 (Amounts in thousands)

	Federal Department of Interior	Federal Justice Administration	FDJ Office of Justice Program	Federal Department of Health	Department of Defense	Federal Department of Commerce	Department of Economic Development	Federal Energy Grant	Federal Department of Agriculture	Louisiana Commission on Law Enforcement
Revenues:										
Intergovernmental	\$ —	2,498	688	12,011	191	—	—	—	—	360
Program income	—	—	—	270	—	—	—	—	—	—
Total revenues	—	2,498	688	12,281	191	—	—	—	—	360
Expenditures:										
General government	—	199	271	—	12	—	—	—	—	54
Public safety	—	2,208	4	—	—	—	—	—	—	192
Health and human services	—	128	373	11,886	—	—	—	—	—	48
Culture and recreation	—	—	—	—	—	—	—	—	—	—
Urban Development	—	—	—	—	—	—	—	—	—	—
Economic development and assistance	—	—	—	—	—	—	—	—	—	—
Capital outlays	—	—	—	—	—	—	—	—	—	—
Total expenditures	—	2,535	648	11,886	12	—	—	—	—	294
(Deficiency) excess of revenues over expenditures	—	(37)	40	395	179	—	—	—	—	66
Other financing uses:										
Transfers in	—	—	—	—	5	—	—	—	—	—
Total other financing uses	—	—	—	—	5	—	—	—	—	—
Net change in fund balance	—	(37)	40	395	184	—	—	—	—	66
Fund balances – beginning of year	1	(71)	(126)	(3,557)	(159)	—	19	72	978	(408)
Prior period adjustments	—	(1)	—	(33)	—	—	—	—	—	—
Fund balances – beginning of year, as restated	1	(72)	(126)	(3,590)	(159)	—	19	72	978	(408)
Fund balances (deficit) – end of year	\$ 1	(109)	(86)	(3,195)	25	—	19	72	978	(342)

See accompanying independent auditors' report.

(Continued)

CITY OF NEW ORLEANS
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
 Non-major Grant Recipient Funds
 December 31, 2015
 (Amounts in thousands)

	Department of Health and Human Resources	Environmental Protection Agency	Louisiana Department of Public Safety	Louisiana Department of Education	Louisiana Department of Agriculture and Forestry	Department of Culture, Recreation and Tourism	Department of Labor	Department of Natural Resources	Traffic Court
Revenues:									
Intergovernmental	727	10	149	—	—	—	2,798	16	—
Program income	—	—	—	—	—	—	—	—	—
Total revenues	<u>727</u>	<u>10</u>	<u>149</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,798</u>	<u>16</u>	<u>—</u>
Expenditures:									
General government	15	83	—	—	—	—	243	—	—
Public safety	—	—	180	—	—	—	—	—	—
Health and human services	679	—	—	—	—	—	—	—	—
Culture and recreation	22	—	—	—	—	—	—	—	—
Urban Development	—	—	—	—	—	—	—	—	—
Economic development and assistance	—	—	—	—	—	—	2,913	—	—
Capital outlays	—	—	—	—	—	—	—	—	—
Total expenditures	<u>716</u>	<u>83</u>	<u>180</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>3,156</u>	<u>—</u>	<u>—</u>
(Deficiency) excess of revenues over expenditures	<u>11</u>	<u>(73)</u>	<u>(31)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(358)</u>	<u>16</u>	<u>—</u>
Other financing uses:									
Transfers in	—	—	—	—	—	—	—	—	—
Total other financing uses	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balance	<u>11</u>	<u>(73)</u>	<u>(31)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(358)</u>	<u>16</u>	<u>—</u>
Fund balances – beginning of year	<u>86</u>	<u>310</u>	<u>8</u>	<u>5</u>	<u>109</u>	<u>2</u>	<u>141</u>	<u>88</u>	<u>—</u>
Prior period adjustments	—	—	—	—	—	—	—	—	—
Fund balances – beginning of year, as restated	<u>86</u>	<u>310</u>	<u>8</u>	<u>5</u>	<u>109</u>	<u>2</u>	<u>141</u>	<u>88</u>	<u>—</u>
Fund balances (deficit) – end of year	<u>97</u>	<u>237</u>	<u>(23)</u>	<u>5</u>	<u>109</u>	<u>2</u>	<u>(217)</u>	<u>104</u>	<u>—</u>

See accompanying independent auditors' report.

CITY OF NEW ORLEANS
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
 Non-major Grant Recipient Funds
 December 31, 2015
 (Amounts in thousands)

	Private Grants	Federal Department of Homeland Security	Federal Department of Social Service	Louisiana Military Department	Federal American Recovery Act	Federal Department of Transportation	Total
Revenues:							
Intergovernmental	1,851	1,245	322	183	—	—	23,049
Program income	—	—	—	—	—	—	270
Total revenues	1,851	1,245	322	183	—	—	23,319
Expenditures:							
General government	1,389	1,023	—	149	—	12	3,450
Public safety	—	—	—	—	—	—	2,584
Health and human services	317	—	—	—	—	—	13,431
Culture and recreation	—	—	—	40	—	—	62
Urban Development	—	—	102	—	—	—	102
Economic development and assistance	126	—	—	—	—	—	3,039
Capital outlays	—	133	—	—	—	—	133
Total expenditures	1,832	1,156	102	189	—	12	22,801
(Deficiency) excess of revenues over expenditures	19	89	220	(6)	—	(12)	518
Other financing uses:							
Transfers in	—	—	49	—	3	—	57
Total other financing uses	—	—	49	—	3	—	57
Net change in fund balance	19	89	269	(6)	3	(12)	575
Fund balances – beginning of year	1,583	(57)	(269)	24	(3)	—	(1,224)
Prior period adjustments	—	—	—	—	—	—	(34)
Fund balances – beginning of year, as restated	1,583	(57)	(269)	24	(3)	—	(1,258)
Fund balances (deficit) – end of year	1,602	32	—	18	—	(12)	(683)

See accompanying independent auditors' report.

(Continued)

FIDUCIARY FUNDS

CITY OF NEW ORLEANS, LOUISIANA

Combining Financial Statements

Fiduciary Funds
December 31, 2015

Pension trust funds are used to account for the accumulation of resources to be used for retirement annuities and death and disability benefits for employees covered by the various plans. Resources are contributed by employees at fixed rates by laws and by the City at amounts determined by actuarial studies.

Agency funds are used to account for all monies held by the City in a custodial capacity. Such monies are recorded as assets and equally offset by liabilities. These funds do not measure revenues, expenditures, or expenses. The City's agency funds are as follows:

- *Clearing Fund* – Used to account for money being held pending payment thereof to other funds as provided by law.
- *Deposit Fund* – Used to account for money deposited under any ordinance or contract in connection with the exercise of any right or privilege for the purpose of guaranteeing performance of any obligation.
- *Escrow Fund* – Used to account for money paid to or deposited with any officer, department, or board under protest or held subject to the proper determination of the rights of the City.

CITY OF NEW ORLEANS, LOUISIANA
Combining Statement of Fiduciary Net Position
Pension Trust Funds
December 31, 2015
(Amounts in thousands)

Assets	Firefighters'		Police old system	Employees' retirement system	Total
	Old system	New system			
Current assets:					
Cash	\$ 512	2,005	76	1,263	3,856
Investments:					
Cash equivalents	18,097	6,854	1,554	14,380	40,885
Fixed income securities	—	—	—	94,718	94,718
Equities	—	1	—	172,375	172,376
Mutual funds	—	2,495	—	—	2,495
Notes receivable	—	3,235	—	—	3,235
Investment in corporations, partnerships, and limited liability	—	28,335	—	—	28,335
Investment in hedge funds and private equity funds	—	—	—	32,653	32,653
Investment in real estate	—	3,722	—	18,789	22,511
Other	—	—	—	7,165	7,165
Receivables:					
Accrued interest	—	—	—	187	187
Contribution	—	179	—	291	470
Due (to)/from Old/New System	(3,587)	3,587	—	—	—
Other	—	—	40	35	75
Other assets	—	—	—	—	—
Total assets	\$ 15,022	50,413	1,670	341,856	408,961
Liabilities and Net Position					
Current liabilities:					
Accounts payable	\$ 20	145	12	—	177
Line of credit	—	—	—	—	—
Other payables and accruals	(1)	—	—	2,758	2,757
Total current liabilities	19	145	12	2,758	2,934
Long-term liabilities:					
Notes payable	—	—	—	—	—
Total long-term liabilities	—	—	—	—	—
Total liabilities	19	145	12	2,758	2,934
Net position:					
Restricted for:					
Pension benefits	15,003	50,268	1,658	339,098	406,027
Total net position held in trust for pension benefits	15,003	50,268	1,658	339,098	406,027
Total liabilities and net position	\$ 15,022	50,413	1,670	341,856	408,961

See accompanying independent auditors' report.

CITY OF NEW ORLEANS, LOUISIANA
Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
Year ended December 31, 2015
(Amounts in thousands)

	Firefighters'		Police old system	Employees'	Total
	Old system	New system		retirement system	
Additions:					
Contributions:					
Employer	\$ 17,200	29,713	—	24,011	70,924
Members	—	2,577	—	6,490	9,067
Fire insurance rebate	865	869	—	—	1,734
Other	—	—	203	59	262
Total contributions	<u>18,065</u>	<u>33,159</u>	<u>203</u>	<u>30,560</u>	<u>81,987</u>
Other income:					
Other - City of New Orleans	—	—	2	—	2
Total other income	<u>—</u>	<u>—</u>	<u>2</u>	<u>—</u>	<u>2</u>
Investment income:					
Net appreciation (depreciation) in fair value of investments	240	(6,540)	—	(18,141)	(24,441)
Interest and dividends	2	621	—	5,167	5,790
Other investment income	—	107	—	68	175
Less investment expense	(42)	(874)	—	(1,139)	(2,055)
Net investment income (loss)	<u>200</u>	<u>(6,686)</u>	<u>—</u>	<u>(14,045)</u>	<u>(20,531)</u>
Total additions	<u>18,265</u>	<u>26,473</u>	<u>205</u>	<u>16,515</u>	<u>61,458</u>
Deductions:					
Pension benefits	16,922	23,659	41	22,956	63,578
Refund of member contributions	—	217	2	1,727	1,946
Death benefits	50	36	—	236	322
Administrative expenses	404	824	117	92	1,437
DROP withdrawal	160	10,250	—	2,918	13,328
PLOP withdrawal	987	6,569	—	5,308	12,864
Transfers	—	27	71	14,930	15,028
Total deductions	<u>18,523</u>	<u>41,582</u>	<u>231</u>	<u>48,167</u>	<u>108,503</u>
Net increase (decrease)	<u>(258)</u>	<u>(15,109)</u>	<u>(26)</u>	<u>(31,652)</u>	<u>(47,045)</u>
Net position held in trust for pension					
benefits – beginning of year	15,261	62,645	1,684	370,750	450,340
Prior period adjustments	—	2,732	—	—	2,732
Net position held in trust for pension					
benefits – beginning of year, as restated	<u>15,261</u>	<u>65,377</u>	<u>1,684</u>	<u>370,750</u>	<u>453,072</u>
Net position held in trust for pension					
benefits – end of year	<u>\$ 15,003</u>	<u>50,268</u>	<u>1,658</u>	<u>339,098</u>	<u>406,027</u>

See accompanying independent auditors' report.

CITY OF NEW ORLEANS, LOUISIANA
Combining Statement of Changes in Assets and Liabilities
Agency Funds
Year ended December 31, 2015
(Amounts in thousands)

	Balance January 1, 2015	Additions	Deductions	Balance December 31, 2015
Clearing fund:				
Assets:				
Cash	\$ 24,422	1,676,263	1,670,141	30,544
Accounts receivable	2,072	148	1,820	400
	<u>\$ 26,494</u>	<u>1,676,411</u>	<u>1,671,961</u>	<u>30,944</u>
Liabilities:				
Other payables and accruals	\$ 26,494	2,480,744	2,476,294	30,944
	<u>\$ 26,494</u>	<u>2,480,744</u>	<u>2,476,294</u>	<u>30,944</u>
Deposit fund:				
Assets:				
Cash	\$ 9	12,005	11,606	408
Investments	876	1	—	877
Accounts receivable	41	552	550	43
	<u>\$ 926</u>	<u>12,558</u>	<u>12,156</u>	<u>1,328</u>
Liabilities:				
Accounts payable	\$ 1	12	12	1
Other payables and accruals	925	7,097	6,695	1,327
	<u>\$ 926</u>	<u>7,109</u>	<u>6,707</u>	<u>1,328</u>

See accompanying independent auditors' report.

(Continued)

CITY OF NEW ORLEANS, LOUISIANA
 Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Year ended December 31, 2015
 (Amounts in thousands)

	<u>Balance January 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2015</u>
Escrow fund				
Assets:				
Cash	\$ 14,596	113,297	109,949	17,944
Investments	17,089	13	3	17,099
Accounts Receivable	--	--	--	--
	<u>\$ 31,685</u>	<u>113,310</u>	<u>109,952</u>	<u>35,043</u>
Liabilities:				
Other payables and accruals	\$ 31,685	79,325	75,967	35,043
	<u>\$ 31,685</u>	<u>79,325</u>	<u>75,967</u>	<u>35,043</u>
Total all agency funds:				
Assets:				
Cash	\$ 39,027	1,801,565	1,791,696	48,896
Investments	17,965	14	3	17,976
Accounts receivable	2,113	700	2,370	443
	<u>\$ 59,105</u>	<u>1,802,279</u>	<u>1,794,069</u>	<u>67,315</u>
Liabilities:				
Accounts payable	\$ 1	12	12	1
Other payables and accruals	59,104	2,567,166	2,558,956	67,314
	<u>\$ 59,105</u>	<u>2,567,178</u>	<u>2,558,968</u>	<u>67,315</u>

See accompanying independent auditors' report.

NON-MAJOR COMPONENT UNITS

CITY OF NEW ORLEANS, LOUISIANA

Combining Statement of Net Position

Non-major Component Units

December 31, 2015

(Amounts in thousands)

Assets	Downtown Development District	New Orleans Tourism Marketing Corporation	Orleans Parish Communication District	Municipal Yacht Harbor Management Corporation	French Market Corporation	Canal Street Development Corporation	New Orleans Building Corporation	Parish Hospital District for the Parish of Orleans District A	Total
Current assets:									
Cash	\$ 4,636	5,332	4,689	3,333	13,844	15,312	5,192	3,638	55,976
Receivables (net of allowances for uncollectibles):									
Property taxes	442	—	—	—	—	—	—	—	442
Accounts	—	4,024	814	2	297	565	1,330	2,487	9,519
Accrued interest	—	—	—	—	—	56	—	—	56
Other	135	177	—	—	—	—	—	923	1,235
Due from other governments	—	—	—	—	—	926	—	2,299	3,225
Prepaid expenses and deposits	128	1,183	334	87	131	156	84	1,104	3,207
Other assets	—	—	—	—	—	—	—	3,521	3,521
Total current assets	5,341	10,716	5,837	3,422	14,272	17,015	6,606	13,972	77,181
Restricted cash and investments:									
Customer deposits	—	—	—	—	—	—	3,921	—	3,921
Future debt service account	261	—	—	—	—	—	—	—	261
Other	—	—	—	—	—	—	—	1,517	1,517
Total restricted assets	261	—	—	—	—	—	3,921	1,517	5,699
Property, plant, and equipment – at cost, less accumulated depreciation	61	—	18,931	11	19,176	13,689	36,743	126,844	215,455
Other assets	—	—	—	—	—	13,956	—	—	13,956
Total assets	\$ 5,663	10,716	24,768	3,433	33,448	44,660	47,270	142,333	312,291
Deferred Outflows of Resources									
Deferred amounts related to net pension liability	—	—	287	—	607	—	—	—	894
Total deferred outflows of resources	—	—	287	—	607	—	—	—	894
Total assets and deferred outflows of resources	\$ 5,663	10,716	25,055	3,433	34,055	44,660	47,270	142,333	313,185

See accompanying independent auditors' report.

(Continued)

CITY OF NEW ORLEANS, LOUISIANA

Combining Statement of Net Position

Non-major Component Units

December 31, 2015

(Amounts in thousands)

Liabilities, Deferred Inflows, and Net Position	Downtown Development District	New Orleans Tourism Marketing Corporation	Orleans Parish Communication District	Municipal Yacht Harbor Management Corporation	French Market Corporation	Canal Street Development Corporation	New Orleans Building Corporation	Parish Hospital District for the Parish of Orleans District A	Total
Current liabilities (payable from current assets):									
Accounts payable	\$ 353	753	207	29	746	256	501	1,833	4,678
Other payables and accruals	57	—	115	145	350	10	53	10,839	11,569
Due to other governments	91	1,859	—	—	1,913	—	525	—	4,388
Total current liabilities (payable from current assets)	501	2,612	322	174	3,009	266	1,079	12,672	20,635
Current liabilities (payable from restricted assets):									
Accrued interest	—	—	48	—	—	—	—	—	48
Bonds payable, current portion	330	—	785	717	—	—	—	—	1,832
Deposits and other	—	—	—	25	—	—	—	—	25
Total current liabilities (payable from restricted assets)	330	—	833	742	—	—	—	—	1,905
Total current liabilities	831	2,612	1,155	916	3,009	266	1,079	12,672	22,540
Long-term liabilities:									
Revenue bonds (net of current portion)	3,935	—	2,590	—	—	—	—	—	6,525
Net pension liability	—	—	1,399	—	2,716	—	—	—	4,115
Other	1,182	42	184	—	383	—	21	93,380	95,192
Total long-term liabilities	5,117	42	4,173	—	3,099	—	21	93,380	105,832
Total liabilities	5,948	2,654	5,328	916	6,108	266	1,100	106,052	128,372
Deferred inflows of resources									
Deferred amounts related to net pension liability	—	—	234	—	429	—	—	—	663
Unavailable revenue	—	—	—	—	50	1,393	—	4,132	5,575
Total deferred inflows of resources	—	—	234	—	479	1,393	—	4,132	6,238
Net position:									
Net investment in capital assets	61	1	15,556	11	19,175	13,956	36,742	32,805	118,307
Restricted for bond debt service	261	—	929	635	—	—	—	—	1,825
Operations reserve	—	—	—	—	—	—	3,942	—	3,942
Unrestricted	(607)	8,061	3,008	1,871	8,293	29,045	5,486	(656)	54,501
Total net position	(285)	8,062	19,493	2,517	27,468	43,001	46,170	32,149	178,575
Total liabilities, deferred inflows of resources, and net position	\$ 5,663	10,716	25,055	3,433	34,055	44,660	47,270	142,333	313,185

See accompanying independent auditors' report.

CITY OF NEW ORLEANS
 Combining Statement of Activities
 Non-major Component Units
 Year ended December 31, 2015
 (Amounts in thousands)

	Program Revenues			Net (expense) revenue and changes in net position									
	Expenses	Charges for services	Operating Grants	Capital Grants	Downtown Development District	New Orleans Tourism Marketing Corporation	Orleans Parish Communication District	Municipal Yacht Harbor Management Corporation	French Market Corporation	Canal Street Development Corporation	New Orleans Building Corporation	Parish Hospital District for the Parish of Orleans District A	Total
Component units:													
Downtown Development District	\$ 5,610	—	117	—	(5,493)	—	—	—	—	—	—	—	(5,493)
New Orleans Tourism Marketing Corporation	18,675	—	—	—	—	(18,675)	—	—	—	—	—	—	(18,675)
Orleans Parish Communication District	5,298	4,768	—	—	—	—	(530)	—	—	—	—	—	(530)
Municipal Yacht Harbor Management Corporation	793	739	—	—	—	—	—	(54)	—	—	—	—	(54)
French Market Corporation	10,793	10,571	—	—	—	—	—	—	(222)	—	—	—	(222)
Canal Street Development Corporation	16,945	17,773	—	—	—	—	—	—	—	828	—	—	828
New Orleans Building Corporation	4,495	4,319	—	2,354	—	—	—	—	—	—	2,178	—	2,178
Parish Hospital District for the Parish of Orleans	39,463	24,299	16,533	—	—	—	—	—	—	—	—	1,369	1,369
Total component units	\$ 102,072	62,469	16,650	2,354	(5,493)	(18,675)	(530)	(54)	(222)	828	2,178	1,369	(20,599)
General revenue (expense):													
Interest revenue					10	1	13	16	8	28	—	1	77
Property taxes					6,628	—	—	—	—	—	—	—	6,628
Other					—	20,229	125	—	489	—	98	198	21,139
Total general revenues (expense)					6,638	20,230	138	16	497	28	98	199	27,844
Changes in net position					1,145	1,555	(392)	(38)	275	856	2,276	1,568	7,245
Net position – beginning					(1,430)	6,507	21,184	2,555	29,878	42,145	43,894	30,581	175,314
Prior period adjustments					—	—	(1,299)	—	(2,685)	—	—	—	(3,984)
Net position – beginning, as restated					(1,430)	6,507	19,885	2,555	27,193	42,145	43,894	30,581	171,330
Net position – ending					\$ (285)	8,062	19,493	2,517	27,468	43,001	46,170	32,149	178,575

See accompanying independent auditors' report.

**AFFIDAVIT OF THE CITY OF NEW ORLEANS
AS TAX COLLECTOR**

CITY OF NEW ORLEANS
(As Ex-officio Orleans Parish Tax Collector)
NEW ORLEANS, LOUISIANA

TAX COLLECTOR AGENCY FUND
Affidavit

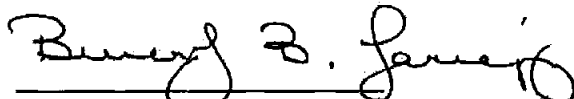
For the year ended December 31, 2015

AFFIDAVIT (Required by R.S. 24:513(B))
STATE OF LOUISIANA
PARISH OF ORLEANS

I, Norman S. Foster, Tax Collector for the Parish of Orleans, do solemnly swear that the information reflected in the Summary of Ad Valorem Tax Collections Remitted to Other Taxing Authorities, included in the footnotes of the City of New Orleans "Basic Financial Statement," is true and correctly reflects all taxes collected and distributed to my office during the period January 1, 2015 to December 31, 2015 and that the cash available for the settlement of the unsettled collections amounted to \$13,685,000 as of December 31, 2015.

The amount of taxes collected through tax sales in 2015 totaled \$2,064,819

The amount of interest on late ad valorem tax payments that was collected and disbursed during 2015 totaled \$2,158,701.



Tax Collector

Sworn to and subscribed before me, this
29th, day of June, 2016


Notary (affix seal)

Kevin C. Hill
#60194

SCHEDULE OF COMPENSATION PAID TO CITY COUNCIL

CITY OF NEW ORLEANS, LOUISIANA

Schedule of Compensation Paid to City Council

Year ended December 31, 2015

<u>New Orleans City Council</u>	<u>Compensation</u>
Stacy S. Head, Councilmember-at-Large (January 1 - December 31)	\$ 86,378
Jason R. Williams, Councilmember-at-Large (January 1 - December 31)	89,412
Susan G. Guidry, Councilmember - District A (January 1 - December 31)	91,081
Latoya W. Cantrell, Councilmember - District B (January 1 - December 31)	91,081
Nadine M. Ramsey, Councilmember - District C (January 1 - December 31)	91,081
Jared C. Brossett, Councilmember - District D (January 1 - December 31)	91,081
James A. Gray II, Councilmember - District E (January 1 - December 31)	89,412

See accompanying independent auditors' report.

**SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO THE MAYOR**

CITY OF NEW ORLEANS, LOUISIANA

Schedule of Compensation, Benefits, and other Payments to the Mayor

Year Ended December 31, 2015

Mayor Mitchell J. Landrieu

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 154,958
Benefits - retirement	34,987
Benefits - Social Security, Medicare, Workers' Compensation	9,921
Vehicle provided by government	11,339
Per diem	1,090
Travel	24,161
Registration fees	2,425
Conference travel	12,726
Cell phone	590
Fuel	2,654

See accompanying independent auditors' report.

STATISTICAL SECTION

CITY OF NEW ORLEANS, LOUISIANA

Statistical Section

This part of the City of New Orleans, Louisiana's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

- Table 1 Net Position by Component
- Table 2 Changes in Net Position
- Table 3 Fund Balances
- Table 4 Change in Fund Balances - Governmental Funds

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.

- Table 5 Assessed Value and Estimated Actual Value of Taxable Property
- Table 6 Property Tax Rates - Direct and Overlapping Governments
- Table 7 Principal Property Taxpayers
- Table 8 Property Tax Levies and Collections

Debt Capacity

These schedules contain information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt.

- Table 9 Ratio of General Obligation Bonded Debt to Assessed Value and Bonded Debt Per Capita
- Table 10 Computation of Direct and Overlapping Debt
- Table 11 Computation of Legal Debt Margin

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City financial activities take place.

- Table 12 Demographic and Economic Statistics
- Table 13 Employees by Industry

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the government provides and the activities it performs.

- Table 14 Full Time City Employees by Department
- Table 15 Capital Asset Statistics by Function
- Table 16 Operating Indicators by Function

Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year.

CITY OF NEW ORLEANS, LOUISIANA

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

(amounts in thousands)

(unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Net investment in capital assets	\$ 610,072	645,610	641,132	641,513	741,516	826,219	890,521	894,662	929,620	933,606
Restricted	61,592	97,506	92,584	85,692	60,839	59,140	81,294	113,204	124,597	113,437
Unrestricted	(534,802)	(673,078)	(853,752)	(933,305)	(748,478)	(777,932)	(942,746)	(824,454)	(1,354,303)	(1,341,228)
Total governmental activities net position	\$ <u>136,862</u>	<u>70,038</u>	<u>(120,036)</u>	<u>(206,100)</u>	<u>53,877</u>	<u>107,427</u>	<u>29,069</u>	<u>183,412</u>	<u>(300,086)</u>	<u>(294,185)</u>
Primary government										
Net investment in capital assets	\$ 610,072	645,610	641,132	641,513	741,516	826,219	890,521	894,662	929,620	933,606
Restricted	61,592	97,506	92,584	85,692	60,839	59,140	81,294	113,204	124,597	113,437
Unrestricted	(534,802)	(673,078)	(853,752)	(933,305)	(748,478)	(777,932)	(942,746)	(824,454)	(1,354,303)	(1,341,228)
Total primary government net position	\$ <u>136,862</u>	<u>70,038</u>	<u>(120,036)</u>	<u>(206,100)</u>	<u>53,877</u>	<u>107,427</u>	<u>29,069</u>	<u>183,412</u>	<u>(300,086)</u>	<u>(294,185)</u>

CITY OF NEW ORLEANS, LOUISIANA

Changes in Net Position
Last Ten Fiscal Years
 (accrual basis of accounting)
 (amounts in thousands)

(unaudited)

Expenses	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities:										
General government	\$ 219,196	203,620	322,190	296,441	321,303	242,417	382,208	248,597	262,525	310,380
Public Safety	174,530	252,474	204,749	214,899	224,915	236,058	233,745	230,231	229,968	295,707
Public Works	90,511	143,211	135,507	136,344	124,952	126,080	133,817	124,449	123,826	139,371
Health and Human Services	13,385	18,438	19,973	20,682	19,084	21,678	26,805	27,981	29,587	31,806
Culture and recreation	9,922	12,600	21,710	25,392	23,577	21,575	24,576	23,428	26,021	27,500
Urban development and housing	8,278	21,157	49,507	47,544	40,114	32,682	33,538	23,916	24,968	28,539
Economic development	6,968	6,606	17,102	24,321	10,329	8,680	8,793	12,766	8,488	7,933
Interest and fiscal charges	54,966	62,531	72,629	73,133	76,526	65,393	66,996	59,487	62,647	61,926
Total primary government expenses	<u>577,756</u>	<u>720,637</u>	<u>843,367</u>	<u>838,756</u>	<u>840,800</u>	<u>754,563</u>	<u>910,478</u>	<u>750,855</u>	<u>768,030</u>	<u>903,162</u>
Program Revenues										
Governmental Activities:										
Charges for Services:										
General government	50,768	51,749	69,937	71,578	46,153	69,191	73,770	70,692	67,016	71,912
Public Safety	16,430	20,133	29,321	28,336	17,602	37,947	36,845	22,331	19,113	28,826
Public Works	7,735	14,284	18,075	25,373	32,218	36,753	36,756	37,015	34,571	41,570
Health and Human Services	2,867	301	6,690	8,535	9,862	9,873	7,967	8,003	14,792	13,856
Culture and recreation	234	-	638	310	235	309	861	814	1,025	1,033
Urban development and housing	-	138	-	-	-	60	-	1,735	2,605	3,304
Economic development	597	4,229	170	116	890	-	2,007	-	-	-
Operating grants and contributions	77,773	134,097	105,041	143,482	170,164	142,497	143,964	139,577	119,512	125,122
Capital grants and contributions	10,256	53,237	37,301	51,230	111,859	75,728	90,434	141,650	119,963	54,091
Total primary government program revenues	<u>166,660</u>	<u>278,168</u>	<u>267,173</u>	<u>328,960</u>	<u>388,983</u>	<u>372,358</u>	<u>392,604</u>	<u>421,817</u>	<u>378,597</u>	<u>339,714</u>
Net Revenue (Expense)										
Total primary government	<u>(411,096)</u>	<u>(442,469)</u>	<u>(576,194)</u>	<u>(509,796)</u>	<u>(451,817)</u>	<u>(382,205)</u>	<u>(517,874)</u>	<u>(329,038)</u>	<u>(389,433)</u>	<u>(563,448)</u>
General Revenues										
Governmental Activities:										
Property Taxes	127,659	142,480	155,767	145,956	175,863	187,199	180,318	204,335	209,059	212,507
Sales Taxes	124,229	134,114	137,581	133,868	147,453	153,955	163,128	176,465	193,183	204,293
Other Taxes	44,172	44,324	42,191	45,332	49,567	45,787	46,953	57,134	55,875	53,616
Investment Earnings	17,862	19,580	18,251	32,791	5,301	(770)	13,470	15,231	16,851	19,724
Insurance Proceeds	-	5,257	5,866	-	-	-	-	-	-	-
Miscellaneous	1,812	29,890	51,115	65,785	67,695	47,296	29,674	29,189	22,649	79,209
Gain (loss) on impairment	-	-	-	-	-	-	-	-	-	-
Gain (loss) on sales of capital assets	-	-	(24,651)	-	-	-	-	-	-	-
Forgiveness of Debt	-	-	-	-	265,915	2,288	5,973	1,027	2,600	-
Total general revenues, transfers, and special items	<u>315,734</u>	<u>375,645</u>	<u>386,120</u>	<u>423,732</u>	<u>711,794</u>	<u>435,755</u>	<u>439,516</u>	<u>483,381</u>	<u>500,217</u>	<u>569,349</u>
Change in Net Position	<u>\$ (95,362)</u>	<u>(66,824)</u>	<u>(190,074)</u>	<u>(86,064)</u>	<u>259,977</u>	<u>53,550</u>	<u>(78,358)</u>	<u>154,343</u>	<u>110,784</u>	<u>5,901</u>

CITY OF NEW ORLEANS, LOUISIANA

Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(expresses in thousands)

(unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 4,716	16,526	7,229	680	530	-	-	-	-	-
Unreserved:										
Designated for subsequent year	65,837	40,083	17,016	15,933	13,619	-	-	-	-	-
Undesignated	29,275	41,011	35,334	(8,262)	(25,210)	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	250
Committed	-	-	-	-	-	13,934	10,661	6,036	4,735	2,080
Assigned	-	-	-	-	-	-	-	-	27,634	38,196
Unassigned	-	-	-	-	-	(17,344)	(19,997)	10,920	10,615	35,047
Total general fund	<u>\$ 99,828</u>	<u>97,620</u>	<u>59,579</u>	<u>8,351</u>	<u>(11,061)</u>	<u>(3,410)</u>	<u>(9,336)</u>	<u>16,956</u>	<u>42,984</u>	<u>75,573</u>
All Other Governmental Funds										
Reserved	\$ 105,955	158,297	186,871	130,544	149,398	-	-	-	-	-
Unreserved reported in:										
HUD	-	-	(267)	(385)	(7,493)	-	-	-	-	-
FEMA	(10,848)	(16,363)	(31,777)	(49,882)	(55,328)	-	-	-	-	-
Capital Projects	146,958	180,116	61,103	66,185	55,119	-	-	-	-	-
Louisiana Office of Community Development	-	-	-	(1,169)	(14,190)	-	-	-	-	-
Non-major Governmental	28,974	34,636	28,692	17,597	20,231	-	-	-	-	-
Nonspendable	-	-	-	-	-	6,886	5,368	2,407	1,632	1,636
Restricted	-	-	-	-	-	122,991	147,675	137,088	152,806	139,243
Committed	-	-	-	-	-	4,022	19,533	57,696	103,261	133,220
Assigned	-	-	-	-	-	17,891	10,677	225	(21,349)	308
Unassigned	-	-	-	-	-	(78,511)	(66,474)	(36,736)	(31,944)	(37,176)
Total all other government funds	<u>\$ 271,039</u>	<u>356,686</u>	<u>244,622</u>	<u>162,890</u>	<u>147,737</u>	<u>73,279</u>	<u>116,779</u>	<u>160,680</u>	<u>204,406</u>	<u>237,231</u>

CITY OF NEW ORLEANS, LOUISIANA

Change in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(expressed in thousands)

(unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
REVENUES										
Taxes	\$ 275,063	298,620	301,076	305,240	333,849	360,944	372,012	396,973	424,204	446,239
Licenses and permits	55,590	55,490	60,335	54,136	58,117	57,219	56,612	62,963	62,428	60,597
Intergovernmental	96,454	171,369	162,810	237,485	261,670	212,684	273,457	265,594	224,706	177,624
Charges for services	31,766	35,080	44,751	48,189	50,417	72,171	74,164	78,996	81,351	85,753
Program income	927	66	68	1,182	145	4,898	82	1,942	6,541	620
Fines and forfeits	8,330	12,325	18,867	26,619	33,565	38,824	37,766	35,977	32,603	44,701
Interest income	17,082	19,580	12,769	4,906	1,203	684	461	300	417	540
Contributions, gifts, donations	2,346	3,164	3,112	3,249	3,860	2,742	3,092	3,687	4,088	4,737
Miscellaneous and other	23,767	48,229	29,241	34,801	67,233	41,808	33,295	28,357	49,916	85,081
Total revenues	511,325	643,923	633,029	715,807	810,059	791,974	850,941	874,789	886,254	905,892
EXPENDITURES										
General government	185,120	188,003	209,705	231,838	245,451	226,518	240,268	209,110	234,685	264,663
Public safety	169,141	209,423	200,430	210,363	220,734	235,946	229,457	226,831	226,854	250,164
Public works	31,281	79,397	75,834	77,851	65,730	64,811	74,488	66,216	67,183	78,728
Health and human services	13,237	17,844	19,973	20,682	19,084	21,678	26,805	27,981	29,587	31,806
Culture and recreation	8,704	13,425	20,078	23,784	22,047	20,048	23,027	22,041	24,666	26,193
Urban development and housing	8,186	22,529	49,507	47,544	40,114	33,439	33,540	23,916	24,968	28,539
Economic development and assistance	6,891	8,935	17,102	24,321	10,329	9,243	8,793	12,766	8,488	7,933
Capital projects	28,544	57,154	128,993	151,878	140,928	142,715	96,535	152,947	135,780	108,485
Debt service:										
Principal	37,329	40,951	42,168	45,072	53,019	56,775	46,198	47,103	55,820	47,745
Interest and fiscal charges	58,311	58,423	66,591	66,495	69,374	63,536	63,205	57,004	61,151	68,808
Total expenditures	546,744	696,084	830,381	899,828	886,810	874,709	842,316	845,915	869,182	913,064
Revenue over (under) expenditures	(35,419)	(52,161)	(197,352)	(184,021)	(76,751)	(82,735)	8,625	28,874	17,072	(7,172)
OTHER FINANCING SOURCES (USES)										
Transfers in	15,816	93,956	10,161	26,844	72,319	21,048	28,219	55,067	66,413	76,726
Transfers in from component unit	-	-	-	42,269	40,726	-	-	-	-	-
Transfers out	(15,816)	(93,956)	(15,325)	(26,844)	(72,319)	(21,048)	(28,219)	(55,067)	(66,413)	(76,726)
Issuance of notes payable	76,214	32,748	34,373	8,458	975	-	3,500	-	12,500	-
Issuance of Go Zone Notes	35,533	-	12,345	334	485	-	-	-	-	-
Issuance of long-term debt	-	75,147	-	-	-	-	-	-	-	-
Issuance of bonds	-	-	-	-	-	15,995	363,725	40,000	40,000	162,457
Premium/Discount on issuance of long-term debt	-	-	-	-	-	-	25,800	263	182	9,617
Debt service assistance loan	-	23,549	-	-	-	-	-	-	-	-
Insurance proceeds	13,404	4,925	5,866	-	-	-	-	-	-	-
Payment to escrow agent	-	-	-	-	-	-	(319,178)	1,012	-	(99,488)
Other, net	(768)	(769)	(173)	-	-	(67)	1,102	44	-	-
Total other financing sources (uses)	124,383	135,600	47,247	51,061	42,186	15,928	74,949	41,319	52,682	72,586
SPECIAL ITEMS										
Termination of interest rate swap	-	-	-	-	-	-	(46,000)	-	-	-
Net change in fund balances	\$ 88,964	83,439	(150,105)	(132,960)	(34,565)	(66,807)	37,574	70,193	69,754	65,414
GrASB 44 debt service disclosure	18.46%	9.14%	15.51%	14.92%	16.41%	16.44%	14.74%	15.06%	15.06%	15.06%

CITY OF NEW ORLEANS, LOUISIANA

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

(in thousands of dollars)

(unaudited)

Year	Real Estate		Personal Property		Public Service Corporations	Exemption (\$)	Estimated Actual Value (\$) *	Assessed Value (\$)	Net Assessed Value (\$)
	Estimated Fair Markey Value (\$)	Total Assessed Value (\$)	Estimated Fair Markey Value (\$)	Total Assessed Value(\$)	Total Assessed Value (\$)				
2005	17,775,932,580	1,967,375,676	3,105,217,474	465,782,621	171,451,660	465,989,854	20,881,150,054	2,604,609,957	2,138,620,103
2006	12,913,532,413	1,432,380,307	2,632,156,712	394,823,507	170,463,560	328,776,640	15,545,689,125	1,997,667,374	1,668,890,734
2007	14,818,041,813	1,650,948,720	2,295,983,639	344,397,546	139,643,310	288,851,693	17,114,025,452	2,134,989,576	1,846,137,883
2008	20,949,402,557	2,297,502,715	2,630,333,393	394,550,009	144,942,530	292,878,255	23,579,735,950	2,836,995,254	2,544,116,999
2009	21,896,630,780	2,349,536,358	2,697,334,439	404,600,166	152,439,600	317,247,040	24,593,965,219	2,906,576,124	2,589,329,084
2010	23,242,887,037	2,489,801,675	2,582,226,767	387,334,015	163,911,580	362,665,406	25,825,113,804	3,041,047,270	2,678,381,864
2011	24,141,372,133	2,586,081,540	2,571,333,133	385,699,970	167,557,410	372,613,310	26,712,705,266	3,139,338,920	2,766,725,610
2012	25,689,720,400	2,760,973,210	2,606,348,213	390,952,232	183,003,600	385,256,805	28,296,068,613	3,334,929,042	2,949,672,237
2013	27,066,642,133	2,920,015,480	2,754,134,933	413,120,240	193,722,510	437,893,609	29,820,777,066	3,526,858,230	3,088,964,621
2014	27,715,785,033	2,992,593,440	2,703,429,532	405,514,430	181,055,280	448,696,881	30,419,214,565	3,579,163,150	3,130,466,269
2015	29,274,057,167	3,188,376,880	2,875,702,200	431,355,330	170,541,020	458,941,272	32,149,759,367	3,790,273,230	3,331,331,958

* Estimated Actual value does not include the Fair Market Value for Public Service Corporations

Source: Louisiana Tax Commission Report (2005-2014)

CITY OF NEW ORLEANS, LOUISIANA

Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years
(Number of Mills)

(unaudited)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Direct property tax rates:										
City alimony	\$ 15.10	15.10	15.10	15.10	15.10	11.72	11.72	11.72	16.10	16.10
Interest and redemption city bond,	25.50	25.50	25.50	25.50	25.50	25.50	23.80	23.80	31.70	38.20
Special tax dedicated to maintenance of double platoon Fire Department and triple platoon Police Department	4.27	4.27	4.27	4.27	4.27	3.11	3.11	3.11	4.27	4.27
Special tax (additional) for increase in pay to officers and members of Police and Fire Department	2.13	2.13	2.13	2.13	2.13	1.55	1.55	1.55	2.13	2.13
Special tax, Police without Homestead Exemption: Police protection,	5.26	5.26	5.26	5.26	5.26	3.98	3.98	3.98	5.26	5.26
Special tax, Fire without Homestead Exemption: Additional millages for fire protection	5.21	5.21	5.21	5.21	5.21	5.21	3.94	3.94	5.21	5.21
Special tax for establishing and maintaining a zoological garden in Audubon Park	0.32	0.32	0.32	0.32	0.32	0.32	0.32	0.32	0.44	0.44
Special tax to establish and maintain an aquarium by the Audubon Commission	2.99	2.99	2.99	2.99	2.99	2.99	2.99	2.99	4.11	4.11
Special dedicated tax to operate the Public Library,	3.14	3.14	3.14	3.14	3.14	3.14	3.14	3.14	4.32	4.32
Capital Improvements & Infrastructure Trust Fund	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82	2.50	2.50
Special tax, Neighborhood Housing Improvement	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91	1.25	1.25
Special tax, New Orleans Economic Development Fund	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91	1.25	1.25
Special tax, Parkways and Park and Recreation Department	3.00	3.00	3.00	3.00	3.00	2.18	2.18	2.18	3.00	3.00
Special tax, Street and Traffic Control Device Maintenance	1.90	1.90	1.90	1.90	1.90	1.38	1.38	1.38	1.90	1.90
Special tax for maintenance, operations and extension of the drainage system	16.43	16.43	16.43	16.43	16.43	16.43	16.03	16.43	22.59	22.59
Total direct property tax rates	88.89	88.89	88.89	88.89	88.89	81.15	77.78	78.18	106.03	112.53
Overlapping property tax rates:										
Special tax to provide funds for Board of funds for Board of Assessors	-	-	-	-	-	-	-	-	-	-
Special tax, Law Enforcement District of Orleans Parish	2.80	2.80	2.90	2.90	2.90	2.90	2.90	2.90	3.50	4.50
Special tax for Orleans Parish School Board, for support, maintenance and construction of Public Schools of the City of New Orleans as levied by said Board annually,	45.31	45.31	44.81	43.60	44.12	44.12	38.47	38.47	52.90	58.55
Subtotal overlapping property tax rates	48.11	48.11	47.71	46.50	47.02	47.02	41.37	41.37	56.40	63.05

(Continued)

CITY OF NEW ORLEANS, LOUISIANA

Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years
(Number of Mills)

(unaudited)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Orleans Levee Board	-	-	-	-	-	-	-	-	12.76	12.76
Orleans Levee District (Eastbank)	11.67	11.67	11.67	11.67	11.67	11.67	10.95	9.65	-	-
Algiers Levee District (Westbank)	12.56	12.56	12.36	12.76	12.76	12.76	9.28	9.28	-	-
Total Overlapping property tax rates										
Eastbank	59.78	59.78	59.38	58.17	58.69	58.69	52.32	51.02	69.16	75.81
Westbank	60.67	60.67	60.07	59.26	59.78	59.78	50.65	50.65	69.16	75.81
Total Eastbank	<u>\$ 148.67</u>	<u>148.67</u>	<u>148.27</u>	<u>147.06</u>	<u>147.58</u>	<u>139.84</u>	<u>130.10</u>	<u>129.20</u>	<u>175.19</u>	<u>188.34</u>
Total Westbank	<u>\$ 149.56</u>	<u>149.56</u>	<u>148.96</u>	<u>148.15</u>	<u>148.67</u>	<u>140.93</u>	<u>128.43</u>	<u>128.83</u>	<u>175.19</u>	<u>188.34</u>

Source: City of New Orleans Department of Finance Bureau of the Treasury

CITY OF NEW ORLEANS, LOUISIANA

Principal Property Taxpayers
And Nine Years Before
(Amounts in thousands)

(unaudited)

Name of Taxpayer	Type of business	2015		
		Taxable Assessed Value	Rank	Percentage of total assessed value
Entergy	Electric and gas utilities	\$ 101,230	1	3.04
Capital One Bank	Financial institution	57,188	2	1.72
Marriott Hotel	Hospitality	41,292	3	1.24
BellSouth	Telephone utilities	37,998	4	1.14
Harrah's	Hospitality and gaming	29,004	5	0.87
J P Morgan Chase Bank	Financial institution	20,119	6	0.60
International Rivercenter	Real Estate	18,886	7	0.57
Royal Sonesta Hotel	Hospitality	18,445	8	0.55
Sheraton Hotel	Hospitality	18,041	9	0.54
Folger Coffee	Coffee Roasting Plant	17,982	10	0.54

Name of Taxpayer	Type of business	2006		
		Taxable Assessed Value	Rank	Percentage of total assessed value
Energy Services	Electric and gas utilities	\$ 60,220	1	3.65
BellSouth Telecommunications	Telephone utilities	58,436	2	3.55
Hibernia National Bank	Financial institution	49,568	3	3.01
Harrah's Entertainment	Hospitality and gaming	21,178	4	1.65
Whitney National Bank	Financial institution	23,583	5	1.43
CS&M Association (Sheraton)	Real Estate	20,725	6	1.26
International River Center	Real Estate	19,058	7	1.16
Marriott Hotel Properties	Hospitality	15,271	8	0.93
J P Morgan Chase Bank	Financial institution	13,385	9	0.81
SHC New Orleans (Hyatt)	Hospitality	11,247	10	0.68

Source: City of New Orleans Department of Finance Bureau of the Treasury

CITY OF NEW ORLEANS, LOUISIANA

**Property Tax Levies and Collections
Last Ten Fiscal Years
(amounts in thousands)**

(unaudited)

Fiscal Year	Total levied	Collected within Fiscal year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent		Amount	Percentage of Levy
Real estate taxes:						
2006	219,991	194,337	88.34%	23,686	218,023	99.11%
2007	250,462	225,743	90.13%	21,675	247,418	98.78%
2008	269,746	243,204	90.16%	23,438	266,642	98.85%
2009	275,869	257,219	93.24%	15,219	272,438	98.76%
2010	309,800	291,078	93.96%	14,598	305,676	98.67%
2011	339,370	320,437	94.42%	13,717	334,154	98.46%
2012	362,262	342,248	94.48%	13,528	355,776	98.21%
2013	382,902	363,026	94.81%	11,234	374,260	97.74%
2014	393,304	375,815	95.55%	-	375,815	95.55%
2015	422,306	397,843	94.21%	11,168	409,011	96.85%
Personal property taxes:						
2006	99,477	87,878	88.34%	7,279	95,157	95.66%
2007	82,046	74,258	90.51%	3,709	77,967	95.03%
2008	67,548	59,645	88.30%	4,429	64,074	94.86%
2009	69,935	63,118	90.25%	3,444	66,562	95.18%
2010	74,530	68,508	91.92%	2,242	70,750	94.93%
2011	78,996	74,204	93.93%	1,653	75,857	96.03%
2012	81,685	78,275	95.83%	1,550	79,825	97.72%
2013	87,058	84,410	96.96%	365	84,775	97.38%
2014	84,620	81,926	96.82%	-	81,926	96.82%
2015	86,961	81,773	94.03%	1,002	82,775	95.19%

Source: City of New Orleans Department of Finance Bureau of the Treasury

CITY OF NEW ORLEANS, LOUISIANA

Ratio of General Obligation Bonded Debt to Assessed
Value and Bonded Debt per CapitaLast Ten Fiscal Years
(amount in thousands)

(unaudited)

Fiscal year	Population (1)	Assessed value real estate and personal property	General obligation bonded debt	Ratio of bonded debt to assessed value	Bonded debt per capita (2)
2006	211	1,969,461	478,420	24.29	2,267
2007	288	2,134,782	538,514	25.23	1,870
2008	312	2,844,876	523,955	18.42	1,679
2009	327	2,921,471	508,019	17.39	1,554
2010	343	3,042,025	529,219	17.40	1,543
2011	356	3,139,685	509,544	16.23	1,431
2012	369	3,339,723	470,077	14.08	1,274
2013	379	3,521,911	489,463	13.90	1,291
2014	384	3,579,163	507,081	14.17	1,321
2015	390	3,790,273	536,326	14.15	1,375

(1) Source: Bureau of Labor and Statistics - Census

(2) Bonded debt per capita not in thousands.

Note: Bonded debt does not include the effects of accretion on deep discount bonds.

CITY OF NEW ORLEANS, LOUISIANA

Computation of Direct and Overlapping Debt
Last Ten Fiscal Years
(amounts in thousands)

(unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
City of New Orleans:										
General Obligation, limited tax, and revenue bonds**	\$ 665,800	\$ 718,699	\$ 696,565	\$ 672,664	\$ 685,609	\$ 673,279	\$ 695,587	\$ 712,508	\$ 734,035	\$ 761,663
Sewerage and Water Board	24,905	23,835	22,710	21,525	20,290	18,990	17,630	16,205	14,365	12,750
Audubon Commission	47,540	50,170	52,806	51,813	48,775	49,316	28,343	26,035	23,005	19,860
Total direct City debt	738,245	792,704	772,081	746,002	754,674	741,585	741,560	754,748	771,405	794,273
Overlapping Debt: * (1)										
Orleans Parish School Board	235,668	216,868	195,363	170,898	155,411	120,130	183,796	168,939	153,803	140,575
Orleans Levee District	65,115	60,045	54,530	48,665	3,745	3,120	-	-	-	-
Total overlapping debt	300,783	276,913	249,893	219,563	159,156	123,250	183,796	168,939	153,803	140,575
Total direct and overlapping debt	<u>\$ 1,039,028</u>	<u>\$ 1,069,617</u>	<u>\$ 1,021,974</u>	<u>\$ 965,565</u>	<u>\$ 913,830</u>	<u>\$ 864,835</u>	<u>\$ 925,356</u>	<u>\$ 923,687</u>	<u>\$ 925,208</u>	<u>\$ 934,848</u>

* The percentage of overlapping debt for both School Board and Levee District are @ 100%.

** Bonded debt does not include the effects of accretion on deep discount bonds.

Sources: Orleans Parish School Board and Orleans Levee District

(1) The fiscal year for both the School Board and Levee Districts are June 30. The overlapping debt stated is for June 30 of that year.

CITY OF NEW ORLEANS, LOUISIANA

**Computation of Legal Debt Margin
Last Ten Years
(amount in thousands)**

(unaudited)

Fiscal year	Assessed value real estate and personal property	Debt Limitation 35% of total assessed value*	Amount of debt applicable to debt limitation **		Less assets in debt service fund available for retirement of General Obligation Bonds	Legal debt margin
			General Obligation Bonds ***	Effects of Accretion Deep Discount Bonds		
2006	1,969,461	875,306	478,420	234,400	61,592	224,078
2007	2,500,874	992,948	538,514	217,541	47,764	284,657
2008	2,836,994	992,948	523,955	200,040	36,922	305,875
2009	2,836,994	1,020,858	508,019	181,946	32,802	363,695
2010	2,916,737	1,098,156	529,219	163,361	30,188	435,764
2011	3,137,589	1,168,903	509,544	144,316	29,859	544,902
2012	3,339,723	1,232,669	470,077	124,844	30,826	668,574
2013	3,521,911	1,252,707	489,463	104,912	36,481	694,813
2014	3,579,163	1,326,596	507,081	84,608	40,149	775,056
2015	3,790,273	1,400,546	536,326	63,958	45,825	846,087
2016****	3,832,454					

Sources:

- * Per Act 4 of 1916 of the Legislature of the State of Louisiana as amended by Act 576 of 1966, as amended by Act 420 of 1978, as amended by Act 159 of 1984, as amended by Act 1 of 1994.
- ** Excludes revenue bonds
- *** Excludes the effects of accretion on deep discount bonds
- **** Debt limit calculation for 2014 was based on the 2015 assessment, which was available by the end of FY 2014.

CITY OF NEW ORLEANS, LOUISIANA

Demographic and Economic Statistics
Last Ten Years

(unaudited)

<u>Fiscal year</u>	<u>Population* (1)</u>	<u>Per Capita Personal Income (2)</u>	<u>Unemployment Rate (3)</u>
2006	211	53,372	5.6
2007	288	54,180	5.1
2008	312	47,514	6.0
2009	327	41,518	7.9
2010	343	40,849	8.7
2011	356	41,771	8.7
2012	369	43,421	8.0
2013	379	43,403	7.4
2014	384	46,084	7.0
2015	390	**	4.6

Source:

* U.S Bureau of Labor Statistics - 2000, 2010 Census and Projections

** 2014 Per Capita Personal Income information had not been released by the Bureau of Economic Research by the release of this report

(1) Amount in thousands

(2) Bureau of Economic Analysis, Local Area Personal Income

(3) United States Department of Labor, Bureau of Labor Statistics (Not Seasonally Adjusted Average Yearly Rate)

CITY OF NEW ORLEANS, LOUISIANA

Employees by Industry
Last Ten Years

(unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Agriculture, forestry, fishing and hunting	50	60	58	26	22	32	39	77	86	68
Mining	3,706	3,659	3,819	3,618	3,253	2,867	2,391	2,422	2,589	2,144
Utilities	1,305	1,102	1,173	1,163	918	906	921	908	933	962
Construction	6,861	5,448	4,793	5,285	5,388	5,419	5,357	5,691	6,031	4,935
Manufacturing	6,837	7,795	7,642	5,929	4,959	4,536	4,031	3,918	4,187	4,114
Wholesale trade	4,459	4,485	4,415	4,002	3,881	3,896	3,750	3,508	3,845	3,835
Retail trade	9,611	11,342	12,614	12,284	12,057	12,428	12,926	13,372	14,965	15,792
Transportation and warehousing	9,308	8,639	8,412	7,885	7,827	8,259	8,448	8,416	9,049	9,191
Information	3,454	3,571	4,846	3,033	3,644	3,724	4,700	4,217	3,442	4,646
Finance and insurance	5,998	6,078	5,932	5,546	5,475	5,468	5,409	5,077	5,570	5,993
Real estate and rental and leasing	2,130	2,293	2,266	2,222	2,241	2,460	2,587	2,648	2,963	3,028
Professional and technical services	13,518	13,222	13,663	13,815	14,410	14,709	14,671	15,890	15,990	16,040
Management of companies and enterprises	2,908	3,334	3,374	3,404	3,335	3,396	3,348	2,987	2,609	2,760
Administrative and waste services	10,518	10,975	9,921	9,248	9,338	9,439	9,864	9,663	10,846	12,157
Educational services	16,241	18,496	19,582	20,530	20,829	20,997	21,303	22,570	21,950	23,026
Health care and social assistance	14,276	17,421	19,865	20,858	20,796	21,171	21,239	20,439	22,867	24,231
Arts, entertainment, and recreation	5,161	6,189	6,833	4,696	4,955	4,975	5,056	5,280	5,722	6,215
Accommodation and food services	19,166	23,847	25,146	27,300	28,949	31,410	33,162	34,093	35,214	37,988
Other services, except public administration	4,217	5,099	5,196	5,046	5,082	5,277	5,509	5,401	5,495	6,051
Public administration	11,840	11,681	12,003	12,222	12,796	12,308	12,154	12,141	11,965	12,094
Total	151,564	164,736	171,553	168,112	170,155	173,677	176,865	178,718	186,318	195,270

Source: Louisiana Workforce Commission

CITY OF NEW ORLEANS, LOUISIANA

Full Time City Employees by Department
Four Fiscal Years

(unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Aviation	111	114	111	117	114	186	164	161	170	148
Chief Administrative Office	61	65	61	76	89	96	99	96	98	95
City Council	49	59	49	62	63	63	63	63	71	65
City Planning	10	16	10	21	20	22	22	20	16	22
Civil Service	14	18	14	21	23	19	18	17	22	23
Neighborhood One/NHIF	42	62	42	100	102	104	110	106	101	103
Coroner's Office	11	12	1	15	14	15	14	15	17	19
Criminal District Court/Clerk	78	88	78	89	89	90	87	81	67	74
Finance	69	84	69	90	90	125	114	115	110	110
Fire	687	685	687	731	750	753	711	662	635	601
French Market	18	25	18	31	31	40	40	47	55	54
Hcalth	164	189	164	219	218	202	219	227	239	184
Historic Districts	6	9	6	9	10	8	8	9	9	9
Inspector General	-	-	-	28	23	34	34	34	31	27
Juvenile Court	28	27	28	25	47	44	46	40	31	29
Law	54	52	54	69	62	62	60	59	60	68
Library	81	88	81	128	150	162	192	191	190	184
Mayor's Office	75	110	75	119	131	168	165	177	186	190
Recreation	33	42	33	108	109	132	127	147	176	101
Mosquito Control	33	36	33	2	32	28	32	26	31	22
Municipal Court	55	57	55	96	56	46	46	48	63	49
Museum of Art	22	18	22	16	14	12	11	9	9	10
Parks and Parkways	85	107	85	123	117	115	134	123	125	124
Police	1,649	1,680	1,649	1,839	1,725	1,591	1,498	1,432	1,419	1,511
Police Secondary Employment	-	-	-	-	-	-	-	9	9	11
Property Management	73	72	73	74	72	69	68	65	59	70
Public Works	95	128	95	138	129	124	115	124	123	188
Rivergate Development Corporation	2	3	2	2	4	4	4	4	4	4
Safety & Permits	61	65	61	96	95	81	82	84	81	83
Sanitation	33	23	33	28	27	26	24	31	33	42
Sewerage and Water Board	948	884	948	963	985	999	991	1,024	1,060	1183
Traffic Court	53	65	53	83	88	86	72	69	69	61
Vieux Carre'	2	4	2	4	4	5	5	4	4	5
Welfare	20	26	20	31	36	44	41	37	38	32
Workforce Investment Act	7	8	7	7	6	6	5	7	4	6
Municipal Yacht Harbor	4	2	4	2	3	4	4	4	4	4
Audubon Park	3	1	3	-	-	-	-	-	-	-
	<u>4,736</u>	<u>4,924</u>	<u>4,726</u>	<u>5,562</u>	<u>5,528</u>	<u>5,565</u>	<u>5,425</u>	<u>5,367</u>	<u>5,419</u>	<u>5,511</u>

Source: City of New Orleans Civil Service.

CITY OF NEW ORLEANS, LOUISIANA

Capital Asset Statistics by Function
Last Ten Fiscal Years

(unaudited)

Function:	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Fire and Emergency Services:										
Number of Stations:										
Police	8	8	8	8	8	8	8	8	8	8
Fire	30	30	30	30	30	30	30	30	30	32
Recreation (1)										
Active Playground (1)	*	*	*	*	*	*	*	30	33	33
Passive Playground (2)	*	*	*	*	*	*	*	71	72	72
Recreation Centers (3)	*	*	*	*	*	*	*	10	10	10
Stadiums	*	*	*	*	*	*	*	8	8	8
Pools (3)	*	*	*	*	*	*	*	14	15	15
Tennis Locations (3)	*	*	*	*	*	*	*	10	10	10
Dog Run	*	*	*	*	*	*	*	1	1	1
Roads:										
Miles of roads maintained	*	*	*	*	*	*	1,653	1,653	1,653	1,652

Sources: City of New Orleans Police, Fire, Recreation, Recreation, and Public Works Departments.

(1) Location where paid staff delivers programs

(2) No paid staff to provide structured programs

(3) Includes at least one facility that is not operational

* Information not available for these years.

CITY OF NEW ORLEANS, LOUISIANA

Operating Indicators by Function
Last Ten Fiscal Years

(unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police Department:										
Response to Phone Emergencies	181,745	197,049	189,436	163,135	215,336	311,949	232,052	284,224	191,719	181,290
911 Responses	323,378	399,609	433,926	416,665	427,833	481,902	565,888	642,653	589,317	585,662
Field Operations Bureau Investigations										
clearance rate for crimes against persons	*	*	*	*	*	43%	41%	40%	40%	34%
Field Operations Bureau Investigations										
clearance rate for crimes against property	*	*	*	*	*	13%	15%	13%	14%	16%
Number of Driving While Intoxicated (DWI) arrests	*	*	*	*	*	1,624	1,232	1,392	1,473	1,214
Fire Department:										
Response to Phone Emergencies	35,497	30,063	32,436	31,828	31,460	27,755	18,831	19,514	25,409	26,056
911 Responses	9,410	9,442	9,712	8,581	8,027	8,544	8,695	9,542	8,316	8,701
Number of commercial and industrial structures inspected	*	*	*	*	*	2,854	3,395	3,872	4,872	5,817
Percent of response times under 6 minutes 20 seconds	*	*	*	*	*	79%	75%	74%	74%	71%
EMS:										
Response to Phone Emergencies	25,964	28,716	37,324	28,306	26,373	25,823	19,137	20,904	21,118	25,420
911 Responses	25,326	34,134	31,224	40,048	45,825	50,597	56,740	70,690	60,181	64,529
Percent of Emergency Medical Service responses for acute cases within 12 minutes	*	*	*	*	*	81%	77%	76%	80%	74%
Law										
Number of public records requests completed	*	*	*	*	*	573	563	1,047	891	1,080
Number of tax and public nuisance cases filed before the ABO Board	*	*	*	*	*	227	324	268	224	122
Sanitation										
Garbage Tonnage Collected	114,427	206,663	221,564	192,626	1,779,068	164,238	173,333	164,556	180,728	*
Number of illegal dumping sites cleared	*	*	*	*	*	1,013	972	2,135	2,832	1,916
Number of tons of recyclable material collected	*	*	*	*	*	3,627	6,138	6,650	7,317	7,300
Public Works										
Number of potholes filled	*	*	*	*	*	53,309	60,401	31,263	25,168	78,054
Number of catch basins cleaned	*	*	*	*	*	3,339	5,364	2,839	3,178	7,611
Number of streetlight outages restored	*	*	*	*	*	10,925	12,500	19,356	3,687	9,180
Number of parking citations	*	*	*	*	*	302,653	290,214	315,778	257,274	338,477
Number of tows	*	*	*	*	*	12,499	11,093	14,480	17,578	17,055
Number of boots	*	*	*	*	*	4,399	6,702	7,489	7,632	11,833

CITY OF NEW ORLEANS, LOUISIANA

Operating Indicators by Function
Last Ten Fiscal Years

(unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	
Capital Projects										
Percent of projects delivered on schedule	*	*	*	*	*	79%	80%	79%	79%	82%
Property Management										
Number of work order requests completed	*	*	*	*	*	2,551	2,855	3,691	3,774	2,915
Percent of work orders/service requests completed within 30 days	*	*	*	*	*	68%	83%	91%	92%	94%
Code Enforcement										
Number of Code Enforcement inspections	*	*	*	*	*	23,523	11,931	15,193	16,539	14,280
Number of properties brought to hearing	*	*	*	*	*	4,701	3,261	3,111	4,010	3,365
Number of blighted properties brought into compliance	*	*	*	*	*	946	642	836	1,041	887
Number of blighted units demolished	*	*	*	*	*	2,030	1,234	329	212	180
New Orleans Recreation Development Commission										
Number of youth athletic program registrants	*	*	*	*	*	8,113	7,998	7,561	7,876	*
Number of cultural events offered	*	*	*	*	*	45	76	57	103	*
Parks & Parkways										
Number of acres mowed	*	*	*	*	*	19,681	19,485	19,795	18,801	20,800
Number of emergency tree service requests completed	*	*	*	*	*	629	1,061	915	447	598
Library										
Number of items circulated (checked-out)	*	*	*	*	*	880,638	1,141,002	1,067,472	1,143,210	1,182,500
Information Technology & Innovation										
Call abandonment rate for the Service Desk	*	*	*	*	*	25%	16%	9%	13%	8%
Percent of critical ITI projects delivered on schedule	*	*	*	*	*	53%	70%	67%	61%	58%
Equipment Maintenance Division										
Number of gallons of fuel dispensed	*	*	*	*	*	1,903,872	1,786,898	1,676,255	1,600,663	1,604,600

Sources: Orleans Parish Communication District and Office of Performance and Accountability

* Information not available.